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CARLOS PEREZ-GARCIA, et al.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO – NORTH COUNTY
(*UNLIMITED JURISDICTION*)

CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, and MARIO LOPEZ, on behalf of themselves and all others similarly situated, and the general public, and as "Aggrieved Employees" on behalf of other "Aggrieved Employees" under the Private Attorneys General Act of 2004,

Plaintiffs,

vs.

SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION; EDWARD NEFF, an individual; and DOES 1 to 25, inclusive,

Defendants.

Case No.: 25CU050624N

DECLARATION OF MARALLE MESSRELIAN IN SUPPORT OF PLAINTIFFS' UNOPPOSED MOTION FOR APPROVAL OF PAGA SETTLEMENT

Action filed: 09/22/2025
Hearing Date: 11/06/2026
Hearing Time: 1:30 p.m.
Hearing Dept: N-31, Hon. Victor M. Torres

DECLARATION OF MARALLE MESSRELIAN

I, MARALLE MESSRELIAN, declare and state as follows:

1. I am an attorney duly licensed to practice before all the Courts of the State of California. I am the managing attorney of MM Law, APC (the "Firm") and the attorney of record for Plaintiffs Carlos Perez-Garcia, Saul Ramirez, Adela Robles, Margarita Robles, Maria Reyes and Mario Lopez in this action against Defendants Systems Machines Automation Components Corporation ("SMAC") and Edward Neff (collectively, "Defendants"). Plaintiffs Carlos Perez-Garcia and Margarita Robles are the plaintiffs who assert the eighth cause of action for civil penalties under the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698 et seq. ("PAGA"), on behalf of themselves, the Aggrieved Employees, and the State of California.

2. Except as otherwise indicated, I have personal knowledge of all matters set forth herein and, if called as a witness, could and would competently testify thereto under oath.

3. A true and correct copy of the PAGA Settlement Agreement (the "Settlement" or "Agreement") is attached hereto as **Exhibit 1**.

Factual and Procedural Background

4. SMAC manufactures precision programmable electric actuators and employs non-exempt hourly employees at a single facility located at 5807 Van Allen Way, Carlsbad, California. Plaintiffs are all former SMAC hourly employees. SMAC employed Plaintiff Carlos Perez-Garcia from in or around September 2000 until on or around June 30, 2025, as a laborer, machine operator and assembler, at a latest rate of pay of approximately $21.22 per hour. SMAC employed Plaintiff Margarita Robles from on or around May 20, 2019 until on or around June 30, 2025, in its Assembly/Bobbin and Deburring departments, at a latest rate of pay of approximately $18.04 per hour. Both worked for SMAC during the PAGA Period. Plaintiffs Saul Ramirez, Adela Robles, Maria Reyes and Mario Lopez did not work for SMAC during the PAGA Period and are therefore not Aggrieved Employees under the Settlement.

5. Plaintiffs complied with the procedures of Labor Code § 2699.3 for bringing suit under the PAGA. On July 16, 2025, Plaintiff Carlos Perez-Garcia, on behalf of himself and

SMAC's other California non-exempt employees (hereafter collectively the "Aggrieved Employees") gave written notice by electronic service to the California Labor and Workforce Development Agency ("LWDA") and via certified mail to SMAC of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations (the "LWDA Notice"). On November 3, 2025, Plaintiff Margarita Robles submitted a supplemental notice to the LWDA and to Defendants, which also identified Edward Neff as a potential defendant. The notices were assigned LWDA Case No. LWDA-CM-1112439-25. True and correct copies of Plaintiffs' PAGA Notices are collectively attached hereto as **Exhibit 2**.

6. On September 22, 2025, Plaintiff Carlos Perez-Garcia filed a class and representative complaint against SMAC in the Superior Court of California, County of San Diego. On November 3, 2025, Plaintiffs filed the First Amended Class Action Complaint (the "Operative Complaint"), which added Edward Neff as a defendant and added Saul Ramirez, Adela Robles, Margarita Robles, Maria Reyes and Mario Lopez as named plaintiffs. The Operative Complaint alleges nine causes of action for: (1) failure to pay all wages earned for all hours worked at the correct rates of pay; (2) failure to provide rest periods; (3) failure to provide meal periods; (4) failure to indemnify for necessary business expenditures; (5) failure to provide accurate itemized wage statements; (6) failure to pay wages owed every pay period; (7) failure to pay wages when employment ends; (8) civil penalties under the PAGA; and (9) unfair competition. A true and correct copy of the Operative Complaint is attached hereto as **Exhibit 3**.

7. On November 14, 2025, SMAC filed its Answer to the Complaint. On January 7, 2026, Defendant Edward Neff filed his Answer to the First Amended Complaint. True and correct copies of Defendants' Answers are collectively attached hereto as **Exhibit 4**.

8. Upon mutual agreement of the Parties, on August 20, 2026, the Parties participated in a full-day mediation session with the Honorable James Lambden (Ret.) of ADR Services, Inc., an experienced and well-regarded neutral, who has considerable experience mediating complex wage and hour actions.

9. The negotiations during the mediation were adversarial and contentious, although professional in nature. The Parties did not reach agreement at the mediation itself. Justice Lambden issued a Mediator's Proposal, which the Parties accepted on August 21, 2026. Notably, in advance of the mediation, the Parties engaged in informal discovery regarding SMAC's policies, practices, operations, time and payroll information, and other topics. Specifically, Defendants provided PAGA Counsel with information and documents relating to the Aggrieved Employees, including timekeeping and payroll data for a twenty percent sample of the non-exempt employees who worked during the PAGA Period. Defendants also produced Plaintiffs' personnel files, timekeeping records, and earnings statements. Through extensive, arm's length negotiations, and only after discovery and investigation were performed, the Parties agreed to settlement terms. Now that the Parties have finalized the PAGA Settlement, Plaintiffs submit the PAGA Settlement to this Court for approval.

10. While Defendants have agreed to the PAGA Settlement, Defendants deny any liability or wrongdoing of any kind whatsoever associated with this action. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.

11. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiffs' claims, the defenses thereto, and the Labor Code violations claimed by Plaintiffs. I am experienced in prosecuting PAGA lawsuits. Counsel for the Defendants are experienced in defending PAGA cases. Based on the Parties' own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the Settlement for the consideration and on the terms set forth in the Agreement are fair, reasonable and adequate and are in the best interests of Plaintiffs, the Aggrieved Employees, the State, and Defendants in light of all known facts and circumstances and the risks inherent in litigation.

12. The Settlement of a PAGA claim requires court approval. Lab. Code §2699(s)(2). The Court necessarily has broad discretion in making the decision to approve or reject a settlement for civil penalties as the statutory scheme authorizes the Court to determine whether,

in certain circumstances, penalties should be assessed and, if so assessed, the appropriate amount of penalties based on the facts and circumstances of the particular case. Although the PAGA does not set forth the particular standards against which a PAGA settlement should be evaluated, the LWDA has provided guidance for approval that mirrors the standards for evaluating class action settlements.

13. PAGA imposes two requirements for the settlement of a PAGA claim. Both are met here. First, any civil penalties recovered, whether by judgment or settlement, must be distributed as follows: 65 percent to the LWDA, and the remaining 35 percent to the aggrieved employees. See *Moorer v. Noble L.A. Events, Inc*. (2019) 32 Cal.App.5th 736, 742; Cal. Lab. Code, § 2699(m). The Parties' Settlement so provides (See **Exhibit 1**). Second, the LWDA must be given notice of the settlement so that it may be heard before the Court decides whether to grant approval. Cal. Lab. Code § 2699(s)(2). Here, notice is being given to the LWDA concurrently with the filing of this motion. A true and correct copy of Plaintiffs' submission with the LWDA and a confirmation email is attached as Exhibit 8. As a result, Plaintiffs have met all procedural statutory requirements for settling a PAGA action.

My Experience and Qualifications

14. In 2003, I earned a Bachelor of Science degree with a major in Accounting from California State University, Northridge. In 2017, I earned a Juris Doctor degree from Southwestern University School of Law.

15. In December of 2017, the Supreme Court for the State of California admitted me as an Attorney and Counselor at Law and licensed me to practice law in all the Courts of this State.

16. I am experienced in handling employment law matters and specifically wage and hour cases. I have been practicing law since 2017. My experience has been almost exclusively in the area of employment law representing employees with claims of wrongful termination, harassment, whistleblower retaliation, discrimination, wage and hour, and family and medical leave violations. I am a member of the California Employment Lawyers Association (CELA).

17. In my representation of employees, I have prosecuted numerous lawsuits on behalf of employees with claims of meal and rest period and overtime violations and other wage claims, and I have been involved in the prosecution of numerous wage and hour class and representative actions at various stages of litigation. A small sampling of the wage and hour class and representative action cases in which I have been counsel of record is as follows:

a) *Joshua Silva v. Payo Laboratories, Inc*., *et al*., San Luis Obispo County Superior Court, Case No. 19CV-0689 (appointed Class Counsel and granted final approval of class action settlement by the court).

b) *Mervin Perkins v. CC Venice, LLC, et al.,* Los Angeles Superior Court, Case No. BC703660 (appointed Class Counsel and granted final approval of class action settlement by the court).

c) *Jashar Bryant v. Pinnacle Cabling & Construction, Inc., et al*., Orange County Superior Court, Case No. 30-2020-01123094-CU-OE-CXC (appointed Class Counsel and granted final approval of class action settlement by the court).

d) *Collins v. Spa Products Import & Distribution Co., LLC*, et al., Los Angeles County Superior Court, Case No. 19STCV10586 (granted final approval of class action settlement by the court)

e) *Sabrina Slater v. Avalon Care Center – Sonora, L.L.C., et al*., Tuolumne County Superior Court, Case No. CV62006 (granted final approval of class action settlement by the court)

f) *Violet Avalos v. Smithcare Incorporated, et al*., Tulare County Superior Court, Case No. VCU272975 (granted final approval of class action settlement by the court)

g) *David Contreras v. HTX Services LLC, et al*., Los Angeles County Superior Court, Case No. 19STCV43405 (granted final approval of class action settlement by the court)

h) *Devin Cherry v. LA Corral Three, Inc., et al.,* Kern County Superior Court, Case No., BCV-18-101817-DRL (granted final approval of class action settlement by the court)

i) *Vikki Curl and Anthony J. Gratton v. Reel Security Corp., et al.,* Los Angeles County Superior Court, Case No. 18STCV09302 (granted final approval of class action settlement by the court)

j) *Corrine Lashbrook and Joshua Sweat v. Andy's BP, Inc., et al.,* San Mateo County Superior Court, Case No. 19CIV02344 (granted final approval of class action settlement

by the court)

k) *Stephen Aguirre and Christopher Walls v. Anlin Industries*, Fresno County Superior Court, Case No. 17CECG04326 (order and judgment approving PAGA settlement by the court)

l) *Rebecca Mallory v. Odyssey Healthcare Operating A, L.P.*, Kern County Superior Court, Case No. BCV-19-102735 (order and judgment approving PAGA settlement by the court)

m) *Wendy Chavez v. Texas De Brazil (Fresno) Corporation, et al*., Fresno County Superior Court, Case No. 19CECG04249 (order and judgment approving PAGA settlement by the court)

n) *Kevin Littleton v. Lincoln Military Property Management LP*., San Diego County Superior Court, Case No. 37-2018-00061799-CU-OE-NC (order and judgment approving PAGA settlement by the court)

o) *Krystal Thomas v. Choice Physicians Network, Inc., et al*., San Bernardino County Superior Court, Case No. CIVDS2013964 (order and judgment approving PAGA settlement by the court)

p) *Otina Sengvong v. Probuild Company, LLC, et al*., United States District Court, Southern District of California, Case No. 3:19-cv-02231-MMA (JLB) (granted final approval of class action settlement by the court)

q) *Orland Perez Avalos v. Milagros Restaurant LLC, et al*., San Mateo County Superior Court, Case No. 22-CIV-01222 (order and judgment approving PAGA settlement by the court)

r) *David Xiqui Vasquez v. The Province LLC, et al*., Santa Clara County Superior Court, Case No. 22CV397541 (order and judgment approving PAGA settlement by the court)

s) *Manuel Melendrez v. Clean Auto Inc., et al*., San Mateo County Superior Court, Case No. 22CIV01967 (order and judgment approving PAGA settlement by the court)

t) *Arturo Vera Lopez v. Green Valley Landscape, et al*., Monterey County Superior Court, Case No, 22CV003751 (order and judgment approving PAGA settlement by the court)

u) *Erasmo Gomez v. A-1 Jay's Machining, Inc., et al*., Santa Clara County

Superior Court, Case No. 22CV394795 (order and judgment approving PAGA settlement by the court)

v) *Iris Rodriguez v. Facility Masters, Inc*., Santa Clara County Superior Court, Case No. 23CV423999 (order and judgment approving PAGA settlement by the court)

w) *Mariana Ruelas v. Vista La Mesa Senior Living, Inc., et al*., San Diego Superior Court, Case No. 37-2023-00050755-CU-OE-CTL (order and judgment approving PAGA settlement by the court).

x) *Jose Angel Lopez v. Moreno & Associates, Inc., et al*., Santa Clara Superior Court, Case No. 23CV422622 (order and judgment approving PAGA settlement by the court).

y) *Irma Tapia v. Posada Associates, et al*., Santa Cruz Superior Court, Case No. 23CV00355 (order and judgment approving PAGA settlement by the court).

z) *Andres Ibarra v. Stadco*, et al. Los Angeles Superior Court, Case No. 23STCV26591 (order and judgment approving PAGA settlement by the court).

aa) *Alfredo Betancourt v. L3 Technologies, Inc*., San Mateo County Superior Court, Case no. 23-CIV-05704 (appointed Class Counsel and granted final approval of class action settlement by the court).

bb) *Eduardo Martinez Guizar v. Air Culinaire Worldwide, LLC*, Santa Clara County Superior Court, Case No. 23CV415879 (order and judgment approving PAGA settlement by the court).

cc) *Jesse Altamirano v. Weber Metals, Inc*., Los Angeles Superior Court, Case No. 24STCV05326 (order and judgment approving PAGA settlement by the court).

dd) *Noriell Hoff v. Anthem Mechanical, et al*., Riverside County Superior Court, Case No. CVRI2401199 (order and judgment approving PAGA settlement by the court).

ee) *Lukas Javier v. Hyatt Corporation dba The Seabird*, San Diego County Superior Court, Case No. 37-2024-00018273-CU-OE-NC (order and judgment approving PAGA settlement by the court).

ff) *Nathalie Barcenas v. El Toro Meat Shop*, Orange County Superior Court, Case No. 30-2023-01351414-CU-OE-CXC (order and judgment approving PAGA settlement by the court).

gg) *Ruben Ortiz Salgado v. Bob Baffert Racing, Inc.*, Los Angeles County

Superior Court, Case No. 24STCV00686 (appointed Class Counsel and granted final approval of class action settlement by the court).

hh) *Edgar Herrera v. Environmental Remedies, Inc., et al*., Alameda County Superior Court, Case No. 24CV092901 (order and judgment approving PAGA settlement by the court).

ii) *Sahid Irad Magana Segura v. DWH Restaurants, Inc., et al*., Santa Clara County Superior Court, Case No. 24CV428664 (order and judgment approving PAGA settlement by the court).

jj) *Bethany Clayton, et al. v Saltie Girl LA LLC*, Los Angeles Superior Court Case No. 25STCV14374 (order and judgment approving PAGA settlement by the court).

kk) *Edilberto Paredes v. Heritage Landscape Services, Inc., et al*., San Diego Superior Court, Case No. 37-2024-00004064-CU-OE-CTL (appointed Class Counsel and granted final approval of class action settlement by the court).

ll) *Cruz De Leon Serrano, et al. v. Kohana Coffee, LLC, et al*., Contra Costa Superior Court, Case No. C24-02642 (appointed Class Counsel and granted final approval of class action settlement by the court).

mm) *Adolfo Lozoya Ramirez v. Bemus Landscape, Inc*., Los Angeles Superior Court, Case No. 24STCV08944 (order and judgment approving PAGA settlement by the court).

nn) *Noe Sandoval-Orozco v. Northwest Landscape Maintenance Company*, Santa Clara County Superior Court, Case No. 24CV445484 (appointed Class Counsel and granted final approval of class action settlement by the court).

Exposure and Risk Analysis

18. The PAGA Settlement warrants a presumption of fairness for several reasons: (1) The Parties reached the Settlement through arm's-length bargaining with the aid of a respected mediator; (2) The Parties conducted sufficient investigation and discovery to allow Counsel and the Court to act intelligently. Plaintiffs requested and Defendants provided the number of Aggrieved Employees, the number of total pay periods during the PAGA Period, all policies in effect during the PAGA Period, and payroll and time punch data for a twenty percent

sample of SMAC's California non-exempt employees for the relevant period; and (3) Counsel for the Parties are experienced with PAGA cases. Moreover, neither Plaintiffs nor I have any conflicts of interest with the absent Aggrieved Employees and there are no issues of ascertainability.

19. I considered various sources of information in the lead-up to and during the mediation of August 20, 2026 that enabled Plaintiffs to achieve the Settlement at issue. Among other things, Plaintiffs considered the following:

- Defendants produced and PAGA Counsel reviewed Plaintiffs' personnel files, timekeeping records, and earnings statements.
- PAGA Counsel requested that Defendants provide any and all policies regarding overtime and double-time wages, off the clock work, expense reimbursement, meal periods, rest breaks, meal period waivers and agreements, compensation plans, and complaints about working conditions in effect during the relevant time period beginning in July of 2024. Defendants produced their pertinent wage and hour policies, including those contained within the employee handbook and its revisions.
- PAGA Counsel requested that Defendants provide the total number of employees, paychecks, and the pay cycles during the relevant PAGA Period. Defendants provided the answers to each of these questions.
- Defendants provided PAGA Counsel with payroll and time punch data for a twenty percent sample of the non-exempt employees who worked at SMAC's Carlsbad facility during the PAGA Period, randomly selected by my office from a master list of employee identification numbers.
- PAGA Counsel then retained a professional data analyst, James Toney, to examine the records and determine the meal period violation rates, if there was any pay discrepancy in timesheet hours versus paid hours, and if there was any rounding/time shaving issues. Plaintiffs are prepared to provide the Court with the data analysis for in camera inspection upon its request.
- PAGA Counsel analyzed the state of caselaw on PAGA claims, meal and rest break violations, claims for "off the clock" work and business expense reimbursement, especially as it relates to the 2024 amendments to the PAGA.

20. Defendants represented that there are 59 Aggrieved Employees who worked a total of 2,349 PAGA Pay Periods during the PAGA Period of July 16, 2024 through September 21, 2026. Agreement, ¶ 4.1. Based on this information, PAGA Counsel prepared an estimate of the maximum possible civil penalties under the PAGA. The maximum possible civil penalty is the total number of pay periods with one or more violations multiplied by the maximum possible civil penalty amount per pay period.

21. In valuing the claim, PAGA Counsel did not aggregate civil penalties across every predicate statute. PAGA Counsel is unaware of any California state court decision awarding a plaintiff and the aggrieved employees he or she represents multiple civil penalties for the same pay period under different Labor Code provisions, and at best Plaintiffs could hope to recover one penalty for each pay period regardless of how many different violations potentially occurred during that period. Labor Code section 2699, subdivision (i), independently bars an aggrieved employee from collecting a civil penalty for any violation of Labor Code sections 201, 202 or 203, for a violation of section 204 that is not willful, or for a violation of section 226 that is neither knowing nor intentional, in addition to the penalty recovered for the underlying unpaid wage violation, and Plaintiffs' fifth, sixth and seventh causes of action all derive from the same alleged failure to pay wages. PAGA Counsel therefore valued the PAGA claim on the basis of Plaintiffs' two strongest disputed claims, the meal period claim and the rest period claim, and treated the meal period claim as the principal driver of value.

22. Assuming a violation in every one of the 2,349 PAGA Pay Periods, the maximum civil penalty on those two claims is $352,350.00, consisting of $117,450.00 on the meal period claim at $50.00 per pay period and $234,900.00 on the rest period claim at $100.00 per pay period.

23. The parties disputed the violation rate. For most of the PAGA Period SMAC used a facility-wide lunch bell and automatically deducted a thirty-minute meal period from its time records, so the records do not show whether a meal period was taken. Scored against those records, the meal period violation rate is approximately 97 percent, which values the meal period claim at approximately $114,000.00. Defendants contend that an automatic deduction does not establish that any meal period was missed, late or short. After SMAC stopped the automatic deduction, employees recorded their own meal periods beginning in October 2025, and on the 1,419 shifts for which those records exist, the data analysis revealed a violation rate of 21.6 percent, which values the claim at approximately $25,369.00. Plaintiffs would have had to prove the higher rate at trial.

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24. The most significant legal risk is the cap imposed by the 2024 amendments to the PAGA. Because the PAGA notice in this action was given on July 16, 2025, the amended statute governs. Lab. Code, § 2699, subd. (v). Under Labor Code section 2699, subdivision (h)(1), where an employer has taken all reasonable steps to be in compliance with the provisions identified in the notice within 60 days after receiving it, the civil penalty recoverable "shall not be more than 30 percent of the penalty sought." The meal period practice was the violation Plaintiffs identified, and SMAC changed it almost immediately. Defendants contend, and produced records tending to show, that SMAC advanced its facility-wide meal period bell from 12:00 p.m. to 11:30 a.m. effective August 11, 2025, twenty-six days after the PAGA notice; advanced it again to 11:00 a.m. effective November 24, 2025; eliminated the practice of automatically deducting a fixed thirty-minute meal period; reconfigured its timekeeping system to require employees to record their own meal periods; engaged an outside human resources company beginning August 18, 2025 to review and update its handbook and its payroll and timekeeping systems; and implemented timekeeping attestations. Section 2699, subdivision (h)(2), further provides that the continued existence of a violation despite the steps taken "is insufficient to establish that an employer failed to take all reasonable steps," and directs the Court to consider "the size and resources available to the employer," a factor that favors a single-facility manufacturer employing fewer than sixty hourly workers. If the Court were to apply the 30 percent cap to the meal and rest period claims, the recoverable penalty would be no more than $105,705.00. The Gross Settlement Amount of $60,000.00 is approximately 57 percent of that figure, and more than twice the value of the meal period claim at the observed 21.6 percent violation rate.

25. There are also substantial proof problems on the meal period claim itself. To establish a meal period violation, a plaintiff must do more than show that a meal period was not taken. *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004. So long as an employer provides a reasonable opportunity to take a duty-free meal period, it has no further duty to police meal periods and ensure that no work is performed thereafter. Id. at pp. 1040-1041. "Thus, the crucial issue with regard to the meal break claim is the reason that a particular

employee may have failed to take a meal break." *Washington v. Joe's Crab Shack* (N.D.Cal. 2010) 271 F.R.D. 629, 641. Determining from time records the reasons a meal period appears short or late, and identifying the days on which Aggrieved Employees actually worked during their meal periods, would require individualized proof that the automatic deduction makes harder still. Defendants also contend that the facility-wide bell schedule provided compliant meal and rest periods throughout the PAGA Period. The rest period claim cannot be valued from records at all. Employers are not required to record rest periods, those periods are paid, and SMAC kept no record of them. Plaintiffs' damages model assumed a violation on every shift longer than 3.5 hours because the bell schedule placed both rest breaks on one side of the lunch bell for part of the PAGA Period, but that assumption rests on the schedule rather than on evidence that any particular employee was denied a break. The claim would have turned entirely on testimony.

26. Finally, the PAGA gives the Court discretion to award a lesser amount than the maximum penalty. Lab. Code, § 2699, subd. (e)(2) (a court "may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory"); *see also Thurman v. Bayshore Transit Management, Inc*. (2012) 203 Cal.App.4th 1112, 1135 (reducing PAGA award). In *Carrington v. Starbucks* (2018) 30 Cal.App.5th 504, the Court of Appeal affirmed a heavily discounted award of only $5.00 per violation, reducing a requested award in excess of $70 million to $150,000.00, because the employer had made good faith attempts to comply and the violations were minimal. Applying the same formula here, and assuming one violation in each of the 2,349 PAGA Pay Periods, the award of civil penalties would be $11,745.00. The Gross Settlement Amount of $60,000.00 is more than five times that figure.

27. The Parties further recognize that the issues presented in the representative PAGA claim are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation would cause inconvenience, distraction, disruption,

delay, and expense disproportionate to the maximum potential benefit to the Aggrieved Employees and the State from continued litigation.

28. The Settlement is reasonable given the uncertainties this lawsuit entails. It is also reasonable given the structure and purpose of the PAGA. The PAGA is not a restitution statute; it is essentially a punishment statute that provides for civil penalties only. Within that framework, and considering the evidence Plaintiffs faced, Plaintiffs achieved a good result for the employees concerned and for the State. Furthermore, any Aggrieved Employee who is dissatisfied with the amount of civil penalties received may still pursue any individual claim for unpaid wages, damages, restitution or interest that he or she believes is owed. The Settlement releases only claims for civil penalties recoverable under the PAGA, and it requires no Aggrieved Employee to opt out in order to preserve individual claims. Agreement, ¶¶ 5.1, 5.4. Furthermore, Plaintiffs recognize that continued litigation presents significant risks that support a significant downward departure from the estimated civil penalties amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable compromise amount for these claims and is in the best interest of Plaintiffs and the Aggrieved Employees and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc*., Case No. 12-55479 (9th Cir. June 3, 2014) 2014 WL 2465049, * 3.

29. Accordingly, the settlement of PAGA penalties in the gross sum of $60,000.00, of which the PAGA Penalties of $25,652.50 will be distributed 65 percent ($16,674.13) to the LWDA and 35 percent ($8,978.37) to the Aggrieved Employees, is reasonable and appropriate under the circumstances.

Individual PAGA Payments

30. Defendants represent that at the time of mediation there were 59 Aggrieved Employees during the PAGA Period. Agreement, ¶ 4.1. After deducting the requested Court-approved PAGA Counsel's Fees Payment ($20,000.00), PAGA Counsel's Litigation Expenses Payment ($11,188.98), and the Administration Expenses Payment ($3,158.52), the Net Settlement Amount will be approximately $25,652.50 allocated as PAGA Penalties. The Agreement states PAGA Penalties of $25,000.00 using the maximum litigation and

administration expenses it allows; because less is requested, the difference is added to the Net Settlement Amount, and the figures above reflect the exact amounts requested. Agreement, ¶¶ 3.2.1, 3.2.2, 3.2.3.2. Sixty five percent (65%) of the PAGA Penalties will be paid to the Labor and Workforce Development Agency ("LWDA") ($16,674.13), and thirty five percent (35%) ($8,978.37) of the PAGA Penalties will be paid to the Aggrieved Employees on a pro-rata basis based upon their respective number of pay periods during the PAGA Period. Agreement, ¶ 3.2.3.1. With a total of 59 Aggrieved Employees, the average estimated Individual PAGA Payment for each Aggrieved Employee is approximately $152.18 ($8,978.37 / 59 Aggrieved Employees). This is a good result given the uncertainties this lawsuit entails.

The Separate Individual Settlements and the Dismissal of the Class Claims

31. Separately from the Agreement, and before the filing of this motion, Defendants and the six named plaintiffs in the Action resolved those plaintiffs' individual claims through the Individual Settlement Agreements. No portion of the consideration provided under the Individual Settlement Agreements is paid from, or reduces, the Gross Settlement Amount, and no portion of the Gross Settlement Amount is paid on account of the individual claims resolved by the Individual Settlement Agreements. Agreement, ¶ 2.6. As a precondition to the PAGA Settlement, the named plaintiffs are filing concurrently with this motion a Stipulated Request for Dismissal of the class action claims alleged in causes of action numbers 1 through 7 and 9 of the Operative Complaint. Agreement, ¶ 6. In the declaration supporting that Stipulated Request for Dismissal, I disclose the existence of the Individual Settlement Agreements, the aggregate amount payable to the six named plaintiffs, and the aggregate amount payable to PAGA Counsel as attorneys' fees, and the executed Individual Settlement Agreements are available to the Court for in camera review on request. Agreement, ¶ 10.21. A true and correct copy of the executed Joint Stipulation To Dismiss Class Claims Without Prejudice And Plaintiffs' Individual Claims With Prejudice is attached hereto as **Exhibit 5**.

32. Neither Plaintiffs nor I have any conflict of interest with the absent Aggrieved Employees. Plaintiffs Carlos Perez-Garcia and Margarita Robles have maintained contact with my office, have helped me gather information and evidence to support the alleged claims, and

have agreed to remain involved as PAGA representatives even if the Court does not approve the Settlement. Their individual settlements have no bearing on their adequacy as PAGA representatives, and neither agreement releases, waives or affects any PAGA claim. See generally Declarations of Carlos Perez-Garcia and Margarita Robles, filed concurrently.

33. The PAGA statute does not forbid service awards. Courts frequently award them in PAGA-only cases as well. *See Mancini v. W. & S. Life Ins. Co*. (S.D. Cal. Sept. 18, 2018), 2018 WL 4489590, at *2 (approving an incentive award of $5,000 to named plaintiff in a PAGA-only settlement); *see also Kinney v. Harvest Al Mgmt. Sub LLC*, (E.D. Cal. Sept. 6, 2013) 2013 WL 12415482, at *3 (awarding an incentive award of $3,000 to a named plaintiff in a PAGA-only settlement). Despite this, Plaintiffs are not asking for a service award for their involvement or the time they spent assisting my firm with the PAGA action, and no portion of the Gross Settlement Amount is allocated to any service or enhancement payment. *See generally* Declarations of Carlos Perez-Garcia and Margarita Robles.

Attorneys' Fees and Costs

34. I represent Plaintiffs on a straight contingency basis. The Firm's request for $20,000.00 in attorney fees and $11,188.98 in litigation costs is fair and reasonable. "[R]egardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery." (*See Chavez v. Netflix, Inc*. (2008) 162 Cal.App.4th 43, 66, fn.11 ("Chavez")); *In re Pacific Enter. Sec. Litig*. (9th Cir. 1995) 47 F.3d 373, 379 ("Pacific") [affirming 33% fee award]; *Williams v. MGM-Pathe Communications Co*. (9th Cir. 1997) 129 F.3d 1026, 1027 ("MGM") (awarding 33% of total fund amount).) This is also consistent with my experience in wage and hour class and PAGA settlements.

35. To date, I have investigated and prosecuted this matter vigorously, including reviewing the initial intake; researching the company and past lawsuits against it; drafting the LWDA letters; drafting the lawsuit and preparing the court filing forms; drafting informal discovery questions, reviewing Defendants' informal document production, including wage and hour policies; sending and receiving emails on the case with defense counsel, the legal assistants, and Plaintiffs; multiple calls with Defense counsel; multiple calls and text messages with

Plaintiffs; sending the PAGA data to Plaintiffs' expert for review/analysis and reviewing the expert's findings/conclusions; drafting a comprehensive mediation brief and PAGA exposure analysis; engaging in a full day mediation; reviewing the PAGA Settlement Agreement; obtaining bids from settlement administrators; and drafting this PAGA approval motion. I also expect to perform additional work on this case if the Court grants final approval of the Settlement, including supervision of the Administrator's disbursement of the settlement funds to the Aggrieved Employees.

36. My previous experience in litigating wage and hour actions also supports the reasonableness of the fee request. Based on past experience with similar matters, I was able to evaluate the strengths and weaknesses of this case and the reasonableness of the Settlement. Because it is reasonable to compensate me commensurate with my skill, reputation, and experience, attorney's fees of approximately one-third of the Gross Settlement Amount is reasonable. Likewise, the caliber and experience of opposing counsel in labor and employment litigation, Blake Zollar, Natalie Blackburn, and Neal Gibeault of Koning Zollar LLP, also supports the fairness and reasonableness of the requested fee award. The award of attorneys' fees sought is justified here by the contingency nature of the attorney-client relationship, the risks of non-payment and non-reimbursement, the delay in payment and cost reimbursement, and the great results PAGA Counsel has achieved for the Aggrieved Employees while bearing the substantial burdens of contingency representation.

37. In addition, my firm incurred substantial costs, $11,188.98 to date, which consist of mediator fees, data analysis fees, filing fees and attorney service fees. A true and correct summary of my firm's costs and expenses incurred to date is attached as **Exhibit 6** to this declaration. I will make detailed copies of such records available to the Court for in camera inspection upon its request. As the evidence submitted herewith shows, all of these costs are documented and reasonably incurred. Accordingly, they warrant the Court's approval.

Settlement Administration Costs

38. I can attest that the settlement administration costs provision is reasonable. Before agreeing to Phoenix Settlement Administrators ("Phoenix"), the Parties sought and

reviewed bids from other reputable third-party administrators and Phoenix' bid was the lowest. True and correct copies of the bids are collectively attached hereto as **Exhibit 7**. Furthermore, the Declaration of Michael Moore with attached exhibits, filed under separate cover, sets forth Phoenix' qualifications and costs to administer the settlement. *See generally* Declaration of Michael Moore. Thus, the settlement administration costs provision should be given approval.

Notice to the LWDA

39. Pursuant to Lab. Code § 2699(s)(2), Plaintiffs submitted a copy of the Settlement with the LWDA at the same time the Settlement is being filed with the Court. True and correct copies of Plaintiffs' submission with the LWDA and the confirmation email are collectively attached as **Exhibit 8** to this declaration.

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

Executed on October 14, 2026, at Glendale, California.



MARALLE MESSRELIAN,
Declarant

EXHIBIT 1

PAGA Settlement Agreement

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PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiffs CARLOS PEREZ-GARCIA and MARGARITA ROBLES ("Plaintiffs"), the Plaintiffs asserting the PAGA cause of action in the Action, in their representative capacity on behalf of the Aggrieved Employees and as private attorneys general on behalf of the State of California, and Defendants SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION ("SMAC") and EDWARD NEFF (collectively, "Defendants"). The Agreement refers to Plaintiffs and Defendants collectively as the "Parties," or individually as a "Party."

1. DEFINITIONS.

1.1 "Action" means Plaintiffs' representative lawsuit alleging wage and hour violations against Defendants captioned *Carlos Perez-Garcia, et al. v. Systems Machines Automation Components Corporation*, *et al.,* filed on September 22, 2025, and pending in the Superior Court of California for the County of San Diego, Case No. 25CU050624N.

1.2 "Administrator" means Phoenix Settlement Administrators , 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 Employee" means all individuals who are or were employed by Defendants as non-exempt employees in California during the PAGA Period.

1.5 "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendants' possession including the Aggrieved Employee's name, last-known mailing address, Social Security number and number of PAGA Pay Periods.

1.6 "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 "Approval Order" means the Court's order granting approval of the Settlement.

1.8 "Court" means the Superior Court of California, County of San Diego, North County Division.

1.9 "Defense Counsel" means Blake Zollar, Esq. of Koning Zollar LLP, the attorneys representing Defendants in the Action.

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1.10 "Effective Date" means the date the Court enters Judgment approving the Settlement, provided that if any motion to vacate, motion for new trial, motion to intervene, or notice of appeal is filed, the Effective Date shall be the date on which that motion or appeal is finally resolved and the Judgment is no longer subject to review.

1.11 "Gross Settlement Amount" means $60,000.00, which is the total amount Defendants agree to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment and the Administration Expenses Payment.

1.12 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.13 "Judgment" means the judgment entered by the Court based upon the Approval Order.

1.14 "LWDA" means the California Labor and Workforce Development Agency.

1.15 "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (m).

1.16 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount constitutes the PAGA Penalties and is to be paid as the LWDA PAGA Payment and the Individual PAGA Payments.

1.17 "Operative Complaint" means the First Amended Class Action Complaint filed on November 3, 2025 in the Action.

1.18 "PAGA Counsel" means Maralle Messrelian, Esq. of MM Law, APC, the attorneys representing Plaintiffs in the Action.

1.19 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel from the Gross Settlement Amount for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.20 "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

1.21 "PAGA Period" means the period from July 16, 2024 through September 21, 2026.

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1.22 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

1.23 "PAGA Notice" means Plaintiff Carlos Perez-Garcia's July 16, 2025 letter to SMAC and the LWDA and Plaintiff Margarita Robles's supplemental November 3, 2025 letter to Defendants and the LWDA, each providing notice pursuant to Labor Code section 2699.3, subdivision (a), under LWDA Case No. LWDA-CM-1112439-25.

1.24"PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees ($8,750.00) and 65% to the LWDA ($16,250.00) in settlement of PAGA claims.

1.25 "Plaintiffs" means Carlos Perez-Garcia and Margarita Robles, the plaintiffs who assert the eighth cause of action for civil penalties under PAGA in the Operative Complaint on behalf of themselves and the Aggrieved Employees.

1.26 "Released PAGA Claims" means the claims being released as described in Paragraph 5 below.

1.27 "Released Parties" means Defendants and all of Defendants' parents, subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, and assigns, and each of their respective officers, directors, employees, attorneys, insurers, employee benefit plans, and alleged joint employers or staffing entities.

1.28 "Settlement" means the disposition of the PAGA claim in the Action effected by this Agreement and the Judgment.

1.29 "Defendants" means named defendants Systems Machines Automation Components Corporation and Edward Neff.

1.30 "Individual Settlement Agreements" means the six separate Settlement Agreements and General Releases executed by Carlos Perez-Garcia, Saul Ramirez, Adela Robles, Margarita Robles, Maria Reyes and Mario Lopez, each of which provides for a payment to that individual in consideration of a general release of his or her individual claims and the dismissal of those claims with prejudice, and for a separate payment to PAGA Counsel for attorneys' fees.

2. RECITALS.

2.1 On September 22, 2025, Plaintiff Carlos Perez-Garcia commenced this Action by filing a class and representative complaint against SMAC for failure to pay all wages earned for all hours worked at the correct rates of pay, failure to provide rest breaks, failure to provide meal periods, failure to indemnify, failure to provide accurate itemized wage statements, failure to pay wages owed every pay period, failure to pay wages when employment ends, civil penalties under PAGA, and unfair competition. On November 3,

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2025, Plaintiffs filed the First Amended Class Action Complaint, adding Edward Neff as a defendant and adding Saul Ramirez, Adela Robles, Margarita Robles, Maria Reyes and Mario Lopez as named plaintiffs, and alleging the same nine causes of action. The First Amended Class Action Complaint is the operative complaint in the Action (the "Operative Complaint"). The eighth cause of action for civil penalties under PAGA is brought by Plaintiffs Carlos Perez-Garcia and Margarita Robles on behalf of themselves and the Aggrieved Employees against all Defendants. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged in the Operative Complaint.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notice. Plaintiff Carlos Perez-Garcia gave notice by the July 16, 2025 letter, and Plaintiff Margarita Robles gave notice by the supplemental November 3, 2025 letter, which also added Edward Neff as a potential defendant.

2.3 On August 20, 2026, the Parties participated in an all-day mediation presided over by the Honorable James Lambden (Ret.) of ADR Services, Inc., which led to the Agreement. The Parties accepted the Mediator's Proposal for a PAGA settlement on August 21, 2026, resolving the PAGA claim alleged in the eighth cause of action of the Operative Complaint and providing for dismissal of the class causes of action as set forth in Paragraph 6 below.

2.4 Before mediation, Plaintiffs obtained, through informal discovery, employee background information, payroll data, time punch data, policies, expense reimbursement information and pay samples, as well as information regarding the individual releases SMAC obtained from putative class members, which PAGA Counsel reviewed and analyzed.

2.5 The Parties, PAGA Counsel, and Defense Counsel represent they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2.6 Separately from this Agreement, and before the filing of any motion for approval of this Settlement, Defendants and the six named plaintiffs in the Action resolved those plaintiffs' individual claims through the Individual Settlement Agreements. No portion of the consideration provided under the Individual Settlement Agreements is paid from, or reduces, the Gross Settlement Amount, and no portion of the Gross Settlement Amount is paid on account of the individual claims resolved by the Individual Settlement Agreements. Defendants' total payment obligation arising out of the Action is the sum of the Gross Settlement Amount and the amounts payable under the Individual Settlement Agreements,

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and shall not exceed that sum for any reason, including any employer-side payroll taxes. The terms of the Individual Settlement Agreements are stated in those agreements and are disclosed to the Court as provided in Paragraph 10.21.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Defendants promise to pay $60,000.00 and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount before the deadline stated in Paragraph 4.3. 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 Defendants. The Gross Settlement Amount shall not be adjusted for any reason, including any change in the number of Aggrieved Employees or PAGA Pay Periods falling within the PAGA Period. The Gross Settlement Amount is Defendants' entire payment obligation under this Agreement, and SMAC shall fund the Gross Settlement Amount. No reduction by the Court in any component of the Settlement shall increase Defendants' total payment obligation under this Agreement or under the Individual Settlement Agreements.

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 Approval Order:

3.2.1 To PAGA Counsel. A PAGA Counsel Fees Payment of not more than one-third (33⅓%) of the Gross Settlement Amount, which is currently estimated to be $20,000.00, and a PAGA Counsel Litigation Expenses Payment of not more than $11,500.00. Defendants will not oppose requests for Court approval of these payments provided they do not exceed these amounts, will take no position on the reasonableness of the amounts requested, and shall have no liability if the Court awards less. In support of the PAGA Counsel Litigation Expenses Payment, PAGA Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves a PAGA Counsel Fees Payment or a PAGA Counsel Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' counsel arising from any claim for any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS Form 1099. 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 Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments. Any dispute concerning fees or costs is solely between PAGA Counsel and the Court.

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3.2.2To the Administrator. An Administration Expenses Payment not to exceed $3,500.00, currently estimated to be $3,158.52, except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less than or the Court approves payment less than $3,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3To the LWDA and Aggrieved Employees. PAGA Penalties in the amount of $25,000.00 to be paid from the Gross Settlement Amount, with 65% ($16,250.00) allocated to the LWDA PAGA Payment and 35% ($8,750.00) allocated to the Individual PAGA Payments.

3.2.3.1The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties ($8,750.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA 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 Form 1099. No reduction by the Court in any component of the Settlement shall increase Defendants' total payment obligation; any such reduction shall instead be added to the amount allocated to PAGA Penalties and distributed accordingly.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 PAGA Pay Periods. Based on a review of its records to date, SMAC estimates there are approximately 59 Aggrieved Employees who worked a total of 2,349 PAGA Pay Periods during the PAGA Period. The Gross Settlement Amount will not be adjusted, increased or decreased if the actual number of Aggrieved Employees or PAGA Pay Periods differs from these estimates.

4.2 Aggrieved Employee Data. Within fifteen (15) business days after the Effective Date, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. Defendants shall provide the Aggrieved Employee Data to the Administrator only, and shall not be required to produce that data to PAGA Counsel. Before receiving the Aggrieved Employee Data, the Administrator shall execute a confidentiality undertaking in a form reasonably acceptable to Defense Counsel, agreeing to maintain the data in confidence, to use it solely to administer the Settlement, to restrict access to personnel who require it, and to destroy or return it within ninety (90) days after the Administrator's final distribution of Settlement funds. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data

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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 effect and perform under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date. No payment of any kind, including the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and all payments due under the Individual Settlement Agreements, shall be due or payable before the Effective Date. If this Agreement is voided under Paragraph 6 or Paragraph 7.4, or if the Court declines to approve the Settlement, then Defendants owe nothing under this Agreement or the Individual Settlement Agreements, and any amounts already paid shall be returned to Defendants within fourteen (14) days.

4.4 Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses 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, together with the Notice of PAGA Settlement attached as Exhibit A. 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 Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Address Search for all Aggrieved Employees whose checks are returned undelivered without a USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered.

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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 California State Controller's Unclaimed Property Fund in the name of the Aggrieved Employee. Defendants shall have no obligation to reissue any check or to make any further payment.

4.4.4 The payment of Individual PAGA Payments shall not obligate Defendants 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.

5. RELEASES OF CLAIMS.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount, Plaintiffs, acting as private attorneys general on behalf of the State of California, and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Released PAGA Claims. The "Released PAGA Claims" means all claims for civil penalties recoverable under PAGA arising out of or related to the allegations set forth in the Operative Complaint and/or the PAGA Notice that arose during the PAGA Period, based on the following alleged violations, including claims for: (1) failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the applicable IWC Wage Order(s); (2) failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (5) failure to maintain accurate employment records in violation of Labor Code section 1174; (6) failure to pay timely wages during employment in violation of Labor Code sections 204 and 210; (7) failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; (8) failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; (9) failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; (10) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (11) civil penalties based on the foregoing pursuant to PAGA (Lab. Code, § 2698 et seq.); (12) all claims for liquidated damages, penalties, interest, fees and costs based on the foregoing; and (13) all claims for civil penalties that were alleged, or reasonably could have been alleged, based on the facts set forth in the Operative Complaint and the PAGA Notice, including claims under Labor Code sections 558 and 558.1. The Released PAGA Claims are limited to claims for civil

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penalties recoverable under PAGA and do not extend to any individual claim of any Aggrieved Employee for unpaid wages, damages, restitution, or interest.

5.2 Plaintiffs' Release. Plaintiffs, acting in their representative capacity as private attorneys general on behalf of the State of California, and their respective former and present representatives, agents, attorneys (including PAGA Counsel), administrators, successors and assigns, release and discharge the Released Parties from the Released PAGA Claims that arose during the PAGA Period. Plaintiffs' release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits.

5.3 Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from the Released PAGA Claims that are alleged to have occurred during the PAGA Period.

5.4 No Waiver of Civil Code Section 1542 by Aggrieved Employees. No waiver of rights under Civil Code section 1542 shall be required of, or imposed upon, any Aggrieved Employee other than the individual Plaintiffs.

6. DISMISSAL OF CLASS CLAIMS.

Notwithstanding Paragraph 7.4 below, as a precondition to the PAGA settlement, the named Plaintiffs will prepare and file (along with the other named plaintiffs in the Action, Saul Ramirez, Adela Robles, Maria Reyes and Mario Lopez) a request for dismissal of the class action claims alleged in the lawsuit by way of a Stipulated Request for Dismissal for causes of action nos. 1 – 7 and 9 in the Operative Complaint. If the Court declines to grant the Request for Dismissal of the class claims, the PAGA settlement and the Individual Settlement Agreements shall be null and void, all funds of any kind paid by Defendants pursuant to this Agreement or the Individual Settlement Agreements shall be returned to Defendants within fourteen (14) days, and the Parties shall revert to their position as it was prior to the mediation of August 20, 2026.

7. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

The Parties agree to jointly prepare and file an application or motion for approval of this Settlement. Defendants agree not to oppose Plaintiffs' motion for approval to the extent it comports with this Agreement.

7.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (s)(2) including: (i) a draft Approval Order; (ii) a signed

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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 Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial and supplemental notices of violations (Lab. Code, § 2699.3, subd. (a)), the Operative Complaint (Lab. Code, § 2699, subd. (s)(1)), and this Agreement (Lab. Code, § 2699, subd. (s)(2))); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their declarations, Plaintiffs 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.

7.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement 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 Approval Order to the Administrator. PAGA Counsel shall submit the proposed Settlement to the LWDA at the same time it is submitted to the Court, as required by Labor Code section 2699, subdivision (s)(2), and shall submit a copy of the Judgment to the LWDA within ten (10) days after entry, as required by Labor Code section 2699, subdivision (s)(3). PAGA Counsel shall provide Defense Counsel with proof of each submission.

7.3 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 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 by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7.4 Right to Void. If the Court declines to approve the Settlement or approves it subject to any material modification of the Released PAGA Claims, the PAGA Period, the allocation, or Defendants' payment obligation, either Party may void this Agreement on written notice given within twenty (20) days. In that event the Parties shall revert to their respective positions as of the date of the mediation of August 20, 2026, no term hereof shall be admissible for any purpose, and no Party shall be deemed to have waived any claim or defense, including Defendants' defenses to class certification and Defendants' right to

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compel arbitration. Nothing in this Paragraph requires any Party to stipulate to set aside, vacate, or modify any order dismissing the class causes of action, and any such dismissal shall remain in effect according to its terms. This Paragraph does not apply to the dismissal with prejudice of the individual claims of the six named plaintiffs in the Action. If this Agreement is voided under this Paragraph or under Paragraph 6, and the Individual Settlement Agreements are thereby rendered void, Defendants shall stipulate to, and shall not oppose, a request by those plaintiffs to set aside the dismissal of their individual claims.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. 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.

8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under Treasury Regulation section 1.468B-1 (26 C.F.R. § 1.468B-1).

8.4 Administrator Duties. The Administrator has a duty to perform all tasks to be performed by the Administrator set forth in this Agreement or otherwise.

8.5 No Right to Opt Out or Object. The Parties agree there is no statutory right for any Aggrieved Employee to object to, opt out of, or otherwise exclude himself or herself from the Settlement, and Aggrieved Employees may not opt out of the PAGA settlement.

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

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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, 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 Net Settlement Amount.

9.2 Enforcement. The Parties request that the Court retain jurisdiction pursuant to Code of Civil Procedure section 664.6 to enforce this Agreement. The Parties intend this Agreement to be admissible and enforceable pursuant to Evidence Code section 1123, subdivisions (a) and (b). Any dispute concerning the terms or execution of this Agreement, and not the merits of any claim, shall be submitted to the Honorable James Lambden (Ret.) of ADR Services, Inc. for binding arbitration under the ADR Services Rules. The prevailing party in any such proceeding shall recover its expenses and reasonable attorneys' fees.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability. 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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor is it intended or should be construed as an admission by Plaintiffs that Defendants' 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, Defendants reserve all available defenses to the claims in the Action, including their defenses to class certification and their right to compel arbitration, and Plaintiffs reserve the right to contest Defendants' defenses. The Settlement, this Agreement, and the 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 exhibits, 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 Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this

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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 and 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 the mediator 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 any 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 Plaintiffs, PAGA Counsel, Defendants 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 drafting and preparing 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. To the extent permitted by law, all agreements made and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel in connection with the mediation, which is confidential under Evidence Code sections 1119 and 1152, and all copies and summaries of the data provided to PAGA

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Counsel by Defendants in connection with the mediation, other settlement negotiations or the Settlement, may be used only with respect to this Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than 90 days after the Administrator discharges its obligation to pay out all Settlement funds, PAGA Counsel shall destroy all paper and electronic versions of such data received from Defendants unless, prior to the Administrator's payment of all Settlement funds, Defendants make a written request to PAGA Counsel for the return, rather than the destruction, of the data. PAGA Counsel shall certify the destruction or return of the data in writing to Defense Counsel.

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 Plaintiffs:

Maralle Messrelian, Esq.
maralle@mmlawapc.com
MM LAW, APC
500 N. Brand Boulevard, Suite 2000
Glendale, CA 91203

To Defendants:

Blake Zollar, Esq.
blake@kzllp.com
KONING ZOLLAR LLP
169 Saxony Road, Suite 115
Encinitas, CA 92024

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

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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 all further proceedings in the Action shall be stayed, including discovery and pending motions, except to effectuate the terms of this Agreement. Pursuant to Code of Civil Procedure section 583.330, subdivision (a), the Parties stipulate to extend the time within which the Action must be brought to trial under Code of Civil Procedure section 583.310 by the period from the date of this Agreement through the date the Judgment becomes final, and agree to bring this stipulation to the Court's attention if it becomes relevant.

10.18 Non-Disparagement; No Publicity. Plaintiffs and Defendants agree not to disparage one another. Neither Plaintiffs nor PAGA Counsel shall issue any press release or publish any case-specific announcement regarding the Action or the Settlement, including on any website, social media platform, or attorney directory. Nothing in this Paragraph limits any Party or counsel from making truthful statements in any court filing or proceeding, responding to a lawful subpoena or government inquiry, or communicating with the LWDA as required by law.

10.19 No Tolling. Nothing in this Agreement tolls, extends, or revives any statute of limitations applicable to any claim of any Aggrieved Employee or putative class member.

10.20 Prior Individual Releases Unaffected. Nothing in this Agreement, the Judgment, or the dismissal of the class causes of action impairs, rescinds, modifies, or otherwise affects the validity or enforceability of any individual settlement agreement or release previously executed by any Aggrieved Employee or putative class member in favor of any Released Party, and no Party shall contend otherwise. Plaintiffs do not, and are not authorized to, release, waive, or compromise any claim of any Aggrieved Employee other than the Released PAGA Claims.

10.21 Disclosure to the Court. In the declaration supporting the Stipulated Request for Dismissal described in Paragraph 6, PAGA Counsel shall disclose the existence of the Individual Settlement Agreements, the aggregate amount payable to the six named plaintiffs, and the aggregate amount payable to PAGA Counsel as attorneys' fees, and shall make the executed Individual Settlement Agreements available to the Court for in camera review on request. That disclosure satisfies this Paragraph, and nothing in this Agreement requires the Individual Settlement Agreements or their terms to be described in the motion for approval of this Settlement. Nothing in this Paragraph limits any disclosure required by law or ordered by the Court.

EXECUTION BY THE PARTIES on the next page

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THE PARTIES HEREBY EXECUTE THIS AGREEMENT:

PLAINTIFF CARLOS PEREZ-GARCIA

Date: 09/25/2026, 2026 Carlos Perez Garcia
Carlos Perez Garcia (Sep 25, 2026 10:47:13 PDT)

PLAINTIFF MARGARITA ROBLES

Date: _____, 2026 _____

DEFENDANT SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION

Date: _____, 2026 _____

By: _____

Its: _____

DEFENDANT EDWARD NEFF

Date: 10/8/2026, 2026 DocuSigned by: Edward Neff
DD0EEF91993B49D...

APPROVED AS TO FORM:

MM LAW, APC

Date: September 25, 2026 Maralle Messrelian

Maralle Messrelian, Esq.

Attorneys for Plaintiffs

KONING ZOLLAR LLP

Date: October 13, 2026

Blake Zollar, Esq.

Attorneys for Defendants

Docusign Envelope ID: C133E5E8-AFAC-86AA-8041-7E3015B9E2A1

THE PARTIES HEREBY EXECUTE THIS AGREEMENT:

PLAINTIFF CARLOS PEREZ-GARCIA

Date: _____, 2026 _____

PLAINTIFF MARGARITA ROBLES

Date: 09/24/2026, 2026 Margarita Robles (Sep 24, 2026 18:10:46 PDT)

DEFENDANT SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION

Date: _____, 2026 _____

By: _____

Its: _____

DEFENDANT EDWARD NEFF

Date: 10/8/2026, 2026 DocuSigned by: Edward Neff DD0EEF91993B49D...

APPROVED AS TO FORM:

MM LAW, APC

Date: _____, 2026 _____

Maralle Messrelian, Esq.

Attorneys for Plaintiffs

KONING ZOLLAR LLP

Date: _____, 2026 _____

Blake Zollar, Esq.

Attorneys for Defendants

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Date: 09/25/2026, 2026 Carlos Perez Garcia
Carlos Perez Garcia (Sep 25, 2026 10:47:13 PDT)

PLAINTIFF MARGARITA ROBLES

Date: _____, 2026 _____

DEFENDANT SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION

Date: 10/13, 2026

By: TOAN MINH VU

Its: _____

DEFENDANT EDWARD NEFF

Date: 10/8/2026, 2026 DocuSigned by: Edward Neff
DD0EEF91993B49D...

APPROVED AS TO FORM:

MM LAW, APC

Date: September 25, 2026

Maralle Messrelian, Esq.
Attorneys for Plaintiffs

KONING ZOLLAR LLP

Date: _____, 2026 _____

Blake Zollar, Esq.
Attorneys for Defendants

Docusign Envelope ID: C133E5E8-AFAC-86AA-8041-7E3015B9E2A1

THE PARTIES HEREBY EXECUTE THIS AGREEMENT:

PLAINTIFF CARLOS PEREZ-GARCIA

Date: _____, 2026 _____

PLAINTIFF MARGARITA ROBLES

Date: 09/24/2026, 2026 _____
Margarita Robles (Sep 24, 2026 18:10:46 PDT)

DEFENDANT SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION

Date: 10/13, 2026 _____

By: TOAN MINH VU

Its: _____

DEFENDANT EDWARD NEFF

Date: 10/8/2026, 2026 _____
DocuSigned by:
Edward Neff
DD0EEF91993B49D...

APPROVED AS TO FORM:

MM LAW, APC

Date: _____, 2026 _____

Maralle Messrelian, Esq.

Attorneys for Plaintiffs

KONING ZOLLAR LLP

Date: _____, 2026 _____

Blake Zollar, Esq.

Attorneys for Defendants

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EXHIBIT A

Docusign Envelope ID: C133E5E8-AFAC-86AA-8041-7E3015B9E2A1

NOTICE OF PAGA SETTLEMENT

Carlos Perez-Garcia, et al. v. Systems Machines Automation Components Corporation, et al.

San Diego County Superior Court, Case No. 25CU050624N

<<Settlement Administrator>>
[ ]
[ ]
Telephone: [ ]

«Barcode» «BarcodeString»
SIMID «SIMID»
«FirstName»
«LastName»
«Address1» «Address2»
«City» «State» «Zip»

You are receiving this notice as a result of a lawsuit brought on a representative basis under the Labor Code Private Attorneys General Act of 2004 ("PAGA") [Cal. Lab. Code, §§ 2698, et seq.] ("the Action"). The plaintiffs asserting the PAGA claim in the Action are Carlos Perez-Garcia and Margarita Robles ("Plaintiffs") and the defendants are Systems Machines Automation Components Corporation and Edward Neff ("Defendants").

The Action seeks to impose civil penalties for purported violations of the California Labor Code on behalf of all persons within the State of California who are or were employed by Defendants in the State of California and classified as non-exempt during the PAGA Period of July 16, 2024 through September 21, 2026 (the "Aggrieved Employees"). Defendants deny all claims and allegations in the Action, deny that they owe any penalties, and assert that they have fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the Action, Defendants have settled the Action and the Court has approved the settlement and release of claims. By settling the Action, Defendants are not admitting that they have done anything wrong as of and subject to the occurrence of the Effective Date of the Settlement.

Upon the date that Defendants fully fund the Gross Settlement Amount, Plaintiffs, the State of California (including, but not limited to, the LWDA), and the Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released PAGA Claims with respect to Defendants and all of Defendants' parents, subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, and assigns, and each of their respective officers, directors, employees, attorneys, insurers, employee benefit plans, and alleged joint employers or staffing entities. The released PAGA claims are the "Released PAGA Claims" as defined in Paragraph 5.1 of the Settlement Agreement, and include all known

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or unknown claims for PAGA civil penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including under California Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802. The released claims are limited to claims for civil penalties recoverable under PAGA and do not extend to any individual claim you may have for unpaid wages, damages, restitution, or interest.

By Order dated <<court approval order date>>, the Superior Court of the State of California, San Diego County approved the Settlement of the PAGA claims.

According to Defendants' records, you are an Aggrieved Employee and therefore entitled to a share of the settlement based upon the Court approved allocation. Enclosed with this Notice is your check for your share. The settlement check shall remain valid for 180 days. Thereafter, all uncashed checks shall be distributed to the California State Controller's Office Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to each Aggrieved Employee.

Please Note: One hundred percent (100%) of your individual PAGA payment under this Settlement will be considered penalties, which may be subject to local, state, or federal taxes, and will be reported to the IRS and state tax authorities via Form 1099. You should rely on your own tax advisors as to the tax consequences of your individual PAGA payment. Neither Plaintiffs nor Defendants have made any representations or warranties regarding the taxation of your individual PAGA payment. Nothing within this Notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended). Enclosed are the appropriate tax forms pertaining to your payment.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or to ask questions about the claims process. If you have any questions, you may call or write to Phoenix Settlement Administrators (the Settlement Administrator) using the contact information at the top of this correspondence.

EXHIBIT 2

PAGA Notices to the LWDA (July 16, 2025 and November 3, 2025)

MM LAW
A Professional Corporation

500 N. Brand Blvd., Suite 2000
Glendale, CA 91203
Tel: 818-810-7747
Fax: 818-230-9018
maralle@mmlawapc.com

July 16, 2025

NOTICE VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency (LWDA)
Attn: PAGA Administrator
https://dir.tfaforms.net/308

VIA U.S. CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Systems Machines Automation Components Corporation
c/o Mike Pepin, Agent
5801 Van Allen Way
Carlsbad, CA 92008

Re: Carlos Perez-Garcia/Systems Machines Automation Components Corp
Private Attorneys General Act

To Whom It May Concern:

Pursuant to the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq*. ("PAGA"), Mr. Carlos Perez-Garcia (hereafter "Perez-Garcia") provides notice on behalf of himself and of all individuals currently and formerly employed in California as non-exempt or hourly paid employees (hereafter the "Aggrieved Employees"), by Systems Machines Automation Components Corporation, a California corporation (hereafter "SMAC"), of violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1198, and 2802. On behalf of himself and all other Aggrieved Employees, Perez-Garcia hereby provides this notice to the Labor & Workforce Development Agency and SMAC and its agents and representatives.

At all relevant times, SMAC has employed persons, conducted business, and engaged in illegal payroll practices and policies, throughout California. Perez-Garcia and the Aggrieved Employees are "employees" within the meaning of Wage Order 1-2001 (hereafter "the Wage Order") § 2, subdivision (E) and "Aggrieved Employees" within the meaning of Labor Code § 2699, subdivision (c).

STATEMENT OF FACTS

SMAC first began to employ Perez-Garcia as a laborer in or around the year 2000 as a laborer. Perez-Garcia worked at SMAC's facility located at 5807 Van Allen Way, Carlsbad, CA 92008. Perez-Garcia's job tasks included cleaning parts before they were sent off for painting. Perez-Garcia's employment ended on or around June 30, 2025.

At all relevant times, SMAC issued wages to Perez-Garcia and all of the other Aggrieved Employees on a biweekly basis and paid them by the hour. At all relevant times, SMAC classified Perez-Garcia and all of the other Aggrieved Employees as non-exempt employees entitled to the protections of the Labor Code and the Wage Order. During his tenure, Perez-Garcia generally worked Monday through Friday and his schedule varied, starting as early as 5:00 a.m. to approximately 2:00 p.m. Perez-Garcia's latest rate of pay is approximately $21.22 per hour.

SMAC failed to pay Perez-Garcia and other Aggrieved Employees for all time worked or subject to its control. This is so because SMAC had a policy and practice of rounding down work hours to the detriment of employees, which is akin to a minimum wage violation.

Due to the above "off the clock" violations, SMAC failed to pay Perez-Garcia and the Aggrieved Employees properly-calculated overtime wages. The Aggrieved Employees' actual work hours, which included the "off the clock" work as described above, entitled them to overtime, however, it was not company policy to keep accurate track of all hours worked and to pay employees the accurate amount of overtime, especially since the "off the clock" work was not factored into the equation. Furthermore, any incentive payments and/or bonus payments were not factored into employees' regular rate of pay for purposes of deciphering the correct overtime rate of pay. In addition, any bonus and/or incentive payments were not factored into the correct meal and rest break premium pay per *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

SMAC failed to provide all compliant meal periods and authorize and permit all compliant rest periods to which Perez-Garcia and the other Aggrieved Employees were entitled. Perez-Garcia and the other Aggrieved Employees were entitled to take off-duty, uninterrupted 30-minute meal periods before the fifth and tenth hours of work and to take uninterrupted 10-minute rest periods for every four hours or major fraction thereof worked. However, Perez-Garcia and the Aggrieved Employees <u>never</u> received their meal periods before the 5th hour worked. SMAC scheduled lunch to be taken at 12:00 p.m. everyday (there was a bell system) despite Perez-Garcia and others starting their shifts at 6:30 a.m., or earlier. As such, meal periods were late on a daily basis for all of the employees. Similarly, Perez-Garcia and the other Aggrieved Employees were not always able to take timely and duty-free 10-minute rest breaks due to the workload. As such, the culture as well as the policies and procedures of SMAC did not lend itself to the employees receiving compliant statutory rest breaks and meal breaks. On information and belief, SMAC did not provide premium wages for these meal and rest break violations; if SMAC did provide premium wages, they were not paid at the correct rate, as explained above.

SMAC failed to reimburse Perez-Garcia and the other Aggrieved Employees for business expenses they incurred in direct consequence of the discharge of their duties. During his employment, Perez-Garcia had to purchase steel toe boots to wear at work. However, SMAC did not t reimburse Perez-Garcia or the other employees for these uniform expenses. Accordingly, SMAC was in violation of California Labor Code sections 2800 and 2802.

SMAC failed to pay its employees all wages due to them within any time period specified by California Labor Code section 204, including the minimum wages and overtime as described

above as well as meal/rest break premiums. SMAC did not provide Perez-Garcia and other Aggrieved Employees accurate, itemized wage statements. Wage statements must include, among other things, total hours worked by the employee. Labor Code § 226(a)(2). SMAC issued wage statements that inaccurately reflected total hours worked, gross and net wages earned, and the number of hours worked at each hourly rate because of SMAC's failure to properly pay wages as explained herein. Labor Code §§ 226(a)(1), (2), (5), (9). SMAC' failure to maintain accurate records as to the hours worked daily by employees also constitutes a violation of Labor Code section 1174(d).

Finally, because SMAC did not properly pay all wages earned as explained herein, SMAC also failed to pay final wages owed to Perez-Garcia and other Aggrieved Employees in violation of Labor Code section 203. These earned but unpaid wages include minimum wages and compensation for all hours worked, overtime compensation, premium pay for missed meal and rest breaks, and business expense reimbursement, among others.

Perez-Garcia would also have individual claims against SMAC for hostile work environment harassment, retaliation, and wrongful termination in violation of public policy. During his employment tenure, Perez-Garcia complained about supervisor Francisco Aguilar and his harassing behavior to management and to SMAC's Human Resources department. Perez-Garcia last complained in or around May 2025. Shortly thereafter, on or around June 30, 2025, SMAC terminated Perez-Garcia's employment because " there was not enough work". It is our position that any justification offered by SMAC was and is pretextual as SMAC unequivocally had the required retaliatory animus.

For the reasons herein, on behalf of himself and the Aggrieved Employees, Perez-Garcia alleges that SMAC committed the following violations of the California Labor Code and the Wage Order: 1) failed to pay wages for all time worked or subject to SMAC' control, including correctly-calculated overtime wages; 2) failed to provide meal periods or pay correctly-calculated premium wages in lieu thereof; 3) failed to authorize and permit rest periods or pay correctly-calculated premium wages in lieu thereof; 4) failed to reimburse reasonably necessary business expenses; 5) failed to provide compliant wage statements; 6) failed to maintain accurate records; and 7) failed to timely pay all wages owed during and upon separation of employment.

Accordingly, Perez-Garcia now seeks civil penalties on behalf of himself and the Aggrieved Employees based on SMAC's alleged violations of the California Labor Code and the Wage Order.

THE WAGE ORDER

The Wage Order applies to "all persons employed in the manufacturing industry whether paid on a time, piece rate, commission, or other basis[.]" § 1. The Wage Order defines "manufacturing industry" to include:

> "any industry, business, or establishment operated for the purpose of preparing, producing, making, altering, repairing, finishing, processing, inspecting, handling, assembling,

> wrapping, bottling, or packaging goods, articles, or commodities, in whole or in part; EXCEPT when such activities are covered by Orders in the: Canning, Preserving, and Freezing Industry; Industries Handling Products After Harvest; Industries Preparing Agricultural Products for Market, on the Farm; or Motion Picture Industry." § 2(H).

At all relevant times, SMAC engaged in manufacturing precision electric actuators. Accordingly, Perez-Garcia and the Aggrieved Employees are entitled to the protections afforded by the Wage Order.

FAILURE TO PAY WAGES FOR ALL HOURS WORKED AT THE CORRECT RATES OF PAY

Labor Code §§ 510, 558, 1194, 1197, and 1198

Labor Code sections 510, 1194, and 1197 require employers to pay the wages agreed to and at least minimum wages for all time under the employer's control, overtime wages for hours worked over eight per day or forty per week at one and one-half times the employee's regular rate of pay, and double-time wages for hours worked over twelve in one day or for the first eight hours of work on the seventh consecutive day of work at two times the employee's regular rate of pay. Labor Code section 558 establishes a civil penalty for violation of Labor Code section 510. Labor Code section 1198 prohibits employers from employing their employees under conditions prohibited by the Wage Order.

SMAC failed to pay all minimum, regular, and overtime wages to Perez-Garcia and other Aggrieved Employees because SMAC paid wages based on rounded times, did not pay for off-the-clock work, and failed to pay overtime wages based on correct regular rates of pay.

FAILURE TO PROVIDE MEAL PERIODS

Labor Code §§ 226.7, 512, and 1198

Employers must provide employees a 30-minute, uninterrupted meal period after no more than five hours of work, and a second such meal period after no more than 10 hours work. Labor Code § 512(a); IWC Wage Order(s) §§ 11(A)-(B); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, 1049. If an employer fails to provide an employee a meal period in accordance with California law, the employer must pay the employee one hour of pay at the employee's regular rate for each work day the meal period is not provided. Lab. Code § 226.7(c); IWC Wage Order(s), § 11(D); *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

SMAC failed to provide Perez-Garcia and other Aggrieved Employees with compliant meal periods and failed to pay one hour of correctly-calculated premium pay for each day such a meal period was not provided.

FAILURE TO AUTHORIZE AND PERMIT REST PERIODS

Labor Code § 226.7 & 1198

The Rest Period section of the applicable Wage Order provides:

"Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof." IWC Wage Order(s), § 12(A). If an employer fails to provide an employee a rest period in accordance with California law, the employer must pay the employee one hour of pay at the employee's regular rate for each work day a rest period is not provided. IWC Wage Order(s), § 12(B); Labor Code § 226.7(c); *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

SMAC failed to authorize and permit Perez-Garcia and other Aggrieved Employees to take compliant rest periods and failed to pay one hour of correctly-calculated premium pay for each day such a rest period was not provided.

FAILURE TO PROVIDE ACCURATE WAGE STATEMENTS

Labor Code §§ 226

California employers are required to provide itemized wage statements showing, among other things, "gross wages earned," "total hours worked by the employee," "net wages earned," and "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee." Labor Code §§ 226(a)(1), (2), (5), (9).

SMAC did not provide itemized wage statements accurately reflecting Perez-Garcia's and other Aggrieved Employees' gross wages earned, total hours worked, net wages earned, and all applicable hourly rates and the number of hours worked at each rate.

FAILURE TO PROVIDE ACCURATE RECORDS

Labor Code §§ 1174, 1174.5, 1198; IWC Wage Order(s), § 7

An employer must maintain payroll records showing hours worked daily by, and wages paid to, its employees, in accordance with rules established by the Industrial Welfare Commission. Labor Code §1174. An employer must also maintain time records showing when each work period, and meal period, begins and ends. IWC Wage Order(s), § 7.

Because SMAC rounded employees' time worked, did not record off-the-clock work, and interrupted employees' meal periods, SMAC failed to maintain accurate records as to the hours worked daily by employees and as to when each work period and meal period began and ended.

FAILURE TO REIMBURSE FOR EXPENSES

Labor Code §§ 1198, 2802, and 2804

An employer must reimburse its employees for their reasonable business-related expenses. Labor Code § 2802. The right to reimbursement cannot be waived. Labor Code § 2804.

SMAC failed to reimburse Perez-Garcia and other Aggrieved Employees for their reasonable business-related expenses, including uniform items in effectuating their job duties.

FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT & UPON SEPARATION

Labor Code §§ 201-204

An employer must pay "[a]ll wages, other than those mentioned in Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment…twice during each calendar month, on days designated in advance by the employer as the regular paydays." Labor Code § 204. An employer must pay all wages owed to terminated employees at the time of termination, or within 72 hours to employees who quit. Labor Code §§ 201-202. If an employer willfully fails to timely pay all wages to separated employees, the wages continue at the same rate for up to 30 days, until paid. Labor Code § 203.

As a result of its failure to pay all wages earned, as described above, SMAC failed to pay all final wages due to Perez-Garcia and other Aggrieved Employees and violated Labor Code Sections 201-204.

CONCLUSION

As noted above, this letter constitutes the required notice under the California Labor Code Private Attorneys General Act of 2004. Please be advised that Carlos Perez-Garcia will seek both reasonable attorneys' fees and costs under Labor Code § 2699, subdivision (g) (1) in a civil action should the LWDA decline to pursue this matter. This letter also serves as a formal notice under the catalyst theory and Code of Civil Procedure §1021.5 to resolve this matter before litigation.

Sincerely,

Maralle Messrelian, Esq.
maralle@mmlawapc.com

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A Professional Corporation

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November 3, 2025

NOTICE VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency (LWDA)
Attn: PAGA Administrator
https://dir.tfaforms.net/308

VIA U.S. CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Systems Machines Automation Components Corporation
Edward Neff
c/o Blake Zollar, Esq.
Koning Zollar LLP
169 Saxony Road, Suite 115
Encinitas, CA 92024

Re: Carlos Perez Garcia/ Systems Machines Automation Components Corp
Margarita Robles /Systems Machines Automation Components Corp
Private Attorneys General Act Case No.: LWDA-CM-1112439-25

To Whom It May Concern:

This is a supplemental notice. The original notice dated July 16, 2025 is enclosed herewith and incorporated by reference.

In the previous notice, we inadvertently omitted an employer, Edward Neff, from our definition of "SMAC". The claims stated in the previous notice against "SMAC" shall also apply with equal force and effect to Edward Neff.

Pursuant to the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq*. ("PAGA"), Ms. Margarita Robles (hereafter "Robles") provides notice on behalf of herself and of all individuals currently and formerly employed in California as non-exempt or hourly paid employees (hereafter the "Aggrieved Employees"), by Systems Machines Automation Components Corporation, a California corporation, and Edward Neff (hereafter collectively "SMAC"), of violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802 predicated on the facts included in the original notice. Edward Neff is being included in this PAGA notice pursuant to Labor Code Section 558.1 as he was or is an owner/director/managing agent of Systems Machines Automation Components Corporation, was involved in the day-to-day operations of the business, and as such, controlled the wages, hours, and working conditions of Carlos Perez Garcia, Margarita Robles, and the other Aggrieved Employees. On behalf of herself and all other Aggrieved Employees, Robles hereby

provides this supplemental notice to the Labor & Workforce Development Agency and SMAC and its agents and representatives.

At all relevant times, SMAC has employed persons, conducted business, and engaged in illegal payroll practices and policies, throughout California. Robles and the Aggrieved Employees are "employees" within the meaning of Wage Order 1-2001 (hereafter "the Wage Order") § 2, subdivision (E) and "Aggrieved Employees" within the meaning of Labor Code § 2699, subdivision (c).

STATEMENT OF FACTS

SMAC first began to employ Robles on or around May 20, 2019. During her employment tenure, Robles worked in Assembly/Bobbin and Deburring departments. Robles generally worked Monday through Friday from approximately 6:30 a.m. to 3:00 p.m. Robles's latest rate of pay was approximately $18.04 per hour. Robles's employment ended on or around June 30, 2025.

At all relevant times, SMAC issued wages to Robles and all of the other Aggrieved Employees on a biweekly basis and paid them by the hour. At all relevant times, SMAC classified Robles and all of the other Aggrieved Employees as non-exempt employees entitled to the protections of the Labor Code and the Wage Order.

SMAC failed to pay Robles and other Aggrieved Employees for all time worked or subject to its control. This is so because SMAC had a policy and practice of rounding down work hours to the detriment of employees, which is akin to a minimum wage violation. Moreover, throughout her employment, Robles was required to perform work tasks before clocking in for the start of her shift. Robles was forced to complete numerous tasks on her own and was prohibited from working overtime, even when additional time was necessary to fulfill her assigned duties. As such, Robles had no choice but to work off-the-clock. Management, including Nassar (last name unknown), was unequivocally aware that this was occurring. In addition, Robles also received calls and text messages from her supervisor and manager providing work instructions before her scheduled start time and after her shifts had ended. SMAC did not compensate Robles for this off-the-clock work.

Due to the above "off the clock" violations, SMAC failed to pay Robles and the Aggrieved Employees properly-calculated overtime wages. The Aggrieved Employees' actual work hours, which included the "off the clock" work as described above, entitled them to overtime, however, it was not company policy to keep accurate track of all hours worked and to pay employees the accurate amount of overtime, especially since the "off the clock" work was not factored into the equation. Furthermore, any incentive payments and/or bonus payments were not factored into employees' regular rate of pay for purposes of deciphering the correct overtime rate of pay. In addition, any bonus and/or incentive payments were not factored into the correct meal and rest break premium pay per *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

SMAC failed to provide all compliant meal periods and authorize and permit all compliant rest periods to which Robles and the other Aggrieved Employees were entitled. Robles and the other Aggrieved Employees were entitled to take off-duty, uninterrupted 30-minute meal periods before

the fifth and tenth hours of work and to take uninterrupted 10-minute rest periods for every four hours or major fraction thereof worked. However, Robles and the other aggrieved employees **never** received their meal periods before the fifth hour of work. SMAC scheduled lunch at 12:00 p.m. each day (signaled by a bell system), even though Robles and others began their shifts at 6:30 a.m. or earlier. As a result, meal periods were always late for all employees. Furthermore, on multiple occasions Robles was required to finish tasks, resulting in her receiving less than 30 minutes for her meal period. In addition, Robles was interrupted by management during her meal break to receive further instructions. Similarly, Robles and the other Aggrieved Employees were often unable to take timely and duty-free 10-minute rest breaks due to the demands of their workload or interruptions from management. As such, SMAC's culture, policies, and practices did not allow employees to receive compliant statutory rest and meal breaks. On information and belief, SMAC did not provide premium wages for these meal and rest break violations; if SMAC did provide premium wages, they were not paid at the correct rate, as explained above.

SMAC failed to reimburse Robles and the other Aggrieved Employees for business expenses they incurred in direct consequence of the discharge of their duties. During her employment, Robles purchased boxes of latex gloves for work. Robles routinely worked with black glue as part of her job duties. Despite asking for gloves to safely perform her work, SMAC did not provide them and did not reimburse Robles or the other employees for these expenses. Accordingly, SMAC was in violation of California Labor Code sections 2800 and 2802.

SMAC failed to pay its employees all wages due to them within any time period specified by California Labor Code section 204, including the minimum wages and overtime as described above as well as meal/rest break premiums. SMAC did not provide Robles and other Aggrieved Employees accurate, itemized wage statements. Wage statements must include, among other things, total hours worked by the employee. Labor Code § 226(a)(2). SMAC issued wage statements that inaccurately reflected total hours worked, gross and net wages earned, and the number of hours worked at each hourly rate because of SMAC's failure to properly pay wages as explained herein. Labor Code §§ 226(a)(1), (2), (5), (9). SMAC' failure to maintain accurate records as to the hours worked daily by employees also constitutes a violation of Labor Code section 1174(d).

Finally, because SMAC did not properly pay all wages earned as explained herein, SMAC also failed to pay final wages owed to Robles and other Aggrieved Employees in violation of Labor Code section 203. These earned but unpaid wages include minimum wages and compensation for all hours worked, overtime compensation, premium pay for missed meal and rest breaks, and business expense reimbursement, among others.

For the reasons herein, on behalf of herself and the Aggrieved Employees, Robles alleges that SMAC committed the following violations of the California Labor Code and the Wage Order: 1) failed to pay wages for all time worked or subject to SMAC' control, including correctly-calculated overtime wages; 2) failed to provide meal periods or pay correctly-calculated premium wages in lieu thereof; 3) failed to authorize and permit rest periods or pay correctly-calculated premium wages in lieu thereof; 4) failed to reimburse reasonably necessary business expenses; 5) failed to

provide compliant wage statements; 6) failed to maintain accurate records; and 7) failed to timely pay all wages owed during and upon separation of employment.

Accordingly, Robles now seeks civil penalties on behalf of herself and the Aggrieved Employees based on SMAC's alleged violations of the California Labor Code and the Wage Order.

THE WAGE ORDER

The Wage Order applies to "all persons employed in the manufacturing industry whether paid on a time, piece rate, commission, or other basis[.]" § 1. The Wage Order defines "manufacturing industry" to include:

> "any industry, business, or establishment operated for the purpose of preparing, producing, making, altering, repairing, finishing, processing, inspecting, handling, assembling, wrapping, bottling, or packaging goods, articles, or commodities, in whole or in part; EXCEPT when such activities are covered by Orders in the: Canning, Preserving, and Freezing Industry; Industries Handling Products After Harvest; Industries Preparing Agricultural Products for Market, on the Farm; or Motion Picture Industry." § 2(H).

At all relevant times, SMAC engaged in manufacturing precision electric actuators. Accordingly, Robles and the Aggrieved Employees are entitled to the protections afforded by the Wage Order.

FAILURE TO PAY WAGES FOR ALL HOURS WORKED AT THE CORRECT RATES OF PAY

Labor Code §§ 510, 558, 1194, 1197, and 1198

Labor Code sections 510, 1194, and 1197 require employers to pay the wages agreed to and at least minimum wages for all time under the employer's control, overtime wages for hours worked over eight per day or forty per week at one and one-half times the employee's regular rate of pay, and double-time wages for hours worked over twelve in one day or for the first eight hours of work on the seventh consecutive day of work at two times the employee's regular rate of pay. Labor Code section 558 establishes a civil penalty for violation of Labor Code section 510. Labor Code section 1198 prohibits employers from employing their employees under conditions prohibited by the Wage Order.

SMAC failed to pay all minimum, regular, and overtime wages to Robles and other Aggrieved Employees because SMAC paid wages based on rounded times, did not pay for off-the-clock work, and failed to pay overtime wages based on correct regular rates of pay.

FAILURE TO PROVIDE MEAL PERIODS

Labor Code §§ 226.7, 512, and 1198

Employers must provide employees a 30-minute, uninterrupted meal period after no more than five hours of work, and a second such meal period after no more than 10 hours work. Labor Code § 512(a); IWC Wage Order(s) §§ 11(A)-(B); *Brinker Restaurant Corp. v. Superior Court* (2012)

53 Cal. 4th 1004, 1049. If an employer fails to provide an employee a meal period in accordance with California law, the employer must pay the employee one hour of pay at the employee's regular rate for each work day the meal period is not provided. Lab. Code § 226.7(c); IWC Wage Order(s), § 11(D); *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

SMAC failed to provide Robles and other Aggrieved Employees with compliant meal periods and failed to pay one hour of correctly-calculated premium pay for each day such a meal period was not provided.

FAILURE TO AUTHORIZE AND PERMIT REST PERIODS

Labor Code § 226.7 & 1198

The Rest Period section of the applicable Wage Order provides:
"Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof." IWC Wage Order(s), § 12(A). If an employer fails to provide an employee a rest period in accordance with California law, the employer must pay the employee one hour of pay at the employee's regular rate for each work day a rest period is not provided. IWC Wage Order(s), § 12(B); Labor Code § 226.7(c); *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

SMAC failed to authorize and permit Robles and other Aggrieved Employees to take compliant rest periods and failed to pay one hour of correctly-calculated premium pay for each day such a rest period was not provided.

FAILURE TO PROVIDE ACCURATE WAGE STATEMENTS

Labor Code §§ 226

California employers are required to provide itemized wage statements showing, among other things, "gross wages earned," "total hours worked by the employee," "net wages earned," and "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee." Labor Code §§ 226(a)(1), (2), (5), (9).

SMAC did not provide itemized wage statements accurately reflecting Robles's and other Aggrieved Employees' gross wages earned, total hours worked, net wages earned, and all applicable hourly rates and the number of hours worked at each rate.

FAILURE TO PROVIDE ACCURATE RECORDS

Labor Code §§ 1174, 1174.5, 1198; IWC Wage Order(s), § 7

An employer must maintain payroll records showing hours worked daily by, and wages paid to, its employees, in accordance with rules established by the Industrial Welfare Commission. Labor Code §1174. An employer must also maintain time records showing when each work period, and meal period, begins and ends. IWC Wage Order(s), § 7.

Because SMAC rounded employees' time worked, did not record off-the-clock work, and interrupted employees' meal periods, SMAC failed to maintain accurate records as to the hours worked daily by employees and as to when each work period and meal period began and ended.

FAILURE TO REIMBURSE FOR EXPENSES
Labor Code §§ 1198, 2802, and 2804

An employer must reimburse its employees for their reasonable business-related expenses. Labor Code § 2802. The right to reimbursement cannot be waived. Labor Code § 2804.

SMAC failed to reimburse Robles and other Aggrieved Employees for their reasonable business-related expenses, including PPE items (gloves) in effectuating their job duties.

FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT & UPON SEPARATION
Labor Code §§ 201-204

An employer must pay "[a]ll wages, other than those mentioned in Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment…twice during each calendar month, on days designated in advance by the employer as the regular paydays." Labor Code § 204. An employer must pay all wages owed to terminated employees at the time of termination, or within 72 hours to employees who quit. Labor Code §§ 201-202. If an employer willfully fails to timely pay all wages to separated employees, the wages continue at the same rate for up to 30 days, until paid. Labor Code § 203.

As a result of its failure to pay all wages earned, as described above, SMAC failed to pay all final wages due to Robles and other Aggrieved Employees and violated Labor Code Sections 201-204.

PERSON ACTING ON BEHALF OF EMPLOYERS WHO VIOLATES LABOR CODE
Labor Code § 558.1

In relevant part, Labor Code section 558.1 states:

(a) Any employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.

At all relevant times, Edward Neff was an employer of Carlos Perez Garcia, Margarita Robles, and all of the other Aggrieved Employees, and/or "owner," "managing agent," and/or "officer" of Systems Machines Automation Components Corporation. Edward Neff directly or indirectly, or through an agent or other person, employed and exercised control over the wages, hours, and/or working conditions of Carlos Perez Garcia, Margarita Robles, and the Aggrieved Employees, and caused the violations to the Labor Code and the Wage Orders described above. On behalf of

themselves and all of the other Aggrieved Employees, Carlos Perez Garcia and Margarita Robles seek the same civil penalties against Edward Neff on the same grounds for which they seek civil penalties against Systems Machines Automation Components Corporation.

CONCLUSION

As noted above, this letter constitutes the required notice under the California Labor Code Private Attorneys General Act of 2004. Please be advised that Margarita Robles will seek both reasonable attorneys' fees and costs under Labor Code § 2699, subdivision (g) (1) in a civil action should the LWDA decline to pursue this matter. This letter also serves as a formal notice under the catalyst theory and Code of Civil Procedure §1021.5 to resolve this matter before litigation.

Sincerely,

Maralle Messrelian, Esq.
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July 16, 2025

NOTICE VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency (LWDA)
Attn: PAGA Administrator
https://dir.tfaforms.net/308

VIA U.S. CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Systems Machines Automation Components Corporation
c/o Mike Pepin, Agent
5801 Van Allen Way
Carlsbad, CA 92008

Re: Carlos Perez-Garcia/Systems Machines Automation Components Corp
Private Attorneys General Act

To Whom It May Concern:

Pursuant to the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq*. ("PAGA"), Mr. Carlos Perez-Garcia (hereafter "Perez-Garcia") provides notice on behalf of himself and of all individuals currently and formerly employed in California as non-exempt or hourly paid employees (hereafter the "Aggrieved Employees"), by Systems Machines Automation Components Corporation, a California corporation (hereafter "SMAC"), of violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1198, and 2802. On behalf of himself and all other Aggrieved Employees, Perez-Garcia hereby provides this notice to the Labor & Workforce Development Agency and SMAC and its agents and representatives.

At all relevant times, SMAC has employed persons, conducted business, and engaged in illegal payroll practices and policies, throughout California. Perez-Garcia and the Aggrieved Employees are "employees" within the meaning of Wage Order 1-2001 (hereafter "the Wage Order") § 2, subdivision (E) and "Aggrieved Employees" within the meaning of Labor Code § 2699, subdivision (c).

STATEMENT OF FACTS

SMAC first began to employ Perez-Garcia as a laborer in or around the year 2000 as a laborer. Perez-Garcia worked at SMAC's facility located at 5807 Van Allen Way, Carlsbad, CA 92008. Perez-Garcia's job tasks included cleaning parts before they were sent off for painting. Perez-Garcia's employment ended on or around June 30, 2025.

At all relevant times, SMAC issued wages to Perez-Garcia and all of the other Aggrieved Employees on a biweekly basis and paid them by the hour. At all relevant times, SMAC classified Perez-Garcia and all of the other Aggrieved Employees as non-exempt employees entitled to the protections of the Labor Code and the Wage Order. During his tenure, Perez-Garcia generally worked Monday through Friday and his schedule varied, starting as early as 5:00 a.m. to approximately 2:00 p.m. Perez-Garcia's latest rate of pay is approximately $21.22 per hour.

SMAC failed to pay Perez-Garcia and other Aggrieved Employees for all time worked or subject to its control. This is so because SMAC had a policy and practice of rounding down work hours to the detriment of employees, which is akin to a minimum wage violation.

Due to the above "off the clock" violations, SMAC failed to pay Perez-Garcia and the Aggrieved Employees properly-calculated overtime wages. The Aggrieved Employees' actual work hours, which included the "off the clock" work as described above, entitled them to overtime, however, it was not company policy to keep accurate track of all hours worked and to pay employees the accurate amount of overtime, especially since the "off the clock" work was not factored into the equation. Furthermore, any incentive payments and/or bonus payments were not factored into employees' regular rate of pay for purposes of deciphering the correct overtime rate of pay. In addition, any bonus and/or incentive payments were not factored into the correct meal and rest break premium pay per *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

SMAC failed to provide all compliant meal periods and authorize and permit all compliant rest periods to which Perez-Garcia and the other Aggrieved Employees were entitled. Perez-Garcia and the other Aggrieved Employees were entitled to take off-duty, uninterrupted 30-minute meal periods before the fifth and tenth hours of work and to take uninterrupted 10-minute rest periods for every four hours or major fraction thereof worked. However, Perez-Garcia and the Aggrieved Employees <u>never</u> received their meal periods before the 5th hour worked. SMAC scheduled lunch to be taken at 12:00 p.m. everyday (there was a bell system) despite Perez-Garcia and others starting their shifts at 6:30 a.m., or earlier. As such, meal periods were late on a daily basis for all of the employees. Similarly, Perez-Garcia and the other Aggrieved Employees were not always able to take timely and duty-free 10-minute rest breaks due to the workload. As such, the culture as well as the policies and procedures of SMAC did not lend itself to the employees receiving compliant statutory rest breaks and meal breaks. On information and belief, SMAC did not provide premium wages for these meal and rest break violations; if SMAC did provide premium wages, they were not paid at the correct rate, as explained above.

SMAC failed to reimburse Perez-Garcia and the other Aggrieved Employees for business expenses they incurred in direct consequence of the discharge of their duties. During his employment, Perez-Garcia had to purchase steel toe boots to wear at work. However, SMAC did not t reimburse Perez-Garcia or the other employees for these uniform expenses. Accordingly, SMAC was in violation of California Labor Code sections 2800 and 2802.

SMAC failed to pay its employees all wages due to them within any time period specified by California Labor Code section 204, including the minimum wages and overtime as described

above as well as meal/rest break premiums. SMAC did not provide Perez-Garcia and other Aggrieved Employees accurate, itemized wage statements. Wage statements must include, among other things, total hours worked by the employee. Labor Code § 226(a)(2). SMAC issued wage statements that inaccurately reflected total hours worked, gross and net wages earned, and the number of hours worked at each hourly rate because of SMAC's failure to properly pay wages as explained herein. Labor Code §§ 226(a)(1), (2), (5), (9). SMAC' failure to maintain accurate records as to the hours worked daily by employees also constitutes a violation of Labor Code section 1174(d).

Finally, because SMAC did not properly pay all wages earned as explained herein, SMAC also failed to pay final wages owed to Perez-Garcia and other Aggrieved Employees in violation of Labor Code section 203. These earned but unpaid wages include minimum wages and compensation for all hours worked, overtime compensation, premium pay for missed meal and rest breaks, and business expense reimbursement, among others.

Perez-Garcia would also have individual claims against SMAC for hostile work environment harassment, retaliation, and wrongful termination in violation of public policy. During his employment tenure, Perez-Garcia complained about supervisor Francisco Aguilar and his harassing behavior to management and to SMAC's Human Resources department. Perez-Garcia last complained in or around May 2025. Shortly thereafter, on or around June 30, 2025, SMAC terminated Perez-Garcia's employment because " there was not enough work". It is our position that any justification offered by SMAC was and is pretextual as SMAC unequivocally had the required retaliatory animus.

For the reasons herein, on behalf of himself and the Aggrieved Employees, Perez-Garcia alleges that SMAC committed the following violations of the California Labor Code and the Wage Order: 1) failed to pay wages for all time worked or subject to SMAC' control, including correctly-calculated overtime wages; 2) failed to provide meal periods or pay correctly-calculated premium wages in lieu thereof; 3) failed to authorize and permit rest periods or pay correctly-calculated premium wages in lieu thereof; 4) failed to reimburse reasonably necessary business expenses; 5) failed to provide compliant wage statements; 6) failed to maintain accurate records; and 7) failed to timely pay all wages owed during and upon separation of employment.

Accordingly, Perez-Garcia now seeks civil penalties on behalf of himself and the Aggrieved Employees based on SMAC's alleged violations of the California Labor Code and the Wage Order.

THE WAGE ORDER

The Wage Order applies to "all persons employed in the manufacturing industry whether paid on a time, piece rate, commission, or other basis[.]" § 1. The Wage Order defines "manufacturing industry" to include:

> "any industry, business, or establishment operated for the purpose of preparing, producing, making, altering, repairing, finishing, processing, inspecting, handling, assembling,

> wrapping, bottling, or packaging goods, articles, or commodities, in whole or in part; EXCEPT when such activities are covered by Orders in the: Canning, Preserving, and Freezing Industry; Industries Handling Products After Harvest; Industries Preparing Agricultural Products for Market, on the Farm; or Motion Picture Industry." § 2(H).

At all relevant times, SMAC engaged in manufacturing precision electric actuators. Accordingly, Perez-Garcia and the Aggrieved Employees are entitled to the protections afforded by the Wage Order.

FAILURE TO PAY WAGES FOR ALL HOURS WORKED AT THE CORRECT RATES OF PAY

Labor Code §§ 510, 558, 1194, 1197, and 1198

Labor Code sections 510, 1194, and 1197 require employers to pay the wages agreed to and at least minimum wages for all time under the employer's control, overtime wages for hours worked over eight per day or forty per week at one and one-half times the employee's regular rate of pay, and double-time wages for hours worked over twelve in one day or for the first eight hours of work on the seventh consecutive day of work at two times the employee's regular rate of pay. Labor Code section 558 establishes a civil penalty for violation of Labor Code section 510. Labor Code section 1198 prohibits employers from employing their employees under conditions prohibited by the Wage Order.

SMAC failed to pay all minimum, regular, and overtime wages to Perez-Garcia and other Aggrieved Employees because SMAC paid wages based on rounded times, did not pay for off-the-clock work, and failed to pay overtime wages based on correct regular rates of pay.

FAILURE TO PROVIDE MEAL PERIODS

Labor Code §§ 226.7, 512, and 1198

Employers must provide employees a 30-minute, uninterrupted meal period after no more than five hours of work, and a second such meal period after no more than 10 hours work. Labor Code § 512(a); IWC Wage Order(s) §§ 11(A)-(B); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, 1049. If an employer fails to provide an employee a meal period in accordance with California law, the employer must pay the employee one hour of pay at the employee's regular rate for each work day the meal period is not provided. Lab. Code § 226.7(c); IWC Wage Order(s), § 11(D); *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

SMAC failed to provide Perez-Garcia and other Aggrieved Employees with compliant meal periods and failed to pay one hour of correctly-calculated premium pay for each day such a meal period was not provided.

FAILURE TO AUTHORIZE AND PERMIT REST PERIODS

Labor Code § 226.7 & 1198

The Rest Period section of the applicable Wage Order provides:

"Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof." IWC Wage Order(s), § 12(A). If an employer fails to provide an employee a rest period in accordance with California law, the employer must pay the employee one hour of pay at the employee's regular rate for each work day a rest period is not provided. IWC Wage Order(s), § 12(B); Labor Code § 226.7(c); *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

SMAC failed to authorize and permit Perez-Garcia and other Aggrieved Employees to take compliant rest periods and failed to pay one hour of correctly-calculated premium pay for each day such a rest period was not provided.

FAILURE TO PROVIDE ACCURATE WAGE STATEMENTS

Labor Code §§ 226

California employers are required to provide itemized wage statements showing, among other things, "gross wages earned," "total hours worked by the employee," "net wages earned," and "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee." Labor Code §§ 226(a)(1), (2), (5), (9).

SMAC did not provide itemized wage statements accurately reflecting Perez-Garcia's and other Aggrieved Employees' gross wages earned, total hours worked, net wages earned, and all applicable hourly rates and the number of hours worked at each rate.

FAILURE TO PROVIDE ACCURATE RECORDS

Labor Code §§ 1174, 1174.5, 1198; IWC Wage Order(s), § 7

An employer must maintain payroll records showing hours worked daily by, and wages paid to, its employees, in accordance with rules established by the Industrial Welfare Commission. Labor Code §1174. An employer must also maintain time records showing when each work period, and meal period, begins and ends. IWC Wage Order(s), § 7.

Because SMAC rounded employees' time worked, did not record off-the-clock work, and interrupted employees' meal periods, SMAC failed to maintain accurate records as to the hours worked daily by employees and as to when each work period and meal period began and ended.

FAILURE TO REIMBURSE FOR EXPENSES

Labor Code §§ 1198, 2802, and 2804

An employer must reimburse its employees for their reasonable business-related expenses. Labor Code § 2802. The right to reimbursement cannot be waived. Labor Code § 2804.

SMAC failed to reimburse Perez-Garcia and other Aggrieved Employees for their reasonable business-related expenses, including uniform items in effectuating their job duties.

FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT & UPON SEPARATION

Labor Code §§ 201-204

An employer must pay "[a]ll wages, other than those mentioned in Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment…twice during each calendar month, on days designated in advance by the employer as the regular paydays." Labor Code § 204. An employer must pay all wages owed to terminated employees at the time of termination, or within 72 hours to employees who quit. Labor Code §§ 201-202. If an employer willfully fails to timely pay all wages to separated employees, the wages continue at the same rate for up to 30 days, until paid. Labor Code § 203.

As a result of its failure to pay all wages earned, as described above, SMAC failed to pay all final wages due to Perez-Garcia and other Aggrieved Employees and violated Labor Code Sections 201-204.

CONCLUSION

As noted above, this letter constitutes the required notice under the California Labor Code Private Attorneys General Act of 2004. Please be advised that Carlos Perez-Garcia will seek both reasonable attorneys' fees and costs under Labor Code § 2699, subdivision (g) (1) in a civil action should the LWDA decline to pursue this matter. This letter also serves as a formal notice under the catalyst theory and Code of Civil Procedure §1021.5 to resolve this matter before litigation.

Sincerely,

Maralle Messrelian, Esq.
maralle@mmlawapc.com

EXHIBIT 3

First Amended Class Action Complaint

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By M. Cruz ,Deputy Clerk

Attorneys for Plaintiffs,
CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, MARIO LOPEZ, and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO – NORTH COUNTY
(UNLIMITED JURISDICTION)

CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, and MARIO LOPEZ, on behalf of themselves and all others similarly situated, and the general public, and as "Aggrieved Employees" on behalf of other "Aggrieved Employees" under the Private Attorneys General Act of 2004,

Plaintiffs,

vs.

SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION; EDWARD NEFF, an individual; and DOES 1 to 25, inclusive,

Defendants.

Case No.: 25CU050624N

FIRST AMENDED CLASS ACTION

COMPLAINT FOR:

1) Failure to Pay All Wages Earned for All Hours Worked at the Correct Rates of Pay (Lab. Code§§ 510, 1194, 1197, and 1198);
2) Failure to Provide Rest Breaks (Lab. Code §§ 226.7 and 1198);
3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512 and 1198);
4) Failure to Indemnify (Lab. Code § 2802);
5) Failure to Provide Accurate Itemized Wage Statements (Lab. Code § 226);
6) Failure to Pay Wages Owed Every Pay Period (Lab. Code § 204);
7) Failure To Pay Wages When Employment Ends (Lab. Code §§ 201–203);
8) Civil Penalties (Lab Code §§ 2698, et seq.); and
9) Unfair Competition (Bus. & Prof. Code, § 17200*q*.)

JURY TRIAL DEMANDED

Plaintiffs, CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, and MARIO LOPEZ (hereafter "Plaintiffs"), on behalf of themselves and all others similarly situated, complain and allege as follows:

I. INTRODUCTION

1. Plaintiffs bring this class and representative action based on alleged violations of the California Labor Code, Industrial Welfare Commission Order No. 1-2001 (hereafter "the Wage Order"), and the California Business and Professions Code against SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION, EDWARD NEFF, and DOES 1 to 25, inclusive ("SMAC" or "Defendants").

2. As set forth in more detail below, Plaintiffs allege that Defendants are liable to them and other similarly situated workers for unpaid wages, statutory penalties, interest, and related relief. These claims are based on Defendants' failures to:

(A) Pay all wages, including minimum, regular, overtime and doubletime wages, earned for all hours worked at the correct rates of pay;

(B) Provide all meal periods;

(C) Authorize and permit all rest breaks;

(D) Pay premium wages for unprovided meal periods;

(E) Pay premium wages for unprovided rest breaks;

(F) Indemnify for necessary work-related expenditures;

(G) Issue only accurate and complete itemized wage statements; and

(H) Timely pay wages during and upon termination of employment.

Accordingly, Plaintiffs now seek to recover unpaid wages, interest, liquidated damages, restitution, statutory penalties, civil penalties, attorneys' fees, costs, and related relief through this class and representative action.

II. THE PARTIES

3. Plaintiffs CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, and MARIO LOPEZ are residents of California. At all relevant times, Plaintiffs were "employees" within the meaning of Title 8 California

Code of Regulations Section 11010 and "Aggrieved Employees" within the meaning of Labor Code Section 2699(c)

4. At all times mentioned herein, Defendant SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION is and was a California corporation, with its principal place of business at 5801 Van Allen Way, Carlsbad, CA 92008, and which employed Plaintiffs. As such, it is a citizen of California based on Plaintiffs' information and belief.

5. Defendant EDWARD NEFF is a citizen of California based on Plaintiffs' information and belief

6. In relevant part, Labor Code section 558.1 states:

> (a) Any employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.

7. Based on Plaintiffs' information and belief, Defendant EDWARD NEFF is a natural person, and an owner, director, officer, and/or managing agent of Defendant SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION, who directly or indirectly, or through his agent, employed or exercised control over the wages, hours, or working conditions of Plaintiffs and the Class (defined below). Therefore, he is liable to Plaintiffs and the Class for his violations of, or causing Defendants to violate, Labor Code sections 203, 226, 226.7, 1194, and 2802 pursuant to Labor Code section 558.1.

8. Plaintiffs are ignorant of the true names, capacities, relationships, and extents of participation in the conduct alleged herein, of the defendants sued as DOES 1-25, inclusive, but are informed and believe and thereon allege that said defendants are legally responsible for the wrongful conduct alleged herein and therefore sues these defendants by such fictitious names. Plaintiffs will amend the Complaint to allege the true names and capacities of the DOE defendants when ascertained.

9. Plaintiffs are informed and believe and thereon allege that, at all relevant times herein, all Defendants were the agents, employees and/or servants, masters or employers of the

remaining defendants, and in doing the things hereinafter alleged, were acting within the course and scope of such agency or employment, and with the approval and ratification of each of the other Defendants.

10. At all relevant times, in perpetrating the acts and omissions alleged herein, Defendants, and each of them, acted pursuant to and in furtherance of a policy, practice, or a lack of a practice which resulted in Defendants not compensating Plaintiffs and the other Class Members or otherwise complying with their rights in accordance with applicable California labor laws as alleged herein.

11. At all relevant times, in perpetrating the acts and omissions alleged herein, Defendants and each of them acted pursuant to and in furtherance of a policy and/or practice, or lack thereof, which resulted in Defendants not paying Plaintiffs and other members of the below-described class in accordance with applicable laws as alleged herein.

III. CLASS ALLEGATIONS

12. This action has been brought and may be maintained as a class action pursuant to California Code of Civil Procedure section 382 because there is a well-defined community of interest among the persons who comprise the readily ascertainable class defined below and because Plaintiffs are unaware of any difficulties likely to be encountered in managing this case as a class action.

13. **Class Definition:** The Class is defined as follows: All persons Defendants employed in California as hourly, non-exempt employees, at any time during the period beginning four years prior to the filing of this action and ending on the date that final judgment is entered in this action ("Class" or "Class Members").

14. **Reservation of Rights:** Pursuant to Rule of Court 3.765(b), Plaintiffs reserve the right to amend or modify the class definition with greater specificity, by further division into subclasses and/or by limitation to particular issues.

15. **Numerosity:** The Class Members are so numerous that the individual joinder of each individual Class Member is impractical. While Plaintiffs do not currently know the exact number of Class Members, Plaintiffs are informed and believe that the actual number

exceeds the minimum required for numerosity under California laws.

16. **Commonality and Predominance:** Common questions of law and fact exist as to all Class Members and predominate over any questions which affect only individual Class Members. These questions include, but are not limited to:

A. Whether Defendants failed to pay all wages earned to Class Members for all hours worked at the correct rates of pay, including minimum, regular, overtime, doubletime, meal period premium and rest period premium wages;

B. Whether Defendants failed to provide the Class Members with all meal periods in compliance with California law;

C. Whether Defendants failed to authorize and permit the Class Members to take all rest periods in compliance with California law;

D. Whether Defendants failed to indemnify the Class Members for the reasonable expenses they incurred during the course of performing their duties;

E. Whether Defendants knowingly and intentionally failed to provide the class with accurate and complete itemized wage statements;

F. Whether Defendants willfully failed to provide the class with timely wages during and upon termination of employment;

G. Whether Defendants engaged in unfair competition within the meaning of Business and Professions Code sections 17200, et seq., with respect to the Class; and

H. Whether Class Members are entitled to restitution of money or property that Defendants may have acquired from them through alleged Labor Code violations.

17. **Typicality:** Plaintiffs' claims are typical of the other Class Members' claims. Plaintiffs are informed and believe and thereon allege that Defendants have a policy and/or practice, or lack thereof, which resulted in Defendants failing to comply with the California Labor Code, the Wage Order, and the Business and Professions Code.

18. **Adequacy of Class Representative**: Plaintiffs are adequate class representatives in that they have no interests that are adverse to, or otherwise in conflict with, the interests of absent Class Members. Plaintiffs are dedicated to vigorously prosecuting this

action on behalf of Class Members. Plaintiffs will fairly and adequately represent and protect the interests of Class Members.

19. **Adequacy of Class Counsel:** Plaintiffs' counsel are adequate class counsel in that they have no known conflicts of interest with Plaintiffs or absent Class Members, are experienced in class action litigation, and are dedicated to vigorously prosecuting this action on behalf of Plaintiffs and absent Class Members.

20. **Superiority:** A class action is vastly superior to other available means for fair and efficient adjudication of Class Members' claims and would be beneficial to the parties and the Court. Class action treatment will allow a number of similarly situated persons to simultaneously and efficiently prosecute their common claims in a single forum without the unnecessary duplication of effort and expense that numerous individual actions would entail. In addition, the monetary amounts due to many individual Class Members are likely to be relatively small and would thus make it difficult, if not impossible, for individual Class Members to both seek and obtain relief. Moreover, a class action will serve an important public interest by permitting Class Members to effectively pursue the recovery of monies owed to them. Further, a class action will prevent the potential for inconsistent or contradictory judgments inherent in individual litigation.

IV. STATEMENT OF FACTS

21. The Wage Order applies to all persons employed in the manufacturing industry whether paid on a time, piece rate, commission, or other basis[.]" Wage Order, § 1. The Wage Order defines "manufacturing industry" to include: "any industry, business, or establishment operated for the purpose of preparing, producing, making, altering, repairing, finishing, processing, inspecting, handling, assembling, wrapping, bottling, or packaging goods, articles, or commodities, in whole or in part…" Id., § 2(H). At all relevant times during the applicable limitations period, SMAC engaged in manufacturing precision electric actuators. Accordingly, Plaintiffs and the Class Members are entitled to the protections afforded by the Wage Order.

22. SMAC first began to employ Plaintiff Carlos Perez Garcia on or around September 5, 2000 as a machine operator and later, as an assembler, at its facility located at

5807 Van Allen Way, Carlsbad, CA 92008. Plaintiff Carlos Perez Garcia's job tasks included cleaning parts before they were sent off for painting. During his tenure, Plaintiff Carlos Perez Garcia generally worked Monday through Friday and his schedule varied, starting as early as 5:00 a.m. to approximately 2:00 p.m. Plaintiff Carlos Perez Garcia's latest rate of pay was approximately $21.22 per hour. Plaintiff Carlos Perez Garcia's employment ended on or around June 30, 2025.

23. SMAC first began to employ Plaintiff Saul Ramirez on or around October 20, 2003. During his employment tenure, Plaintiff Saul Ramirez worked in the CNC and Extrusion Quality Control departments. Plaintiff Saul Ramirez generally worked Monday through Friday from approximately 6:30 a.m. to 3:00 p.m. Plaintiff Saul Ramirez's latest rate of pay was approximately $18.81 per hour. Plaintiff Saul Ramirez's employment ended on or around January 3, 2023.

24. SMAC first began to employ Plaintiff Adela Robles on or around September 15, 2015. During her employment tenure, Plaintiff Adela Robles worked in Production and Sections departments. Plaintiff Adela Robles generally worked Monday through Friday from approximately 6:30 a.m. to 3:00 p.m. Plaintiff Adela Robles's latest rate of pay was approximately $16.00 per hour. Plaintiff Adela Robles's employment ended on or around January 3, 2023.

25. SMAC first began to employ Plaintiff Margarita Robles on or around May 20, 2019. During her employment tenure, Plaintiff Margarita Robles worked in Assembly/Bobbin and Deburring departments. Plaintiff Margarita Robles generally worked Monday through Friday from approximately 6:30 a.m. to 3:00 p.m. Plaintiff Margarita Robles's latest rate of pay was approximately $18.04 per hour. Plaintiff Margarita Robles's employment ended on or around June 30, 2025.

26. SMAC first began to employ Plaintiff Maria Reyes on or around July 22, 2019. During her employment tenure, Plaintiff Maria Reyes worked in the Bobbin and Sections departments. Plaintiff Maria Reyes generally worked Monday through Friday from approximately 6:30 a.m. to 3:00 p.m. Plaintiff Maria Reyes's latest rate of pay was

approximately $16.00 per hour. Plaintiff Maria Reyes's employment ended on or around June 1, 2023.

27. SMAC first began to employ Plaintiff Mario Lopez in or around 1998. During his employment tenure, Plaintiff Mario Lopez worked as a machine operator. Plaintiff Mario Lopez generally worked Monday through Friday from approximately 6:30 a.m. to 3:00 p.m. Plaintiff Mario Lopez's latest rate of pay was approximately $24.52 per hour. Plaintiff Mario Lopez's employment ended in or around 2023.

28. At all relevant times, SMAC issued wages to Plaintiffs and all of the other Class Members on a biweekly basis and paid them by the hour. At all relevant times, SMAC classified Plaintiffs and all of the other Class Members as non-exempt employees entitled to the protections of the Labor Code and the Wage Order.

29. SMAC failed to pay Plaintiffs and other Class Members for all time worked or subject to its control. This is so because SMAC had a policy and practice of rounding down work hours to the detriment of employees, which is akin to a minimum wage violation.

30. Due to the above "off the clock" violations, SMAC failed to pay Plaintiffs and the Class Members properly-calculated overtime wages. The Class Members' actual work hours, which included the "off the clock" work as described above, entitled them to overtime, however, it was not company policy to keep accurate track of all hours worked and to pay employees the accurate amount of overtime, especially since the "off the clock" work was not factored into the equation. Furthermore, any incentive payments and/or bonus payments were not factored into employees' regular rate of pay for purposes of deciphering the correct overtime rate of pay. In addition, any bonus and/or incentive payments were not factored into the correct meal and rest break premium pay per Ferra v. Loews Hollywood Hotel, LLC (2021) 11 Cal. 5th 858, 863.

31. SMAC failed to provide all compliant meal periods and authorize and permit all compliant rest periods to which Plaintiffs and the other Class Members were entitled. Plaintiffs and the other Class Members were entitled to take off-duty, uninterrupted 30-minute meal periods before the fifth and tenth hours of work and to take uninterrupted 10-minute rest

periods for every four hours or major fraction thereof worked. However, Plaintiffs and the Class Members never received their meal periods before the 5th hour worked. SMAC scheduled lunch to be taken at 12:00 p.m. everyday (there was a bell system) despite Plaintiffs and others starting their shifts at 6:30 a.m., or earlier. As such, meal periods were late on a daily basis for all of the employees. Similarly, Plaintiffs and the other Class Members were not always able to take timely and duty-free 10-minute rest breaks due to the workload. As such, the culture as well as the policies and procedures of SMAC did not lend itself to the employees receiving compliant statutory rest breaks and meal breaks. On information and belief, SMAC did not provide premium wages for these meal and rest break violations; if SMAC did provide premium wages, they were not paid at the correct rate, as explained above.

32. SMAC failed to reimburse Plaintiffs and the other Class Members for business expenses they incurred in direct consequence of the discharge of their duties. During their employment, Plaintiffs had to purchase uniform items including steel toe boots to wear at work, PPE including dust masks, gloves, protective glasses, and tools such as scissors and cutters. However, SMAC did not reimburse Plaintiffs or the other employees for these expenses. Accordingly, SMAC was in violation of California Labor Code sections 2800 and 2802.

33. SMAC failed to pay its employees all wages due to them within any time period specified by California Labor Code section 204, including the minimum wages and overtime as described above as well as meal/rest break premiums. SMAC did not provide Plaintiffs and other Class Members accurate, itemized wage statements. Wage statements must include, among other things, total hours worked by the employee. Labor Code § 226(a)(2). SMAC issued wage statements that inaccurately reflected total hours worked, gross and net wages earned, and the number of hours worked at each hourly rate because of SMAC's failure to properly pay wages as explained herein. Labor Code §§ 226(a)(1), (2), (5), (9). SMAC' failure to maintain accurate records as to the hours worked daily by employees also constitutes a violation of Labor Code section 1174(d).

34. Finally, because SMAC did not properly pay all wages earned as explained

herein, SMAC also failed to pay final wages owed to Plaintiffs and other Class Members in violation of Labor Code section 203. These earned but unpaid wages include minimum wages and compensation for all hours worked, overtime compensation, premium pay for missed meal and rest breaks, and business expense reimbursement, among others.

35. SMAC has also violated Labor Code section 558 and engaged in business practices which violate Business and Professions Code Section 17200.

36. For the reasons stated herein, Plaintiffs allege that as a result of Defendants' unlawful practices and policies, Plaintiffs and the Class Members were:

A. Not provided with all off duty meal periods;

B. Not authorized and permitted to take all rest break periods;

C. Not paid one hour's pay for each workday in which Defendants failed to authorize and permit them to take one or more timely rest periods;

D. Not paid one hour's pay for each workday in which Defendants failed to provide them with one or more timely meal periods;

E. Not paid all wages earned, including, but not limited to, minimum, regular, overtime, and doubletime wages for work performed while clocked out;

F. Not indemnified for all necessary business expenditures incurred during the discharge of their duties;

G. Not provided with accurate and complete wage statements; and

H. Not timely paid all earned and unpaid wages during employment and at the time their employment ended.

FIRST CAUSE OF ACTION

FAILURE TO PAY ALL WAGES EARNED FOR ALL HOURS WORKED AT THE CORRECT RATES OF PAY

(Lab. Code §§ 510, 1194, 1197, and 1198)

(By Plaintiffs, on behalf of themselves and the Class, against all Defendants)

37. Plaintiffs incorporate all paragraphs of the Complaint as if fully alleged herein.

38. At all relevant times, Plaintiffs and the Class Members have been employees of

Defendants and entitled to the benefits and protections of California Labor Code §§ 510, 1194, 1197, and 1198, and the Wage Order.

39. Section 2(G) of the Wage Order defines "hours worked" as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so."

40. Section 3 of the Wage Order states:

> (A) Daily Overtime - General Provisions
>
> (1) The following overtime provisions are applicable to employees 18 years of age or over and to employees 16 or 17 years of age who are not required by law to attend school and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 ½) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:
>
> (a) One and one-half (1 ½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek.
>
> (b) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.
>
> (c) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary.

41. Section 4 of the Wage Order requires an employer to pay non-exempt employees

at least the minimum wage set forth therein for all hours worked, which consist of all hours that an employer has actual or constructive knowledge that employees are working.

42. Labor Code section 510 states:

> Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee. Nothing in this section requires an employer to combine more than one rate of overtime compensation in order to calculate the amount to be paid to an employee for any hour of overtime work.

43. California Labor Code § 1194 invalidates any agreement between an employer and an employee to work for less than the minimum wage required under the applicable Wage Order.

44. California Labor Code § 1197 makes it unlawful for an employer to pay an employee less than the minimum wage required under the applicable Wage Order for all hours worked during a payroll period.

45. California Labor Code § 1198 makes it unlawful for an employer to employ an employee under conditions that violate the Wage Order.

46. In conjunction, these provisions of the California Labor Code require employers to pay non-exempt employees no less than their agreed-upon or statutorily mandated wage rates for all hours worked, including unrecorded hours when the employer knew or reasonably should have known that employees were working during those hours. (*See Morillion v. Royal Packing Co.* (2000) 22 Cal.4th 575, 585.)

47. With respect to overtime wages, the regular rate of pay under California law must include "all remuneration for employment paid to, on behalf of, the employee." O.L. 2002.06.14 (quoting 29 U.S.C. § 207€). This requirement includes, but is not limited to bonuses. *See, e.g., Huntington Memorial Hosp. v. Superior Court* (2005) 131 Cal. App. 4th 893, 904–05. Bonuses must be included in the regular rate whether they are the sole source of the

employee's compensation or are in addition to a guaranteed salary or hourly rate. 29 C.F.R. §§ 778.117, 778.208. *See Oliver v. Mercy Med. Ctr., Inc*. (9th Cir. 1982) 695 F.2d 379.

48. As described above, at all relevant times during the applicable limitations period, Defendants failed to compensate Plaintiffs and the Class Members for all hours worked, including, but not limited to minimum, regular, overtime and doubletime wages for all minimum, regular, overtime and doubletime hours, respectively, that they worked at the correct rates of pay.

49. Plaintiffs are informed and believe and thereon allege that, at all relevant times, Defendants maintained a policy and/or practice, or lack thereof, which resulted in Defendants' failure to compensate Plaintiffs and the other Class Members for all hours worked at the correct rates of pay as required by California law.

SECOND CAUSE OF ACTION

FAILURE TO PROVIDE REST BREAKS

(Lab. Code §§ 226.7 and 1198)

(By Plaintiffs, on behalf of themselves and the Class, against all Defendants)

50. Plaintiffs incorporate all paragraphs of this Complaint as if fully alleged herein.

51. At all relevant times during the applicable limitations period, Plaintiffs and the Class Members have been employees of Defendants and entitled to the benefits and protections of California Labor Code §§ 226.7 and 1198, and the Wage Order.

52. In relevant part, Labor Code § 1198 states,

> "The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful."

53. In relevant part, Section 12 of the Wage Order states:

> Rest Periods:
>
> (A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate often (10) minutes net rest time per four (4) hours or major fraction

> thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 1/2) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.
>
> (B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each work day that the rest period is not provided.

54. In addition, Labor Code Section 226.7 states

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

55. Pursuant to the Wage Order, Plaintiffs and the Class Members were entitled to be provided with net rest breaks of at least ten minutes for each four-hour period of work, or major fraction thereof.

56. Defendants intentionally failed to authorize and permit Plaintiffs and the Class Members to take all 10-minute rest periods free from any work duties in accordance with the Wage Order.

57. At all relevant times, Defendants failed to authorize and permit Plaintiffs and the Class Members to take all timely rest periods. Furthermore, Defendants failed to pay premium wages to Plaintiffs and the Class Members for days on which they failed to authorize and permit Plaintiffs and the other Class Members to take timely rest periods.

58. At all relevant times, Defendants failed to authorize and permit Plaintiffs and

the Class Members to take ten-minute, paid, duty-free rest breaks every four hours worked or major fraction thereof. Defendants did not seek an exemption from the rest period protections of the Wage Order from the California Division of Labor Standards Enforcement. Moreover, Defendants failed to pay Plaintiffs and the Class Members premium wages on workdays they failed to authorize and permit them to take 10-minute rest periods every four hours worked or major fraction thereof.

59. Plaintiffs are informed and believe and thereon allege that, at all relevant times within the applicable limitations period, Defendants had a policy, practice, or a lack of a policy which resulted in Defendants not authorizing and permitting Plaintiffs and the Class Members to take all rest breaks required by California law.

60. Defendants failed to provide Plaintiffs with all required rest breaks in accordance with the Wage Order. Plaintiffs are informed and believe and thereon allege that, at relevant times within the applicable limitations period, Defendants had a policy, practice, or a lack of a policy which resulted in Defendants not providing the Class Members with all rest breaks required by California law.

61. Defendants failed to pay Plaintiffs the additional wages required by California Labor Code § 226.7 for all rest breaks not provided to them. Plaintiffs are informed and believe and thereon allege that, at relevant times within the applicable limitations period, Defendants have maintained a policy, practice, or a lack of a policy which resulted in Defendants not providing the Class Members with additional wages for all rest breaks not provided to them as required by California Labor Code § 226.7.

62. As a result of Defendants' unlawful conduct, Plaintiffs and the Class Members have suffered damages in amounts subject to proof to the extent they were not paid additional wages owed for all rest breaks not provided to them.

63. By reason of the above, Plaintiffs and the Class Members are entitled to premium wages for workdays in which one or more rest breaks were not provided to them pursuant to California Labor Code § 226.7.

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THIRD CAUSE OF ACTION

FAILURE TO PROVIDE MEAL PERIODS

(Lab. Code §§ 226.7, 512, and 1198)

(By Plaintiffs, on behalf of themselves and the Class, against all Defendants)

64. Plaintiffs incorporate all paragraphs of this Complaint as if fully alleged herein.

65. At all relevant times during the applicable limitations period, Plaintiffs and the Class Members have been employees of Defendants and entitled to the benefits and protections of California Labor Code §§ 226.7, 512 and 1198, and the Wage Order.

66. In relevant part, Labor Code § 1198 states,

> "The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful."

67. In relevant part, Labor Code Section 512 states

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

68. In relevant part, Section 11 of the Wage Order states:

> Meal Periods:
>
> (A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee…
>
> (D) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the

employee's regular rate of compensation for each workday that the meal period is not provided.

69. In relevant part, California Labor Code § 226.7 states:

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

70. Pursuant to California Labor Code § 512 and the Wage Order, Plaintiffs and the Class Members were entitled to be provided with uninterrupted meal periods of at least 30 minutes for each day they worked five or more hours. Pursuant to California Labor Code § 512, they were also entitled to a second 30-minute meal period when they worked more than ten (10) hours in a workday.

71. As described above, Defendants intentionally failed to provide Plaintiffs and the Class Members with all required 30-minute duty free meal periods in accordance with the Wage Order. Furthermore, Defendants failed to pay premium wages for days on which they failed to provide Plaintiffs and the other Class Members with timely meal periods.

72. Plaintiffs are informed and believe and thereon allege that, at all relevant times within the applicable limitations period, Defendants had a policy, practice, or a lack of a policy which resulted in Defendants not providing Plaintiffs and the Class Members with all timely and off-duty meal periods required by California law.

73. As a result of Defendants' unlawful conduct, Plaintiffs and the Class Members have suffered damages in amounts subject to proof to the extent they were not paid additional

wages owed for all meal periods not provided to them.

74. By reason of the above, Plaintiffs and the Class Members are entitled to premium wages for workdays in which one or more meal periods were not provided to them pursuant to California Labor Code § 226.7.

FOURTH CAUSE OF ACTION

FAILURE TO INDEMNIFY

(Lab. Code §§ 1198 & 2802)

(By Plaintiffs, on behalf of themselves and the Class, against all Defendants)

75. Plaintiffs incorporate all paragraphs of this Complaint as if fully alleged herein.

76. At all relevant times, Plaintiffs and the Class Members were employees of Defendants and entitled to the benefits and protections of the California Labor Code §§ 1198 and 2802, and the Wage Order.

77. In pertinent part, California Labor Code § 2802(a) states: "An employer shall indemnify his or her employee[s] for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her duties." Additionally, the Wage Order states,

> (A) When uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer.
>
> …
>
> Wage Order, § 9(A).

78. California Labor Code § 1198 prohibits employers from employing their employees under conditions prohibited by the Wage Order.

79. As described above, at all relevant times, Defendants required Plaintiffs and the Class Members to incur certain business expenses in the course of performing their duties, including but not limited to uniform items (steel toe boots), PPE (gloves), and tools such as cutters and scissors. However, Defendants did not provide these items and did not reimburse Plaintiffs and the Class Members for these business expenses.

80. Plaintiffs are informed and believe and thereon allege that, at all relevant times, Defendants have maintained a policy, practice, or a lack of a policy which resulted in

Defendants' failure to indemnify Plaintiffs and the Class Members for the reasonable expenses they incurred during the course of performing their duties.

81. Accordingly, with respect to this cause of action, on behalf of themselves and the Class Members, Plaintiffs pray for the above stated relief, costs, and all reasonable attorneys' fees pursuant to Labor Code § 2802(c) and as otherwise permitted by law.

FIFTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(California Labor Code Section 226)

(By Plaintiffs, on behalf of themselves and the Class, against all Defendants)

82. Plaintiffs incorporate all paragraphs of this Complaint as if fully alleged herein.

83. Pursuant to California Labor Code § 226(a), Plaintiffs and the Class Members were entitled to receive, semi-monthly or at the time of each payment of wages, an accurate itemized statement showing:

A. Gross wages earned;

B. Total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission;

C. The number of piece rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis;

D. All deductions, provided that all deductions made on written orders of the Employee may be aggregated and shown as one item;

E. Net wages earned;

F. The inclusive dates of the period for which the employee is paid;

G. The name of the employee and his or her social security number, except that by January 1, 2008, only the last four digits of his or her social security number or an employee identification number other than a social security number may be shown on the itemized statement;

H. The name and address of the legal entity that is the employer; and

I. All applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

84. Pursuant to California Labor Code § 226, an employee is deemed to suffer injury if the employer fails to provide a wage statement. Also, an employee is deemed to suffer injury if the employer fails to provide accurate and complete information as required by California Labor Code § 226(a) and the employee cannot "promptly and easily determine" from the wage statement alone one or more of the following:

A. The amount of the gross wages or net wages paid to the employee during the pay period or any of the other information required to be provided on the itemized wage statement pursuant to California Labor Code § 226(a);

B. Which deductions the employer made from gross wages to determine the net wages paid to the employee during the pay period;

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

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

E. The number of piece-rate units earned and the piece rate.

85. "Promptly and easily determine," as stated in California Labor Code § 226(e), means a reasonable person would be able to readily ascertain the information without reference to other documents or information.

86. As alleged herein, at all relevant times during the applicable limitations period, Defendants violated California Labor Code section 226 because it did not properly and accurately itemize each employee's gross wages earned, net wages earned, the total hours worked, the corresponding number of hours worked at each rate by the employee and other requirements of California Labor Code section 226. Defendants failed to state in the wage statements they issued to Plaintiffs and the other Class Members all their hours worked and

wages earned, including, but not limited to, regular and overtime wages for work they performed off-the-clock (as described above). Defendants knowingly and intentionally did not issue either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, statements to Plaintiffs and the Class Members that state all overtime wages earned, all minimum wages earned, all regular wages earned, all meal period premium wages earned, all rest break premium wages earned, gross wages earned, net wages earned, all hourly rates, and all hours worked at each rate of pay.

87. Defendants' failure to provide Plaintiffs and the other Class Members with accurate wage statements was knowing and intentional. Defendants had the ability to provide Plaintiffs and the other Class Members with accurate wage statements but intentionally provided wage statements that Defendants knew were not accurate.

88. As a result of being provided with inaccurate wage statements by Defendants, Plaintiffs and the other Class Members have suffered injury. Their legal rights to receive accurate wage statements were violated and they were misled about the amount of wages they had actually earned and were owed. In addition, the absence of accurate information on their wage statements prevented immediate challenges to Defendants' unlawful pay practices, has required discovery and mathematical computations to determine the amounts of wages owed, has caused difficulty and expense in attempting to reconstruct time and pay records and/or has led to the submission of inaccurate information about wages to state and federal government agencies. Further, Plaintiffs and the other Class Members were not able to ascertain from the wage statements whether Defendants complied with their obligations under California Labor Code section 226(a).

89. Pursuant to California Labor Code § 226(e), Plaintiffs and the Class are entitled to recover the greater of actual damages, or penalties of fifty dollars ($50) for the initial pay period in which a violation of California Labor Code § 226(a) occurred and one hundred dollars for each violation of California Labor Code § 226(a) in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000) per class member, and are also entitled to an award of costs and reasonable attorneys' fees.

SIXTH CAUSE OF ACTION

FAILURE TO PAY WAGES OWED EVERY PAY PERIOD

(Lab. Code §§ 204)

(By Plaintiffs, on behalf of themselves and the Class, against all Defendants)

90. Plaintiffs incorporate all paragraphs of the Complaint as if fully alleged herein.

91. California Labor Code Section 204 establishes the fundamental right of all employees in the State of California to be paid wages in a timely fashion for their work.

92. At all times relevant during the liability period, Defendants failed to pay Plaintiffs and the Class Members the full amount of all owed wages when due as required by California Labor Code Section 204.

93. Defendants failed to pay Plaintiffs and the Class Members all wages earned each pay period. Plaintiffs are informed, believe, and thereon allege, that all times relevant during the liability period, Defendants maintained a policy or practice of not paying Plaintiffs and the Class Members wages for all hours worked, including overtime hours and premium pay for missed rest breaks and meal breaks.

94. As a result of Defendants' unlawful conduct, Plaintiffs and the Class Members have suffered damages in an amount, subject to proof, to the extent they were not paid all wages each pay period. The precise amount of unpaid wages is not presently known to Plaintiffs but can be determined directly from Defendants' records or indirectly based on information from Defendants' records.

95. Under this cause of action, Plaintiffs pray for penalties on behalf of themselves and Class Members due under the statutes alleged along with any allowable interest, penalties, attorney's fees, and costs according to proof at trial.

SEVENTH CAUSE OF ACTION

FAILURE TO PAY WAGES WHEN EMPLOYMENT ENDS

(California Labor Code Sections 201-203)

(By Plaintiffs, on behalf of themselves and the Class, against all Defendants)

96. Plaintiffs incorporate all paragraphs of this Complaint as if fully alleged herein.

97. At all relevant times during the applicable limitations period, Plaintiff and the Class have been employees of Defendants and entitled to the benefits and protections of California Labor Code §§ 201–203, and the Wage Order.

98. Labor Code § 201 provides that all earned and unpaid wages of an employee who is discharged are due and payable immediately at the time of discharge.

99. Labor Code § 202 provides that all earned and unpaid wages of an employee who quits after providing at least 72-hours notice before quitting are due and payable at the time of quitting and that all earned and unpaid wages of an employee who quits without providing at least 72-hours notice before quitting are due and payable within 72 hours.

100. Labor Code § 203 provides that the wages of an employee continue on a daily basis as a penalty for up to 30 days where an employer willfully fails to timely pay earned and unpaid wages to the employee in accordance with Labor Code § 201 or § 202.

101. Defendants failed to pay Plaintiffs and all of the other Class Members whose employment ended all of the earned but unpaid wages described above by the conclusion of their employment with Defendants, including minimum wages, regular wages, overtime wages, unprovided meal period premium wages, and unprovided rest break premium wages. Additionally, Defendants failed to issue to Plaintiffs and all of the other Class members whose employment ended their final paychecks within the required time periods.

102. By failing to pay such earned wages to Plaintiffs and the Class Members, Defendants failed to timely pay them all earned and unpaid wages in violation of Labor Code § 201 or § 202.

103. Plaintiffs are informed and believe that Defendants' failures to timely pay Plaintiffs and the Class Members all of their earned and unpaid wages (described above) have been willful in that, at all relevant times, Defendants have deliberately maintained policies and practices that violate the requirements of the Labor Code and the Wage Order, even though at all relevant times, they have had the ability to comply with those legal requirements.

104. Pursuant to Labor Code § 203, Plaintiffs seek waiting time penalties on behalf of themselves and the Class, in amounts subject to proof not to exceed 30 days of waiting time

penalties for each Class Member.

EIGHTH CAUSE OF ACTION

CIVIL PENALTIES

(Lab. Code §§ 2698, *et seq.)*

(By Plaintiffs Carlos Perez Garcia and Margarita Robles on behalf of themselves and the Aggrieved Employees against all Defendants)

105. Plaintiffs incorporate all paragraphs of this Complaint as if fully alleged herein.

106. The "Aggrieved Employees" are all members of the Class defined above who Defendants employed during the period beginning July 16, 2024 and ending on the date that final judgment is entered in this action.

107. Labor Code section 1174, which also pertains to recordkeeping, states:

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

108. Defendants failed to compensate Plaintiffs and all of the other Aggrieved Employees for all hours worked at the correct rates of pay, including all minimum wages earned, all regular wages earned, all overtime wages earned, all doubletime wages earned, all meal period premium wages earned, all rest break premium wages earned, gross wages earned,

net wages earned, and related compensation. As a result, Defendants have failed to accurately maintain all records required by section 1174 and the Wage Order, including but not limited to Plaintiffs and all of the other Aggrieved Employees' total hours worked, total wages paid, and applicable hourly rates during each payroll period.

109. During the applicable time period, Defendants violated California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802.

110. California Labor Code §§ 2699(a) and (g) authorize an aggrieved employee, on behalf of themselves and other current or former employees, to bring a civil action to recover civil penalties pursuant to the procedures specified in California Labor Code § 2699.3.

111. Pursuant to California Labor Code §§ 2699(a) and (f), Plaintiffs and the Class Members are entitled to recover civil penalties for each of the Defendants' violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802 during the applicable limitations period in the following amounts:

A. For violations of California Labor Code § 204, one hundred dollars ($100.00) for each Aggrieved Employee for each initial violation and two hundred dollars ($200.00) for each Aggrieved Employee for each subsequent violation (penalty amounts established by California Labor Code § 210).

B. For violations of California Labor Code § 226(a), two hundred fifty dollars ($250.00) for each Aggrieved Employee for initial violation and one thousand dollars ($1,000.00) for each Aggrieved Employee for each subsequent violation (penalty amounts established by California Labor Code § 226.3).

C. For violations of California Labor Code §§ 510, 512, and 558.1, fifty dollars ($50.00) for each Aggrieved Employee for initial violation and one hundred dollars ($100.00) for each Aggrieved Employee for each subsequent violation (penalty amounts established by California Labor Code § 558).

D. For violations of California Labor Code § 1174, five hundred dollars ($500.00) for each Aggrieved Employee for each violation (penalty amounts established by California Labor Code § 1174.5).

E. For violations of California Labor Code § 1197, one hundred dollars ($100.00) for each Aggrieved Employee for each initial and intentional violation and two hundred fifty dollars ($250.00) for each Aggrieved Employee for each subsequent violation, per pay period (regardless of whether the initial violations were intentionally committed) (penalty amounts established by California Labor Code § 1197.1).

F. For violations of California Labor Code §§ 201, 202, 203, 226.7, 1194, 1198, and 2802, one hundred dollars ($100.00) for each Aggrieved Employee per pay period for each initial violation and two hundred dollars ($200.00) for each Aggrieved Employee per pay period for each subsequent violation (penalty amounts established by California Labor Code § 2699(f)(2)).

112. Plaintiffs have complied with the procedures for bringing suit specified in California Labor Code § 2699.3. By letters dated July 16, 2025 and November 3, 2025, Plaintiffs filed written notice online with the Labor and Workforce Development Agency ("LWDA") and gave written notice by certified mail to Defendants of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations. Plaintiffs accompanied the LWDA notice with a fee in the amount of $75.00. The LWDA has failed to take action in response within 65 calendar days of the date of the initial notice, but Plaintiffs anticipate that the LWDA will provide written notice to Plaintiffs informing them that it does not intend to investigate these allegations.

113. Pursuant to California Labor Code § 2699(g), Plaintiffs and the Aggrieved Employees are entitled to an award of civil penalties and reasonable attorney's fees and costs in connection with their claims for civil penalties.

NINTH CAUSE OF ACTION

UNFAIR COMPETITION

(Bus. & Prof. Code §§ 17200, *et seq.*)

(By Plaintiffs, on behalf of themselves and the Class, against all Defendants)

114. Plaintiffs incorporate all paragraphs of this Complaint as if fully alleged herein.

115. At all relevant times during the applicable limitations period, Plaintiffs and the

Class Members have been employees of Defendants and entitled to the benefits and protections of the Business and Professions Code §§ 17200, *et seq*.

116. The unlawful conduct of Defendants alleged herein amounts to and constitutes unfair competition within the meaning of California Business & Professions Code §§ 17200, *et seq*. Due to their unfair and unlawful business practices alleged herein, Defendants have unfairly gained a competitive advantage over other comparable companies doing business in California that comply with their legal obligations to compensate employees for all earned wages.

117. As a result of Defendants' unfair competition as alleged herein, Plaintiffs and the Class Members have suffered injuries in fact and lost money or property. Plaintiffs and the Class Members were deprived of minimum wages, regular wages, overtime wages, missed meal period premium wages, missed rest period premium wages, uniform and PPE items, and other expenses, and comparable money and property.

118. Pursuant to California Business & Professions Code § 17203, Plaintiffs and the Class Members are entitled to restitution of all monies rightfully belonging to them that Defendants did not pay them or otherwise retained by means of their unlawful and unfair business practices.

119. Plaintiffs and the Class Members are entitled to reasonable attorneys' fees in connection with their unfair competition claims pursuant to California Code of Civil Procedure § 1021.5, the substantial benefit doctrine and/or the common fund doctrine.

V. PRAYER FOR RELIEF

120. WHEREFORE, Plaintiffs, on behalf of themselves and the Class Members, pray for relief and judgment against Defendants as follows:

A. An order that the action be certified as a class action with respect to Plaintiffs' claims for violations of California law;

B. An order that Plaintiffs be appointed class representatives;

C. An order that counsel for Plaintiffs be appointed class counsel;

D. Unpaid wages, including minimum, regular, overtime, double-time, split shift, vacation, missed meal period, missed rest period, nonproductive time, rest and recovery time, and reporting time wages;

E. Liquidated damages;

F. Statutory penalties, including waiting time penalties;

G. Civil Penalties;

H. Restitution;

I. Declaratory relief;

J. Actual damages;

K. Pre-judgment interest;

L. Costs of suit;

M. Reasonable attorneys' fees; and

N. Such other relief as the Court deems just and proper.

VI. DEMAND FOR JURY TRIAL

Plaintiffs, on behalf of themselves and all other Class Members, hereby demand a jury trial on all issues so triable.

Dated: November 3, 2025

MM LAW, APC

By _____
Maralle Messrelian, Esq.
Attorneys for Plaintiffs, CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, MARIO LOPEZ, and all others similarly situated

EXHIBIT 4

Answers of Defendants SMAC and Edward Neff

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Attorneys for Defendant
Systems Machines Automation Components Corporation

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

CARLOS PEREZ-GARCIA, on behalf of himself and all others similarly situated, and the general public, and as an "Aggrieved Employee" on behalf of other "Aggrieved Employees" under the Private Attorneys General Act of 2004,

Plaintiff,

vs.

SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION; and DOES 1 to 25, inclusive,

Defendants.

Case No. 25CU050624N

DEFENDANT SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION'S ANSWER TO PLAINTIFF'S COMPLAINT

Judge: Hon. Michael D. Washington
Dept: N-31
Complaint Filed: September 22, 2025

Systems Machines Automation Components Corporation ("Defendant"), through its counsel, hereby answers Plaintiff Carlos Perez-Garcia's ("Plaintiff") Complaint ("Complaint") as follows:

GENERAL DENIAL

1. Pursuant to California Code of Civil Procedure § 431.30(d), Defendant generally denies each and every allegation contained in the Complaint, as well as each and every cause of action therein. Defendant further denies, both generally and specifically, each and every factual, representative, and class action allegation asserted, including that: (1) Defendant engaged in unfair business practices; (2) Defendant violated the California Labor Code; and (3) Plaintiff was damaged in the amount alleged or in any other amount because of any act, failure to act, or alleged liability on the part of Defendant and/or Defendant's past or present agents, employees, representatives, or any other person or entity for whose acts Defendant is potentially responsible.

AFFIRMATIVE DEFENSES

2. In addition to Defendant's general denial, Defendant also believes and asserts that Plaintiff's causes of action are subject to the following affirmative defenses:

FIRST AFFIRMATIVE DEFENSE

(FAILURE TO STATE A CLAIM)

3. The Complaint, and each cause of action alleged therein, is barred in whole or in part because the Complaint fails to state facts sufficient to constitute a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

(STATUTE OF LIMITATIONS)

4. The Complaint, and each cause of action alleged therein, is barred in whole or in part by the applicable statutes of limitation, including but not limited to Code of Civil Procedure sections 335.1, 337, 338, 339, 340, 343, 344, Labor Code section 203, and Business and Professions Code section 17208.

THIRD AFFIRMATIVE DEFENSE

(LACHES)

5. The Complaint, and each cause of action asserted therein, is barred in whole or in part by the doctrine of laches because Plaintiff, the putative class, and/or the alleged aggrieved employees delayed in pursuing the alleged claims, causing substantial prejudice to Defendant.

FOURTH AFFIRMATIVE DEFENSE

(ESTOPPEL)

6. Plaintiff, the putative class, and/or the alleged aggrieved employees are estopped from pursuing the claims in the Complaint due to their own actions and course of conduct, including, but not limited to, their failure to follow company policies and practices, their failure to notify Defendant that the alleged violations occurred, and/or making affirmative statements that they had not experienced any of the alleged violations raised in the Complaint.

FIFTH AFFIRMATIVE DEFENSE

(WAIVER)

7. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiff, the putative class, and/or the alleged aggrieved employees waived their rights, if any, to pursue the Complaint's claims by reason of their own actions and conduct, including, but not limited to, voluntarily waiving meal and rest breaks that they are or were otherwise entitled to.

SIXTH AFFIRMATIVE DEFENSE

(UNCLEAN HANDS)

8. The Complaint, and each cause of action asserted therein, is barred in whole or in part by the doctrine of unclean hands due to, among other things, Plaintiff's, the putative class members', and/or the alleged aggrieved employees' own failure to accurately record and report their work time, to follow company policies and practices, and to take timely and complete meal and rest breaks that were made available by Defendant.

SEVENTH AFFIRMATIVE DEFENSE

(UNJUST ENRICHMENT)

9. The Complaint, and each cause of action asserted therein, is barred in whole or in part because any recovery of damages would constitute unjust enrichment because any such damages arise from, among other things, Plaintiff's, the putative class members', and/or the alleged aggrieved

employees' own failure to accurately record and report their work time, to follow company policies and practices, and to take timely and complete meal and rest breaks that were made available by Defendant.

EIGHTH AFFIRMATIVE DEFENSE

(FAILURE TO MITIGATE DAMAGES)

10. Plaintiff, the putative class, and/or the alleged aggrieved employees are barred from recovering any damages from Defendant, to the extent any such recovery is warranted, because they failed to mitigate potential damages through their own conduct, or lack thereof.

NINTH AFFIRMATIVE DEFENSE

(GOOD FAITH)

11. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Defendant's actions, including the implementation of employment policies and practices it believed to be lawful, were done in good faith, and for legitimate business purposes.

TENTH AFFIRMATIVE DEFENSE

(REASONABLE BUSINESS JUDGMENT)

12. The Complaint's unfair competition claims are barred in whole or in part because Defendant exercised reasonable business judgment, including, but not limited to, the implementation of employment policies and practices it believed, in good faith, to be lawful.

ELEVENTH AFFIRMATIVE DEFENSE

(FAILURE TO TAKE PREVENTATIVE OR CORRECTIVE MEASURES)

13. The Complaint, and each cause of action asserted therein, should be barred in whole or in part because Plaintiff, the putative class, and/or the alleged aggrieved employees unreasonably failed to take proper preventative and/or corrective measures that Defendant provided to avoid the harm alleged in the Complaint, including, but not limited to, failing to report any alleged violations of law, failing to use company grievance procedures, and/or failing to follow company policies.

TWELFTH AFFIRMATIVE DEFENSE

(CONSENT)

14. The Complaint, and each cause of action asserted therein, is barred in whole or in part

because Plaintiff, the putative class, and/or the alleged aggrieved employees consented to the conduct about which Plaintiff complains in the Complaint.

THIRTEENTH AFFIRMATIVE DEFENSE

(RELEASE OF CLAIMS)

15. The Complaint, and each cause of action asserted therein, is barred in whole or in part to the extent Plaintiff, the putative class, and/or the alleged aggrieved employees executed valid and enforceable releases of their claims.

FOURTEENTH AFFIRMATIVE DEFENSE

(COLLECTIVE BARGAINING AGREEMENTS)

16. The Complaint, and each cause of action asserted therein, is barred in whole or in part to the extent Plaintiff, the putative class, and/or the alleged aggrieved employees are subject to collective bargaining agreements, which require them to follow the grievance procedures in those agreements.

FIFTEENTH AFFIRMATIVE DEFENSE

(PREEMPTION)

17. The Complaint, and each cause of action asserted therein, is barred in whole or in part to the extent they are preempted by federal law, including, but not limited to, preemption under the Labor Management Relations Act because putative class members are subject to collective bargaining agreements.

SIXTEENTH AFFIRMATIVE DEFENSE

(*DE MINIMIS*)

18. The Complaint, and each cause of action asserted therein, is barred to the extent that the wages or expenses that Plaintiff, the putative class, and/or the alleged aggrieved employees seek to recover are *de minimis*, including but not limited to their allegedly unpaid regular and overtime wages.

SEVENTEENTH AFFIRMATIVE DEFENSE

(OFFSET)

19. To the extent Plaintiff, the putative class, and/or the alleged aggrieved employees are

entitled to recover any amounts sought in the Complaint, Defendant is entitled to an offset for any amounts owed for the receipt of any wages or any other benefits to which Plaintiff, the putative class, and/or the alleged aggrieved employees were not entitled, including, but not limited to, a lack of waiting time penalties under California Labor Code section 203 because, at all relevant times, there has been a good faith dispute that wages are or have been due.

EIGHTEENTH AFFIRMATIVE DEFENSE

(FAILURE TO MEET OBLIGATIONS)

20. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiff, the putative class, and/or the alleged aggrieved employees did not satisfy and/or breached their statutory obligations, including but not limited to Labor Code sections 2698-2699.5, 2854 and 2856-2859.

NINETEENTH AFFIRMATIVE DEFENSE

(LACK OF STANDING TO REPRESENT OTHERS)

21. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiff lacks standing to bring his claims on behalf of the putative class because, among other things, Plaintiff is not an adequate class representative with claims typical of the putative class.

TWENTIETH AFFIRMATIVE DEFENSE

(SAME CLAIM)

22. The Complaint, and each cause of action asserted therein, is barred in whole or in part to the extent Plaintiff, the putative class, and/or the alleged aggrieved employees previously pursued the same claim or claims in any court or administrative forum.

TWENTY-FIRST AFFIRMATIVE DEFENSE

(DUE PROCESS)

23. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiff seeks to impermissibly impose excessive, unduly vague, and retroactive statutory and/or civil penalties on Defendant in violation of its right to due process under the United States Constitution and the California Constitution.

TWENTY-SECOND AFFIRMATIVE DEFENSE

(ACCORD AND SATISFACTION)

24. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiff, the putative class, and/or the alleged aggrieved employees have been fully compensated for any wages owed, and by accepting payments, have effectuated an accord and satisfaction of their claims.

TWENTY-THIRD AFFIRMATIVE DEFENSE

(ALL HOURS COMPENSATED)

25. Defendant alleges Plaintiff, the putative class, and/or the alleged aggrieved employees were not suffered or permitted to work during any time for which they were not paid the appropriate wage rate, including the proper minimum and overtime rates.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

(NON-COMPENSABLE TIME)

26. Defendant alleges that some or all of the hours for which Plaintiff, the putative class, and/or the alleged aggrieved employees claim compensation are not considered hours worked under California state law.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

(NO KNOWLEDGE OF ALLEGED VIOLATIONS)

27. Defendant alleges that Plaintiff's claims for hours worked and for meal and rest periods are barred to the extent that Defendant had no knowledge of or reason to know that Plaintiff, the putative class, and/or the alleged aggrieved employees were working for time for which they were not paid, or that they were not taking meal or rest breaks in accordance with the law.

TWENTY-SIXTH AFFIRMATIVE DEFENSE

(AVOIDABLE CONSEQUENCES)

28. The Complaint, and each cause of action asserted therein, is barred in whole or in part, or recovery should be reduced, pursuant to the avoidable consequences doctrine.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE

(FAULT OF PLAINTIFF AND PUTATIVE CLASS MEMBERS)

29. Defendant alleges that any losses, damages, or detriment, as alleged in the Complaint,

were caused and contributed to by the actions of Plaintiff, the putative class, and/or the alleged aggrieved employees.

TWENTY-EIGHTH AFFIRMATIVE DEFENSE

(FAILURE TO SATISFY CLASS ACTION REQUIREMENTS)

30. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiff's claims lack the requisite standards to allow the lawsuit to proceed as a class action.

TWENTY-NINTH AFFIRMATIVE DEFENSE

(FAILURE TO EXHAUST REMEDIES)

31. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiff, the putative class, and/or the alleged aggrieved employees failed to exhaust any available statutory, contractual, and/or administrative remedies with respect to the allegations in the Complaint, including but not limited to the requirements outlined in Labor Code section 2699.3.

THIRTIETH AFFIRMATIVE DEFENSE

(REASONABLE STEPS)

32. Plaintiff's claim arising under the Private Attorneys' General Act of 2004 is barred in whole or in part because Defendant has taken all reasonable steps to be in compliance with the Labor Code provisions that Plaintiff alleges it violated.

THIRTY-FIRST AFFIRMATIVE DEFENSE

(NO REPRESENTATIVE CLAIMS)

33. Plaintiff's claim arising under the Private Attorneys' General Act of 2004 is barred in whole or in part because Plaintiff's allegations cannot be proven on a representative basis because each claim will require extensive individual analysis into, among other things, each employee's alleged unpaid wages and failure to take meal and rest breaks.

THIRTY-SECOND AFFIRMATIVE DEFENSE

(RESERVATION OF RIGHT TO ADDITIONAL AFFIRMATIVE DEFENSES)

34. Defendant presently has insufficient knowledge or information upon which to form a belief as to whether it may have additional, but unstated, defenses available. Defendant therefore reserves the right to assert additional affirmative defenses if future discovery indicates that additional

defenses would be appropriate.

JURY DEMAND

Defendant respectfully requests a trial by jury on all contested issues of fact.

CONCLUSION

WHEREFORE, Defendant prays that the Court enter judgment as follows:

1. that Plaintiff takes nothing by way of his Complaint;

2. that Plaintiff's Complaint be dismissed with prejudice, and that a decision be rendered against Plaintiff and in favor of Defendant with respect to all of Plaintiff's allegations;

3. that Defendant be awarded all of its costs and expenses incurred herein; and

4. for any other relief the Court deems just and proper.

DATED: November 14, 2025

KONING ZOLLAR LLP

By: _____
Blake Zollar

Attorneys for Defendant
Systems Machines Automation Components Corporation

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, and MARIO LOPEZ, on behalf of themselves and all others similarly situated, and the general public, and as an "Aggrieved Employee" on behalf of other "Aggrieved Employees" under the Private Attorneys General Act of 2004,

Plaintiffs,

vs.

SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION; EDWARD NEFF, an individual; and DOES 1 to 25, inclusive,

Defendants.

Case No. 25CU050624N

DEFENDANT EDWARD NEFF'S ANSWER TO PLAINTIFFS' FIRST AMENDED COMPLAINT

Judge: Hon. Michael D. Washington
Dept: N-31
Complaint Filed: September 22, 2025

Edward Neff ("Neff" or "Defendant"), through his counsel, hereby answers Plaintiffs Carlos Perez-Garcia, Saul Ramirez, Adela Robles, Margarita Robles, Maria Reyes, and Mario Lopez ("Plaintiffs") First Amended Complaint ("Complaint") as follows:

GENERAL DENIAL

1. Pursuant to California Code of Civil Procedure § 431.30(d), Defendant generally denies each and every allegation contained in the Complaint, as well as each and every cause of action therein. Defendant further denies, both generally and specifically, each and every factual, representative, and class action allegation asserted, including that: (1) Defendant engaged in unfair business practices; (2) Defendant violated the California Labor Code; and (3) Plaintiffs were damaged in the amount alleged or in any other amount because of any act, failure to act, or alleged liability on the part of Defendant and/or Defendant's past or present agents, employees, representatives, or any other person or entity for whose acts Defendant is potentially responsible.

AFFIRMATIVE DEFENSES

2. In addition to Defendant's general denial, Defendant also believes and asserts that Plaintiffs' causes of action are subject to the following affirmative defenses:

FIRST AFFIRMATIVE DEFENSE

(FAILURE TO STATE A CLAIM)

3. The Complaint, and each cause of action alleged therein, is barred in whole or in part because the Complaint fails to state facts sufficient to constitute a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

(STATUTE OF LIMITATIONS)

4. The Complaint, and each cause of action alleged therein, is barred in whole or in part by the applicable statutes of limitation, including but not limited to Code of Civil Procedure sections 335.1, 337, 338, 339, 340, 343, 344, Labor Code section 203, and Business and Professions Code section 17208.

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THIRD AFFIRMATIVE DEFENSE

(LACHES)

5. The Complaint, and each cause of action asserted therein, is barred in whole or in part by the doctrine of laches because Plaintiffs, the putative class, and/or the alleged aggrieved employees delayed in pursuing the alleged claims, causing substantial prejudice to Defendant.

FOURTH AFFIRMATIVE DEFENSE

(ESTOPPEL)

6. Plaintiffs, the putative class, and/or the alleged aggrieved employees are estopped from pursuing the claims in the Complaint due to their own actions and course of conduct, including, but not limited to, their failure to follow company policies and practices, their failure to notify their employer, Systems Machines Automation Components Corporation ("SMAC" or the "Company") that the alleged violations occurred, and/or making affirmative statements that they had not experienced any of the alleged violations raised in the Complaint.

FIFTH AFFIRMATIVE DEFENSE

(WAIVER)

7. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiffs, the putative class, and/or the alleged aggrieved employees waived their rights, if any, to pursue the Complaint's claims by reason of their own actions and conduct, including, but not limited to, voluntarily waiving meal and rest breaks that they are or were otherwise entitled to.

SIXTH AFFIRMATIVE DEFENSE

(UNCLEAN HANDS)

8. The Complaint, and each cause of action asserted therein, is barred in whole or in part by the doctrine of unclean hands due to, among other things, Plaintiffs', the putative class members', and/or the alleged aggrieved employees' own failure to accurately record and report their work time, to follow Company policies and practices, and to take timely and complete meal and rest breaks that were made available by SMAC.

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SEVENTH AFFIRMATIVE DEFENSE

(UNJUST ENRICHMENT)

9. The Complaint, and each cause of action asserted therein, is barred in whole or in part because any recovery of damages would constitute unjust enrichment because any such damages arise from, among other things, Plaintiffs', the putative class members', and/or the alleged aggrieved employees' own failure to accurately record and report their work time, to follow Company policies and practices, and to take timely and complete meal and rest breaks that were made available by SMAC.

EIGHTH AFFIRMATIVE DEFENSE

(FAILURE TO MITIGATE DAMAGES)

10. Plaintiffs, the putative class, and/or the alleged aggrieved employees are barred from recovering any damages from Defendant, to the extent any such recovery is warranted, because they failed to mitigate potential damages through their own conduct, or lack thereof.

NINTH AFFIRMATIVE DEFENSE

(GOOD FAITH)

11. The Complaint, and each cause of action asserted therein, is barred in whole or in part because the Company's actions, including the implementation of employment policies and practices it believed to be lawful, were done in good faith, and for legitimate business purposes.

TENTH AFFIRMATIVE DEFENSE

(REASONABLE BUSINESS JUDGMENT)

12. The Complaint's unfair competition claims are barred in whole or in part because the Company exercised reasonable business judgment, including, but not limited to, the implementation of employment policies and practices it believed, in good faith, to be lawful.

ELEVENTH AFFIRMATIVE DEFENSE

(FAILURE TO TAKE PREVENTATIVE OR CORRECTIVE MEASURES)

13. The Complaint, and each cause of action asserted therein, should be barred in whole or in part because Plaintiffs, the putative class, and/or the alleged aggrieved employees unreasonably failed to take proper preventative and/or corrective measures that the Company provided to avoid

the harm alleged in the Complaint, including, but not limited to, failing to report any alleged violations of law, failing to use company grievance procedures, and/or failing to follow Company policies.

TWELFTH AFFIRMATIVE DEFENSE

(CONSENT)

14. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiffs, the putative class, and/or the alleged aggrieved employees consented to the conduct about which Plaintiffs complain in the Complaint.

THIRTEENTH AFFIRMATIVE DEFENSE

(RELEASE OF CLAIMS)

15. The Complaint, and each cause of action asserted therein, is barred in whole or in part to the extent Plaintiffs, the putative class, and/or the alleged aggrieved employees executed valid and enforceable releases of their claims.

FOURTEENTH AFFIRMATIVE DEFENSE

(COLLECTIVE BARGAINING AGREEMENTS)

16. The Complaint, and each cause of action asserted therein, is barred in whole or in part to the extent Plaintiffs, the putative class, and/or the alleged aggrieved employees are subject to collective bargaining agreements, which require them to follow the grievance procedures in those agreements.

FIFTEENTH AFFIRMATIVE DEFENSE

(PREEMPTION)

17. The Complaint, and each cause of action asserted therein, is barred in whole or in part to the extent they are preempted by federal law, including, but not limited to, preemption under the Labor Management Relations Act because putative class members are subject to collective bargaining agreements.

SIXTEENTH AFFIRMATIVE DEFENSE

(*DE MINIMIS*)

18. The Complaint, and each cause of action asserted therein, is barred to the extent that

the wages or expenses that Plaintiffs, the putative class, and/or the alleged aggrieved employees seek to recover are *de minimis*, including but not limited to their allegedly unpaid regular and overtime wages.

SEVENTEENTH AFFIRMATIVE DEFENSE

(OFFSET)

19. To the extent Plaintiffs, the putative class, and/or the alleged aggrieved employees are entitled to recover any amounts sought in the Complaint, Defendant is entitled to an offset for any amounts owed for the receipt of any wages or any other benefits to which Plaintiffs, the putative class, and/or the alleged aggrieved employees were not entitled, including, but not limited to, a lack of waiting time penalties under California Labor Code section 203 because, at all relevant times, there has been a good faith dispute that wages are or have been due.

EIGHTEENTH AFFIRMATIVE DEFENSE

(FAILURE TO MEET OBLIGATIONS)

20. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiffs, the putative class, and/or the alleged aggrieved employees did not satisfy and/or breached their statutory obligations, including but not limited to Labor Code sections 2698-2699.5, 2854 and 2856-2859.

NINETEENTH AFFIRMATIVE DEFENSE

(LACK OF STANDING TO REPRESENT OTHERS)

21. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiffs lack standing to bring their claims on behalf of the putative class because, among other things, Plaintiffs are not adequate class representatives with claims typical of the putative class.

TWENTIETH AFFIRMATIVE DEFENSE

(SAME CLAIM)

22. The Complaint, and each cause of action asserted therein, is barred in whole or in part to the extent Plaintiffs, the putative class, and/or the alleged aggrieved employees previously pursued the same claim or claims in any court or administrative forum.

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TWENTY-FIRST AFFIRMATIVE DEFENSE

(DUE PROCESS)

23. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiffs seek to impermissibly impose excessive, unduly vague, and retroactive statutory and/or civil penalties on Defendant in violation of his right to due process under the United States Constitution and the California Constitution.

TWENTY-SECOND AFFIRMATIVE DEFENSE

(ACCORD AND SATISFACTION)

24. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiffs, the putative class, and/or the alleged aggrieved employees have been fully compensated for any wages owed, and by accepting payments, have effectuated an accord and satisfaction of their claims.

TWENTY-THIRD AFFIRMATIVE DEFENSE

(ALL HOURS COMPENSATED)

25. Defendant alleges Plaintiffs, the putative class, and/or the alleged aggrieved employees were not suffered or permitted to work during any time for which they were not paid the appropriate wage rate, including the proper minimum and overtime rates.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

(NON-COMPENSABLE TIME)

26. Defendant alleges that some or all of the hours for which Plaintiffs, the putative class, and/or the alleged aggrieved employees claim compensation are not considered hours worked under California state law.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

(NO KNOWLEDGE OF ALLEGED VIOLATIONS)

27. Defendant alleges that Plaintiffs' claims for hours worked and for meal and rest periods are barred to the extent that Defendant had no knowledge of or reason to know that Plaintiffs, the putative class, and/or the alleged aggrieved employees were working for time for which they were not paid, or that they were not taking meal or rest breaks in accordance with the law.

TWENTY-SIXTH AFFIRMATIVE DEFENSE

(AVOIDABLE CONSEQUENCES)

28. The Complaint, and each cause of action asserted therein, is barred in whole or in part, or recovery should be reduced, pursuant to the avoidable consequences doctrine.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE

(FAULT OF PLAINTIFFS AND PUTATIVE CLASS MEMBERS)

29. Defendant alleges that any losses, damages, or detriment, as alleged in the Complaint, were caused and contributed to by the actions of Plaintiffs, the putative class, and/or the alleged aggrieved employees.

TWENTY-EIGHTH AFFIRMATIVE DEFENSE

(FAILURE TO SATISFY CLASS ACTION REQUIREMENTS)

30. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiffs' claims lack the requisite standards to allow the lawsuit to proceed as a class action.

TWENTY-NINTH AFFIRMATIVE DEFENSE

(FAILURE TO EXHAUST REMEDIES)

31. The Complaint, and each cause of action asserted therein, is barred in whole or in part because Plaintiffs, the putative class, and/or the alleged aggrieved employees failed to exhaust any available statutory, contractual, and/or administrative remedies with respect to the allegations in the Complaint, including but not limited to the requirements outlined in Labor Code section 2699.3.

THIRTIETH AFFIRMATIVE DEFENSE

(REASONABLE STEPS)

32. Plaintiffs' claim arising under the Private Attorneys' General Act of 2004 is barred in whole or in part because Defendant has taken all reasonable steps to be in compliance with the Labor Code provisions that Plaintiffs allege it violated.

THIRTY-FIRST AFFIRMATIVE DEFENSE

(NO REPRESENATIVE CLAIMS)

33. Plaintiffs' claim arising under the Private Attorneys' General Act of 2004 is barred in whole or in part because Plaintiffs' allegations cannot be proven on a representative basis because

each claim will require extensive individual analysis into, among other things, each employee's alleged unpaid wages and failure to take meal and rest breaks.

THIRTY-SECOND AFFIRMATIVE DEFENSE

(NO INDIVIDUAL LIABILITY UNDER LABOR CODE § 558.1)

34. Plaintiffs' claims against Defendant are barred, in whole or in part, because Plaintiffs fail to allege facts sufficient to establish that Defendant, beyond his mere status as a corporate director or owner, personally engaged in, authorized, or participated in the conduct giving rise to the alleged Labor Code violations, as required under Labor Code section 558.1.

THIRTY-THIRD AFFIRMATIVE DEFENSE

(RESERVATION OF RIGHT TO ADDITIONAL AFFIRMATIVE DEFENSES)

35. Defendant presently has insufficient knowledge or information upon which to form a belief as to whether it may have additional, but unstated, defenses available. Defendant therefore reserves the right to assert additional affirmative defenses if future discovery indicates that additional defenses would be appropriate.

JURY DEMAND

Defendant respectfully requests a trial by jury on all contested issues of fact.

CONCLUSION

WHEREFORE, Defendant prays that the Court enter judgment as follows:

1. that Plaintiffs take nothing by way of their Complaint;

2. that Plaintiffs Complaint be dismissed with prejudice, and that a decision be rendered against Plaintiffs and in favor of Defendant with respect to all of Plaintiffs' allegations;

3. that Defendant be awarded all of his costs and expenses incurred herein; and

4. for any other relief the Court deems just and proper.

DATED: January 7, 2026

KONING ZOLLAR LLP

By: _____
Blake Zollar

Attorneys for Defendant
Edward Neff

EXHIBIT 5

Stipulated Request for Dismissal of Class Claims and Order Thereon

MARALLE MESSRELIAN (SBN 316974)
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500 N. Brand Blvd., Ste 2000
Glendale, CA 91203
Telephone (818) 810-7747
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Attorneys for Plaintiffs,
CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, MARIO LOPEZ, and all others similarly situated
(Additional Counsel listed on next page)

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO – NORTH COUNTY
(*UNLIMITED JURISDICTION*)

CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, and MARIO LOPEZ, on behalf of themselves and all others similarly situated, and the general public, and as "Aggrieved Employees" on behalf of other "Aggrieved Employees" under the Private Attorneys General Act of 2004,

Plaintiffs,

vs.

SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION; EDWARD NEFF, an individual; and DOES 1 to 25, inclusive,

Defendants.

Case No.: 25CU050624N

JOINT STIPULATION TO DISMISS CLASS CLAIMS WITHOUT PREJUDICE AND PLAINTIFFS' INDIVIDUAL CLAIMS WITH PREJUDICE; [PROPOSED] ORDER

Judge: Hon. Victor M. Torres
Dept.: N-31
Trial date: Not Set

Complaint filed: 09/22/2025

ATTORNEYS FOR DEFENDANTS

BLAKE ZOLLAR (SBN 268913)
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Encinitas, California 92024
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Attorneys for Defendants,
SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION and EDWARD NEFF

Plaintiffs CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, and MARIO LOPEZ ("Plaintiffs") and Defendants SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION and EDWARD NEFF ("Defendants") (collectively "the Parties"), hereby stipulate, through their respective counsel, to the following:

WHEREAS, on July 16, 2025, Plaintiff Carlos Perez-Garcia submitted a Private Attorneys General Act ("PAGA") Notice to the California Labor and Workforce Development Agency ("LWDA") with claims for failure to pay for all hours worked, failure to pay overtime wages, failure to provide meal periods and rest breaks, failure to provide accurate itemized wage statements, failure to reimburse necessary business expenses, and waiting time penalties pursuant to Labor Code §§ 201-203. On November 3, 2025, Plaintiff Margarita Robles submitted a supplemental PAGA Notice to the LWDA based on the same allegations, which also added Edward Neff as a potential defendant.

WHEREAS, on September 22, 2025, Plaintiff Carlos Perez-Garcia filed a putative wage and hour Class Action Complaint, based on these same allegations in the PAGA Notice, in the San Diego County Superior Court, Case No. 25CU050624N, against Defendant Systems Machines Automation Components Corporation. On November 3, 2025, Plaintiffs filed a First Amended Class Action Complaint, adding Edward Neff as a defendant and adding Saul Ramirez, Adela Robles, Margarita Robles, Maria Reyes and Mario Lopez as named plaintiffs, alleging: (1) failure to pay all wages earned for all hours worked at the correct rates of pay; (2) failure to provide rest breaks; (3) failure to provide meal periods; (4) failure to indemnify for necessary business expenditures; (5) failure to provide accurate itemized wage statements; (6) failure to pay wages owed every pay period; (7) failure to pay wages when employment ends; (8) civil penalties under the Private Attorneys General Act ("PAGA"); and (9) unfair competition (the "Complaint").

WHEREAS, on August 20, 2026, the Parties participated in an all-day mediation presided over by the Honorable James Lambden (Ret.) of ADR Services, Inc. Prior to and in

connection with the mediation, Defendants disclosed that they had individually settled with and obtained releases of the wage and hour claims of a substantial portion of the putative class members, and provided information regarding the individual settlement agreements to Plaintiffs' Counsel.

WHEREAS, during mediation, and in light of Defendants' individual settlements with, and releases obtained from, a substantial portion of putative class members, which substantially reduced the size and viability of the putative class and raised significant concerns regarding class certification, the Parties determined that a class action settlement was not viable. Accordingly, the Parties agreed to resolve the representative PAGA claim and reached a settlement of the PAGA cause of action, designated as the eighth cause of action in the Complaint.

WHEREAS, at the mediation, the Parties also resolved the named Plaintiffs' individual claims. Each named Plaintiff executed a separate Settlement Agreement and General Release providing for a payment to that Plaintiff in consideration of a general release of his or her individual claims and the dismissal of those claims with prejudice, together with a payment to Plaintiffs' counsel for attorneys' fees. The dismissal of the class causes of action without prejudice is a term of the Parties' overall settlement. No consideration is allocated to the dismissal of the class claims, and those claims are dismissed without prejudice so that the claims of absent putative class members are preserved. The consideration exchanged is described in the concurrently filed Declaration of Maralle Messrelian.

WHEREAS, pursuant to California Rules of Court Rule 3.770(a), Court approval is first required in relation to the Class Action claims before those claims can be dismissed. California Rule of Court 3.770 authorizes the Court to dismiss a putative class action without a hearing and without notice to the putative class where a class has not been certified and notice has not been provided to the putative class, provided that the dismissal will not prejudice the class members.

WHEREAS, no class has been certified in this Action, no notice has been individually sent to putative class members in this Action, and none of the putative class members should be prejudiced in any way by dismissal of the class claims without prejudice, in the absence of notice.

NOW, THEREFORE, the Parties, by and through their respective counsel of record, agree and stipulate as follows:

1. the putative class claims asserted in causes of action 1-7 and 9 of the Complaint be dismissed without prejudice;
2. Plaintiffs' individual claims be dismissed with prejudice, leaving only the representative PAGA cause of action, identified as the eighth cause of action in the Complaint.

IT IS SO STIPULATED. Dated:

Dated: October 14, 2026 MM LAW, APC

By _____
MARALLE MESSRELIAN
Attorneys for Plaintiffs,
CARLOS PEREZ-GARCIA, SAUL RAMIREZ, ADELA ROBLES, MARGARITA ROBLES, MARIA REYES, MARIO LOPEZ,
and all others similarly situated

Dated: October 13, 2026 KONING ZOLLAR LLP

By _____
BLAKE ZOLLAR
Attorneys for Defendants,
SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION and EDWARD NEFF

[PROPOSED] ORDER

The Parties' stipulation came before the Court for approval of the dismissal of Plaintiffs' class claims without prejudice, as required by Rule 3.770 of the California Rules of Court. Pursuant to Rule 3.770(b) of the California Rules of Court, the Court may consider and grant the dismissal without a hearing.

No class has been certified, and no putative class members have been given written notice of the class claims against Defendants, or of this class action lawsuit. Accordingly, the Court finds that no putative class members will be prejudiced by the dismissal and no notice to putative class members will be required pursuant to Rule 3.770(c).

Pursuant to Rule 3.770(a) of the California Rules of Court, Plaintiffs have supported their request for dismissal with a declaration from counsel adequately setting forth the facts on which they rely in seeking dismissal. The Court has considered that declaration, including its description of the consideration exchanged in connection with the Parties' settlement, and finds that the requirements of Rule 3.770(a) are satisfied. The stipulation for dismissal seeks an order from this Court dismissing the putative class claims falling within Cause of Action numbers 1-7 and 9 without prejudice, and dismissing Plaintiffs' individual claims with prejudice.

After considering the stipulation for dismissal and the supporting declaration of Plaintiffs' counsel adequately setting forth the facts supporting the request for dismissal, and pursuant to Rule 3.770 of the California Rules of Court, the Court GRANTS the stipulation for dismissal and hereby ORDERS as follows:

1. The putative class claims asserted in causes of action 1-7 and 9 of the Complaint are dismissed without prejudice;
2. Plaintiffs' individual claims are dismissed with prejudice; and
3. The representative PAGA cause of action, identified as the eighth cause of action in the Complaint, remains.

IT IS SO ORDERED.

Dated: _____

_____

Hon. Victor M. Torres
Judge of the Superior Court

EXHIBIT 6

Summary of MM Law, APC Costs and Expenses

Carlos Perez-Garcia, et al. v. Systems Machines Automation Components Corporation, e
Division
Case No. 25CU050624N

MM Law, APC: Costs and Expenses (PAGA)	**Total**	
LWDA Notice Filing Fee	$	75.00
Complaint filing fee	$	1,435.00
Misc. court filing costs	$	393.29
Attorney Service Fees	$	-
Mediation Fees	$	7,450.00
Data Analyst for Mediation	$	1,750.00
Motion for PAGA Approval filing costs	$	84.89
Current Costs through 11/6/2026 (PAGA)	$	11,188.18

EXHIBIT 7

Settlement Administrator Bids (Phoenix, ILYM Group, Apex)

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	59
Opt Out Rate	N/A
Opt Outs Received	
Total Class Claimants	59
Subtotal Admin Only	**$3,158.52**

Flat Fee Total **$3,158.52**

For 59 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Spanish Translation, Printing & Mailing Included

September 2, 2026

Case: Garcia v. SMAC, PAGA Administration

Phoenix Contact: Michael E. Moore
Contact Number: 949.331.0131
Email: mike@phoenixclassaction.com

Requesting Attorney: Maralle Messrelian
Firm: MM Law, APC
Contact Number: 818-810-7747
Email: maralle@mmlawapc.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly. Estimate is based on **59** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of $150 per hour will be charged for any additional analysis or programming. Pricing good for 90 day

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Manager	$100.00	1	$100.00
Programming Database & Setup	$100.00	1	$100.00
Toll Free Setup*	$100.00	1	$100.00
Call Center & Long Distance	$2.50	9	$23.60
NCOA (USPS)	$10.00	1	$10.00
		Total	**$333.60**

* Up to 120 days after disbursement

Data Merger & Scrub / PAGA Letter & Check / Postage / SpanishTranslation			
Project Action	**Rate**	**Hours/Units**	**Line Item Estimate**
Notice Packet Formatting	$100.00	1	$100.00
Spanish Translation	$150.00	1	$150.00
Data Merge & Duplication Scrub	$0.09	59	$5.31
PAGA Letter and Check Packet	$1.00	59	$59.00
Estimated Postage (up to 1 oz.)*	$0.70	59	$41.30
		Total	**$355.61**

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.

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CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing PAGA Packets / Tracking & Programming Undeliverables			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Associate	$55.00	1	$55.00
Skip Tracing Undeliverables	$0.75	15	$11.06
Remail PAGA Packets	$1.00	12	$11.75
Estimated Postage	$0.70	12	$8.23
Programming Undeliverables	$50.00	1	$50.00
		Total	**$136.04**

Case Management			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Associate	$55.00	2	$110.00
Case Manager	$85.00	1	$85.00
		Total	**$195.00**

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Calculations	$135.00	1	$135.00
Disbursement Review	$135.00	1	$135.00
Programming Manager	$95.00	1	$95.00
QSF Bank Account & EIN	$135.00	1	$135.00
Check Run Setup & Printing	$135.00	1	$135.00
		Total	**$635.00**

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Supervisor	$80.00	1	$80.00
Remail Undeliverable Checks (Postage Included)	$1.50	9	$13.28
Case Associate	$55.00	2	$110.00
Reconcile Uncashed Checks	$85.00	2	$170.00
Conclusion Reports	$115.00	2	$230.00
Case Manager Conclusion	$85.00	2	$170.00
Final Reporting & Declarations	$115.00	2	$230.00
QSF Annual Tax Reporting * (State Tax Reporting & Escheating Uncashed Checks to the State of CA included)	$500.00	1	$500.00
		Total	**$1,503.28**

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibilty.

Estimate Total: $3,158.52

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.

2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.

3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.

4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.

5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

CLASS ACTION ADMINISTRATION

ILYM GROUP

Case Name: Carlos Perez Garcia v. SMAC

Wednesday, September 2, 2026

Requesting Attorney:
Maralle Messrelian, Esq.
MM Law, APC
maralle@mmlawapc.com
818.810.7747

ILYM Group Contact:
Lisa Mullins
ILYM Group, Inc.
lisa@ilymgroup.com
714.878.8836

Estimate For Administrative Solutions: PAGA

KEY ASSUMPTIONS	
Total Number of Aggreived Employees	**59**
Estimated Percentage of Remails	**15%**
Certified Spanish Translation	**Yes**
ILYM Group Static Website	**No**
NCOA	**Yes**
Case Duration (Years)	**1**

Summary of ILYM Group, Inc.'s Fees & Expenses

Case Startup:	$1,196.58
Distribution (Includes EIN, Bank Acct * /QSF Setup):	$2,233.42
Case Conclusion:	$220.00
Estimated ILYM Fees & Expenses:	**$3,650.00**

CLASS ACTION ADMINISTRATION
ILYM GROUP

Case Name: Carlos Perez Garcia v. SMAC

Wednesday, September 2, 2026

Requesting Attorney's Name: Maralle Messrelian, Esq.

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - *Import and Formatting of Data**	Hourly	$150.00	1	$150.00
Project Manager (Case notification and maintenance)	Hourly	$120.00	2	$240.00
Certified Spanish Translation	Flat Fee	$750.00	1	$750.00
NCOA	Flat Rate	$20.00	1	$20.00
Toll-Free Customer Service Representative	Flat Rate	$36.58	1	$36.58

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ $150.00 per hour.*

Subtotal **$1,196.58**

DISTRIBUTION (Includes EIN, Bank Acct /QSF Setup)*				
Distribution Setup & Management	Hourly	$150.00	1	$150.00
Account Reconciliation & Distribution Reporting	Hourly	$125.00	1	$125.00
Notice, Check, Stub & Release - (including 1099)	Per Check	$1.50	59	$88.50
USPS First Class 1oz Postage	Per Piece	$0.81	59	$47.79
Remails (Forward/Skip Trace Undeliverables)	Per Piece	$2.50	9	$22.13
Preparation of Taxes	Hourly	$150.00	2	$300.00
Annual Filing of Tax Return	Per Year	$1,500.00	1	$1,500.00

**Additional Bank fees may apply*

Subtotal **$2,233.42**

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	$100.00	1	$100.00
Declaration	Hourly	$120.00	1	$120.00

Subtotal **$220.00**

Estimated ILYM Fees & Expenses: **$3,650.00**

ILYM Group's Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM 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 attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related 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. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Clients instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM 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, ILYM will promptly 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 ILYM 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 ILYM 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, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms 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: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular 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 ILYM. 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. ILYM 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 ILYM 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 ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM'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 a party in exercising any right hereunder will operate as a waiver of, or impair, any such 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 a signed 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.

Quotation Request:

Maralle Messrelian
MM Law, APC
maralle@mmlawapc.com
818.810.7747

Prepared By:

Sean Hartranft
Apex Class Action LLC
Sean@apexclassaction.com
949.878.3676

Case Name: **Carlos Perez Garcia v. SMAC**

Date: Wednesday, September 2, 2026

RFP Number: 14346014

Settlement Specifications	
Number of Aggrieved Employees	**59**
Certified Language Translation:	**Yes**
Static Settlement Website	**No**
Percentage of Undeliverable Mail	**20%**

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	$125.00	1	$125.00
Data Analyst	Per Hour	$150.00	2	$300.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of $150/hr.				
			Sub Total:	$425.00
Project Management				
Project Management	Per Hour	$150.00	2	$300.00
Project Coordinator	Per Hour	$90.00	2	$180.00
Data Analyst and Reporting	Per Hour	$140.00	1	$140.00
			Sub Total:	$620.00
Toll-Free Contact Center, Website, Reporting & Pre-Distribution				
Form Set Up	Per Hour	$120.00	1	$120.00
Bilingual Toll-Free Contact Center	Static Rate	$25.00	1	$25.00
NCOA Address Update (USPS)	Static Rate	$40.00	1	$40.00
Certified Language Translation: Spanish	Static Rate	$750.00	1	$750.00
Settlement Status Reports	Static Rate	$750.00	1	Waived
			Sub Total:	$935.00

APEX
CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Distribution & Settlement Fund Management				
Settlement Calculations	Per Hour	$120.00	1	$120.00
Account Management and Reconciliation	Per Hour	$140.00	2	$280.00
Print & Mail Distribution Settlement Check (IRS Form 1099 if applicable)	Per Piece	$1.50	59	$88.50
USPS First Class Postage	Per Piece	$0.82	59	$48.38
Remail Distribution to Updated Address (Skip Trace)	Per Piece	$2.50	12	$29.50
Individual Income Tax Preparation & Reporting	Per Hour	$100.00	3	$300.00
QSF Income Tax Reporting (per calendar year)	Per Year	$500.00	1	$500.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	$128.62	1	$128.62
			Sub Total:	$1,495.00

Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	$135.00	1	$135.00
Project Management Reconciliation	Per Hour	$100.00	1	$100.00
Declarations	Per Hour	$120.00	2	$240.00
			Sub Total:	$475.00

WILL NOT EXCEED:	**$3,950.00**

Thank you for your business!

CLASS ACTION ADMINISTRATION

Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. Services: Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. Payment Terms: As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. Incurred Expenses: In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. Invoicing: Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. T1he Client agrees to pay each invoice within 30 days of receipt. In the event of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. Case Duration: The duration of these Terms and Conditions, except for the data storage obligations, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. Termination of Services: Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (I) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. Independent Contractor: As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. Limitation of Liability: The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney’s fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. Indemnification: The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. Confidentiality: Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Apex 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.

14. COMPLETE AGREEMENT. These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. Force Majeure: In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. Severability: This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. Nonwaiver: This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

EXHIBIT 8

Confirmation of Submission of Motion Papers and PAGA Settlement to the LWDA