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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

RICHARD RICO, an individual, on behalf
of himself and others similarly situated,

Plaintiff,

v.

PREMIER LOGISTICS &
TRANSPORTATIONS, a California
Corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 34-2023-00334466

CLASS ACTION

Assigned for All Purposes To:
Hon. Jill Talley

**DECLARATION OF ENOCH J. KIM IN
SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Date: June 27, 2025
Time: 9:00 a.m.
Location: Department 22

Original Complaint Filed: February 8, 2023
Amended Complaint: June 1, 2023
Second Amended Complaint: Sept. 11, 2023
Trial Date: None Set

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1. I am an attorney licensed and admitted to practice before all courts of the State of California and the United States District Court for the Central, Southern, Eastern, and Northern Districts of California. I am Senior Counsel at D.Law, Inc. and counsel for Plaintiffs Richard Rico and Yalmar Pastora (“Plaintiff”), on behalf of themselves and all other similarly situated employees of Defendant Premier Logistics & Transportations (“Defendant”) (Plaintiff and Defendant are collectively referred to herein as “the Parties”).

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1 Vacation Wages, (6) Failure to Comply with Labor Code § 245 *et seq.* and 246, (7) Reimbursement
2 of Necessary Expenditures, (8) Violation of Labor Code § 226(a), (9) Failure to Keep Required
3 Payroll Records under Labor Code §§ 1174, 1174.5, (10) Penalties Pursuant to Labor Code § 203,
4 and (11) Violation of Business & Professions Code § 17200 *et seq.* (the “Action”).

5 5. Plaintiff Rico submitted a PAGA notice (LWDA-CM-934456-23) to the Labor and
6 Workforce Development Agency (“LWDA”) on February 7, 2023. A true and correct copy of the
7 PAGA notice is attached hereto as **Exhibit 2**. On June 16, 2023, Plaintiffs submitted an amended
8 PAGA notice letter which added Plaintiff Yalmar Pastora as a PAGA representative, and on
9 September 11, 2023, Plaintiffs filed a Second Amended Complaint (“Operative Complaint”), adding
10 Yalmar Pastora as a named Plaintiff in the action.

11 6. Plaintiffs contend that Defendant failed to pay all wages due and owing, by requiring
12 Plaintiffs and Class Members to perform work while remaining under Defendants’ control before
13 and after being on the clock for their daily work shift, and by failing to incorporate all remunerations,
14 including nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, into the
15 calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Plaintiffs
16 also contend that Defendant failed to provide accurate wage statements, failed to provide lawful
17 meal and rest periods, as employees were not provided with the opportunity to take timely,
18 uninterrupted, and duty-free meal and rest periods, failed to timely pay wages including final wages,
19 failed to pay vacation pay, and failed to reimburse necessary business expenses.

20 **Investigation**

21 7. Before filing the lawsuit, Class Counsel researched the facts and circumstances
22 underlying the pertinent issues and applicable law. This required thorough discussions and
23 interviews between Class Counsel and Plaintiffs and potential Class Members, in addition to the
24 above-described research into the various legal issues involved in the case. Class Counsel conducted
25 a thorough investigation of the facts and claims giving rise to the action, including (1) conducting
26 informal discovery and meeting and conferring with defense counsel about same; (2) reviewing and
27 analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiffs’
28 personnel files and other documentation; (4) interviewing Plaintiffs regarding potential Class

1 Members and surveying potential members of the Class; (5) researching the applicable law and
2 potential defenses; (6) constructing damage models based on interpretations of California law and
3 the facts and numbers provided by Defendant; and (7) reviewing information provided by Defendant
4 in response to informal discovery and in advance of the mediation. The Parties conducted their own
5 evaluations of the potential recoveries based on the claims alleged in the Action, including
6 consulting experts.

7 8. Defendant, for its part, vigorously contested liability, the amount of claimed
8 damages, and the propriety of class certification. After analyzing the relevant documents and other
9 gathered data, Class Counsel believed that this case was appropriate for resolution via mediation.
10 Given the high level of risk present for both sides, the Parties elected to mediate Plaintiff's claims
11 and explore the possibility of settlement.

12 **Settlement Efforts**

13 9. On May 9, 2024, the Parties participated in an all-day mediation with Tagore
14 Subramaniam, Esq., and reached an agreement on general settlement terms memorialized in an
15 Memorandum of Understanding fully executed on October 30, 2024. During mediation, counsel for
16 Plaintiffs and Defendant discussed all aspects of the case, including the risks of litigation and the
17 risks to both parties of proceeding with a class certification motion, as well as the law unpaid wages,
18 meal and rest periods, vacation pay, wage statements, final pay, and unreimbursed business
19 expenses. The Parties continued to work together on a long-form Settlement Agreement following
20 mediation, and fully executed a long form agreement thereafter.

21 10. From Class Counsel's review of the facts, strengths, and weaknesses of the case and
22 the risks and delays posed by further litigation, Class Counsel believes that the recovery for each
23 Class Member is fair and reasonable. Further, the Settlement Agreement was reached via a non-
24 collusive settlement process in which the Parties were forced to make compromises in the interest
25 of reaching a full and complete settlement of the lawsuit.

26 **Summary of the Settlement**

27 11. Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay
28 \$700,000.00 ("Gross Settlement Amount" or "GSA") on a non-claims made and non-reversionary

1 basis. (Exhibit 1, Settlement Agreement, ¶¶ 3.1, 3.2). In addition to and separate from the Gross
2 Settlement Amount, Defendant will pay the employers' portion of any payroll taxes on the wage
3 allocation portion of the individual settlement payments to Class Members. The Settlement
4 Agreement defines the "Class" as "all current and former non-exempt employees of Defendant
5 during the Class Period," which is February 8, 2019, to July 9, 2024. (Exhibit 1, Settlement
6 Agreement, ¶¶ 1.5, 1.12). The Settlement Agreement also defines "Aggrieved Employees" as "all
7 current and former non-exempt employees who worked for Defendant in the State of California
8 during the PAGA Period," which is December 2, 2021, through July 9, 2024. (Exhibit 1, Settlement
9 Agreement, ¶¶ 1.4, 1.31). The "Net Settlement Amount," available for distribution to Class
10 Members, is the Gross Settlement Amount, less the Individual PAGA Payments, the LWDA PAGA
11 Payment, the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel
12 Litigation Expenses Payment, and the Administration Expenses Payment. (Exhibit 1, Settlement
13 Agreement, ¶ 1.28.) These amounts are detailed as follows:

- 14 • Class Counsel Fees Payment: Up to one-third of the Gross Settlement Amount, currently
15 estimated to be **\$233,333.33**, to Class Counsel as attorneys' fees for the litigation and
16 resolution of this Action and up to **\$30,000.00** for actual costs incurred in this Action.
17 (Exhibit 1, Settlement Agreement, ¶ 3.2.2);
- 18 • Class Representative Service Payments: Up to **\$5,000.00** to each Plaintiff as an award for
19 their service as the class representatives (Exhibit 1, Settlement Agreement, ¶ 3.2.1);
- 20 • Administrator Expenses Payment: A not-to-exceed amount of **\$7,500.00** to the Settlement
21 Administrator for its fees and costs to administer the Settlement (Exhibit 1, Settlement
22 Agreement, ¶ 3.2.3);
- 23 • PAGA Penalties Payment: **\$75,000.00** for settlement of claims for civil penalties under
24 PAGA, with 25% (\$18,750.00) to be paid on a pro-rata basis to the Aggrieved Employees
25 ("Individual PAGA Payments") and 75% (\$56,250.00) allocated to the LWDA ("LWDA
26 PAGA Payment") (Exhibit 1, Settlement Agreement, ¶ 3.2.5). Each Member's share of the
27 25% of the PAGA Penalties will be calculated according to the number of PAGA Pay
28 Periods worked during the PAGA Period. (*Id.* at ¶ 3.2.5.1.)

1 12. If the Court approves the above allocations from the Gross Settlement Amount, the
2 Net Settlement Amount is estimated to be **\$344,166.67**. Twenty percent (20%) of the “Net
3 Settlement Amount” will be allocated to the settlement of wage claims (the “Wage Portion”) and
4 will be subject to tax withholding and reported on an IRS W-2 Form. (Exhibit 1, Settlement
5 Agreement, ¶ 3.2.4.1). Each Class Member’s share of the Net Settlement Amount (“Individual Class
6 Payment”) will be calculated based on the number of workweeks the Class Member worked during
7 the Class Period. (Exhibit 1, Settlement Agreement, ¶ 1.23). For the approximately 211 Class
8 Members (if no exclusions), the average gross Individual Class Payment, using a straight average,
9 is **\$1,631.12**. The estimated average amount each Class Member will receive per workweek based
10 on the Net Settlement Amount and 8,648 workweeks is **\$39.80**. If the Court approves a lesser
11 amount for any of the above requested allocations from the Net Settlement Amount, the remainder
12 will be added to the Net Settlement Amount to be distributed to Class Members. (Exhibit 1,
13 Settlement Agreement, ¶¶ 3.2.1- 3.2.3, 3.2.5.2).

14 13. Not later than thirty (30) calendar days after the Court grants Preliminary Approval
15 of the Settlement, Defendant will deliver the Class Data to the Settlement Administrator in the form
16 of a Microsoft Excel spreadsheet. (Exhibit 1, Settlement Agreement, ¶ 4.2). The Settlement
17 Administrator will mail the Class Notice with Spanish translation substantially in the form to all
18 Class Members in no event later than fourteen (14) days following the receipt of Class Data via first
19 class United States Postal Service (“USPS”) mail. (Exhibit 1, Settlement Agreement, ¶ 7.4.2).
20 Before mailing the Class Notice, the Settlement Administrator shall update Class Member addresses
21 using the National Change of Address database. (*Id.*) Defendant also has a continuing duty to
22 immediately notify Class Counsel if it discovers that the Class Data omitted class member
23 identifying information and will provide corrected or updated Class Data as soon as reasonably
24 feasible. (*Id.* at ¶ 4.2.) The Class Notice includes a summary of the case and settlement terms and
25 provides Class Members with detailed instructions on how to exclude themselves, object to the
26 settlement, and dispute the number of workweeks and/or pay periods attributed to each Class
27 Member per Defendant’s records. (Exhibit A, Class Notice). Any mailing returned to the Settlement
28 Administrator as undeliverable will be sent within three (3) business days via USPS to the

1 forwarding address provided by the USPS, if applicable. (Exhibit 1, Settlement Agreement, ¶ 7.4.3).
2 If no forwarding address is provided, the Settlement Administrator will attempt to determine the
3 correct address again by conducting a National Change of Address search, and re-mail the Class
4 Notice to the most current address obtained. Class Members will have sixty (60)² days from the
5 mailing of the Class Notice (plus an additional fourteen (14) calendar days if they receive a re-
6 mailed Notice) to opt out of or object to the Settlement or to dispute the number of work weeks or
7 pay periods. (Exhibit 1, Settlement Agreement, ¶¶ 1.43, 7.4.4).

8 14. The parties selected Apex Class Action LLC (“Apex”) to handle the notice and
9 administration of the Settlement based on various factors including the competitiveness of their bid,
10 their competency in administering settlements, and their responsiveness to the parties’ counsel and
11 settlement class members. (Exhibit 1, Settlement Agreement, § 7.1). Apex will have a website for
12 Class Members to review and reference for details regarding the Final Approval Hearing, copies of
13 the Settlement Agreement, Motion for Preliminary Approval, the Class Notice, the Motion for Final
14 Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment,
15 the Class Representative Service Payments and any Final Approval Order and Judgement. If the
16 Court grants final approval of the Settlement, a copy of the Final Approval Order and Judgment will
17 be posted on this website for Class Members to review. (Exhibit 1, Settlement Agreement, § 7.8.1).
18 The website will be provided to Class Members in the Class Notice that is mailed to them. (Exhibit
19 1, Settlement Agreement, Exhibit A, Class Notice). (*See also* Declaration of Sean Hartranft attached
20 hereto as **Exhibit 3.**)

21 **Certification for Settlement Purposes Only is Appropriate**

22 15. Plaintiffs allege that the proposed Class satisfies the criteria for certification of a
23 settlement class under California law, as embodied in California Code of Civil Procedure § 382.
24 Defendant has agreed to the conditional certification of the class for settlement purposes only.
25 Defendant does not concede that certification is appropriate outside of this Settlement and preserves
26 all rights to oppose certification if, for any reason, the Settlement does not become effective. In
27 general, courts may take a proposed settlement into account in evaluating the propriety of class
28

² Counsel for the Parties have agreed to extend the Response Deadline noted in the Settlement Agreement to 60 days.

1 certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a “lesser
2 standard” of scrutiny applies in certifying classes for settlement purposes. *Id.* Therefore, the Court
3 should take into consideration the fact that the Parties have settled their claims and stipulated to
4 certification for settlement purposes when assessing whether the Settlement is fair and reasonable.

5 16. Numerosity and Ascertainability. The putative Class is so numerous that joinder of
6 all members is impractical. Class Members are “all current and former non-exempt employees of
7 Defendant during the Class Period,” which is February 8, 2019 to July 9, 2024. Defendant has
8 identified 211 Class Members based on a review of its payroll and personnel records. Thus, the
9 requirements of numerosity and ascertainability are met here.

10 17. Well-Defined Community of Interest. Plaintiffs contend, and Defendant does not
11 dispute for settlement purposes only, that common issues of fact and law predominate as to each of
12 the claims alleged by Plaintiffs, and the Class is united in its proof. This action involves, *inter alia*,
13 a determination about Defendant’s alleged failure to pay minimum and overtime wages at the proper
14 rates due to off-the-clock work, failure to provide meal and rest periods, failure to pay vacation and
15 sick pay, failure to reimburse business expenses, the resulting failure to pay final wages when
16 required and to provide accurate wage statements; and largely derivative claims under the UCL and
17 PAGA. Plaintiffs contend Defendant’s practices affected Class Members in the same way and
18 presents questions that are suitable for common adjudication because all Class Members were
19 subject to the same employment policies and practices. The outcome of litigation in this matter
20 depends upon questions that are common to Class Members.

21 18. Typicality. The class representatives’ claims are typical when they arise from the
22 same event, practice, or course of conduct that gives rise to the claims of other putative Class
23 Members and if their claims rest on the same legal theories. Here, Plaintiffs allege that their claims
24 are typical of Class Members’ claims because they arose from the same factual basis and are based
25 on the same legal theories. Plaintiffs and Class Members were employed by Defendant during the
26 Class Period and were subject to the allegedly unlawful policies and pay practices at issue in this
27 litigation. Thus, the typicality requirement is satisfied.

1 19. Adequacy. Plaintiffs' interests are aligned with those of the Class Members, as they
2 have suffered the same injuries as the Class Members and have no conflicts of interest. Plaintiffs
3 have assumed this responsibility with conviction and dedication. Indeed, Plaintiffs have devoted a
4 considerable amount of time and energy to litigating this action and effectuating a settlement.
5 Furthermore, as set forth below, Class Counsel are experienced in wage-and-hour litigation,
6 especially class actions, have zealously represented the interests of the class in litigating this case,
7 and also have no conflicts of interest. Accordingly, the adequacy requirement is satisfied.

8 20. Predominance and Superiority. Plaintiffs contend that individualized issues do not
9 predominate over the issues of law and fact that are common to the Class as a whole. As explained,
10 *supra*, Plaintiffs allege there are common issues of law and fact given that Plaintiffs and all Class
11 Members were subjected to the same policies and pay practices during the relevant time period.
12 Plaintiffs and Class Members seek meal and rest premiums, unpaid wages and overtime including
13 vacation and sick pay, reimbursement for business expenses, and penalties for work performed as
14 non-exempt employees for Defendant. Plaintiffs allege that these issues are suitable for common
15 adjudication because all Class Members were allegedly subject to the same employment policies,
16 and Plaintiffs contend the practices applied uniformly to all Class Members.

17 21. Plaintiffs contend that class resolution is superior to other available methods for the
18 fair and efficient adjudication of the contested claims as there is little interest or incentive for Class
19 Members to individually control the prosecution of separate actions. Although Defendant's alleged
20 unlawful policies and practices have caused actual harm, the cost of individually litigating each such
21 case against Defendant would easily exceed the value of any relief that could be obtained by any
22 one Class Member individually. If Class Members are forced to litigate their claims individually
23 this would potentially result in 211 or more individual actions against Defendant. The alternative
24 methods of resolution are individual suits for relatively small amounts. Hence, an individual suit
25 would prove uneconomical for potential plaintiffs because litigation costs would dwarf a potential
26 recovery.

27 **The Settlement is Fair, Adequate, and Reasonable**
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22. In deciding whether to approve a proposed class action settlement, the Court must find that a proposed settlement is “fair, adequate, and reasonable” and falls within the “range of approval.” *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all relevant factors, such as “the strength of plaintiffs’ case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the Class Members to the proposed settlement.” *Id.* For the reasons set forth below, the Settlement satisfies all of these requirements.

A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.

23. The proposed settlement was reached as a result of arm’s length negotiations after the completion of pertinent discovery and the exchange of necessary Class Information. The negotiations have been, at all times, adversarial and non-collusive in nature. *See*, 4 Newberg on Class Actions § 13:45 (5th ed.) (due to the preference of settlement over litigation, “a court will presume that a proposed class action settlement is fair when certain factors are present, particularly evidence that the settlement is the product of arms-length negotiation, untainted by collusion.”). Although Plaintiffs believe their claims have merit, Plaintiffs acknowledges that there was a great deal of risk and uncertainty in proceeding with litigation. As described below, Defendant presented multiple defenses to Plaintiffs’ claims, both on the merits and with respect to class certification. Thus, while Plaintiffs were prepared to litigate these claims through class certification, and ultimately trial, success was not assured. The Parties worked with a neutral and experienced mediator who assisted in ensuring negotiations were non-collusive and well-informed.

B. Extent of Discovery and Stage of Proceedings.

24. As stated above, the Parties engaged in substantial informal discovery, including surveying potential Class Members, before the Settlement was reached to allow them to fully evaluate the class claims and Defendant’s defenses. This litigation has reached the stage where the Parties have a clear view of their respective strengths and weaknesses in this case.

C. Strength of Plaintiffs’ Case and the Risk, Expense, Complexity, and Likely Duration

1 **of Any Litigation.**

2 25. Plaintiffs' claims are based on Defendant's alleged failure to pay minimum and
3 overtime wages at the proper rates due to off-the-clock work, failure to provide meal and rest
4 periods, failure to pay vacation and sick pay, failure to reimburse business expenses, the resulting
5 failure to pay final wages when required and to provide accurate wage statements; and largely
6 derivative claims under the UCL and PAGA.

7 26. Plaintiff alleges that Defendant failed to pay Plaintiff and Class Members at least
8 minimum wages for all hours worked and proper overtime wages for hours worked in excess of
9 eight hours in a day and 40 hours in a week. Specifically, Plaintiff alleges that Defendant required
10 Plaintiff and Class Members to perform pre-shift and post-shift off the clock work for which they
11 were not paid. For instance, including conducting pre-trip inspections, preparing trucks for trips,
12 unloading trucks post-trip, and responding to calls and text messages from dispatchers throughout
13 the day. Moreover, Plaintiffs allege that Class Members were not paid for the time that they travelled
14 between Defendants' worksites on a daily basis. Plaintiffs also allege that Defendant regularly paid
15 incentive commissions for which Defendant failed to incorporate into the regular rate of pay used
16 to calculate and pay overtime wages to Class Members. Moreover, Plaintiff alleged that Defendant
17 had a consistent policy and practice of unlawfully rounding hours worked to the detriment of the
18 Class Members.

19 27. Defendant contends that it did not require off the clock work, paid for all reported
20 hours worked, that Class Members were instructed and required to record all hours worked, that any
21 alleged off the clock work was performed without Defendant's knowledge. Defendant also argues
22 that given its written policies and practices, any unrecorded hours are likely subject to individualized
23 inquiry and unlikely to be certified. Given the difficulty in certifying this claim, Class Counsel
24 applied a significant discount to damages based on this theory.

25 28. Plaintiff also alleges that Defendant failed to provide proper meal breaks to Plaintiff
26 and Class Members. For example, Plaintiff alleges that Defendant's policy required Class Members
27 to clock out for their scheduled meal periods but continue working, and Class Members were not
28 paid for this time. This resulted in Plaintiff and Class Members working during their meal periods

1 or missing their meal periods entirely. Moreover, Plaintiff alleges that Defendant failed to provide
2 a second meal period to Plaintiff and Class Members when they worked over 10 hours in a day.

3 29. Defendant contends that Class Members were given a reasonable opportunity to take
4 their meal periods, and when compliant meal periods were not provided, Defendant provided
5 premium pay to Class Members as reflected in their time and pay records. Defendant also contends
6 that the relevant Class Members who worked 12-hour shifts signed valid meal period waivers.
7 Defendant further contends that the meal break claim requires individualized inquiries which would
8 preclude class certification. If Defendant's contentions are proven true and prevail in trial, the likely
9 outcome would be no recovery for the Class Members on the meal break claim.

10 30. Plaintiff also contends that Defendants did not provide Class Members with paid 10-
11 minute rest breaks for every hours or major fraction thereof. Plaintiff contends that Class Members
12 consistently worked in excess of consecutive three and a half-hour shifts and were entitled to paid
13 rest breaks of not less than ten minutes for each consecutive three and a half-hour shift but were
14 required to work through their rest breaks during their shifts when they were unable to find coverage
15 for their breaks.

16 31. Defendant maintains that it did provide a reasonable opportunity for Class Members
17 to take duty-free rest breaks during their shifts and dispute all allegations that rest breaks were not
18 provided. Considering that unlike meal periods, rest breaks need not be recorded, these violations
19 would likely be difficult to prove at trial and potentially depress the damages ultimately awarded.
20 Therefore, Class Counsel applied significant and appropriate discounts to the rest break claim.

21 32. Additionally, Plaintiff alleges that Defendant required Plaintiff and Class Members
22 to use their cellular phones for work, for which they were not reimbursed. Defendant maintained
23 that Plaintiff and Class Members were not required to use their personal cell phones to perform their
24 job duties and that individualized issues relating to this claim would preclude class certification.

25 33. As for the wage statement and waiting time penalties claims, Defendant contends
26 that these claims are merely derivative of the underlying claims and that Plaintiff and Class Members
27 would be unable to first establish liability for the underlying claims for the reasons described above.
28 Defendant further contends that even if they could first establish liability for the underlying claims,

1 Plaintiff and Class Members would be unable to establish that Defendant's conduct was willful and
2 knowing as required by the relevant statutes since Defendant acted in good faith to provide accurate
3 wage statements and pay all wages due to Plaintiff and Class Members. Thus, Defendant contends
4 that the wage statement and waiting time penalties claims to have little to no value.

5 34. Similarly, Defendant contends that the PAGA claim is also derivative of the
6 underlying claims in the Action and ultimately fails because the underlying claims have no merit.
7 Defendant also contends that even if Plaintiff and Class Members could establish Labor Code
8 violations, the Court has the discretion to award less than the maximum civil penalty amount and
9 would award substantially less civil penalties here because Defendant acted in good faith to comply
10 with the relevant wage and hour laws and any violations were minor and technical in nature.

11 35. Defendant generally denies all claims alleged in the Action and further denies class
12 and/or representative treatment is appropriate for any purpose other than this Settlement and that it
13 complied with all applicable laws. However, after careful consideration, Defendant has concluded
14 that further litigation would be protracted and expensive and that it is desirable that the Action be
15 fully and finally settled in the manner and upon the terms and conditions herein.

16 36. As stated above, while Plaintiffs and Class Counsel contend the claims asserted in
17 the Action have merit, they also acknowledge the expense, delay, and risks of continued litigation.
18 Although the Parties engaged in significant informal discovery in advance of mediation, the Parties
19 still had significant discovery to complete had the matter not settled. This would have required the
20 expenditure of substantial time and resources by both Parties that would have very likely spanned
21 several years. Even if Plaintiffs were to certify the classes, the Parties would incur considerably
22 more attorney fees and costs through a possible decertification motion, trial, and possible appeal.
23 This Settlement avoids those risks and the accompanying expense.

24 **D. The Risk of Maintaining Class Action Status Through Trial.**

25 37. Plaintiffs have not yet filed their motion for class certification, and as such, the extent
26 to which Plaintiffs' proposed classes were certifiable is somewhat speculative. Absent a settlement,
27 there was a risk that there would not be a certified class at the time of trial, or if there were, it could
28

1 consist of a significantly smaller group of employees than the proposed Settlement Class, resulting
2 in less overall recovery.

3 38. Finally, in class actions, decertification is always a possibility, and there is always a
4 risk that a trial of this magnitude can become unmanageable. Cases like *Duran v. U.S. Bank Nat.*
5 *Assn.* (2014) 59 Cal. 4th 1, 34 address the complexity of using statistical samples in class actions
6 and demonstrate that decertification is a real risk that Class Counsel must consider. A class trial
7 would have also required expert witnesses, the accrual of extensive litigation costs, and the
8 commitment of extensive further time and financial resources. Finally, given the complexity and
9 unsettled nature of the issues, it is likely that any outcome at trial would have resulted in a lengthy
10 and costly appeal. An appeal would result in further delay for the Class Members who have already
11 waited years for resolution in this matter. Risk and legal uncertainty must be dealt with in any
12 litigation, and this Settlement was the product of compromise accounting for those risks and that
13 uncertainty.

14 **E. The Presence of a Governmental Participant.**

15 39. Class Counsel will be submitting the Settlement Agreement and this Motion to the
16 LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(1)(2).

17 **F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.**

18 40. Because the class consists of numerous employees, it was unlikely that the potential
19 monetary claims of individual Class Members would have proved viable without the class-action
20 mechanism. The Settlement Agreement should be approved in light of two California appellate
21 decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v.*
22 *Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

23 41. The strength of the Plaintiffs' case in light of the settlement amount is deemed by
24 courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175
25 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiffs alleges that Defendant failed to pay minimum
26 wages and overtime, failed to provide meal and rest breaks, failed to pay vacation and sick pay,
27 failed to provide accurate wage statements, failed to pay all wages upon termination, and failed to
28 reimburse for business expenses, all in violation of California law.

1 42. Plaintiffs seek related violations of California’s Business & Professions Code,
2 penalties pursuant to Labor Code § 2699 *et seq.* Summary calculations for estimated liability for
3 each of these claims as described below.

4 Failure to Pay Minimum and Overtime Wages:

5 43. Plaintiff alleges that Defendant failed to pay Plaintiffs and Class Members at least
6 minimum wages for all hours worked and proper overtime wages for hours worked in excess of
7 eight hours in a day and 40 hours in a week. Specifically, Plaintiffs allege that Defendant had a
8 consistent policy of not paying Employees wages for all hours worked “pre-shift” and “post-shift”
9 without compensation by conducting pre-trip inspections, preparing trucks for trips, unloading
10 trucks post-trip. Moreover, Employees were not paid for the time that they travelled between
11 Defendants’ worksites on a daily basis.

12 44. Plaintiffs also allege that Defendant regularly paid incentive commissions for which
13 Defendant failed to incorporate into the regular rate of pay used to calculate and pay overtime wages
14 to Class Members.

15 45. Defendant contends that it did not require off the clock work, paid for all reported
16 hours worked, that Class Members were instructed and required to record all hours worked, that any
17 alleged off the clock work was performed without Defendant’s knowledge. Defendant also argued
18 that any incentives paid to Class Members were discretionary and not required to be calculated in
19 the regular rate of pay calculation, and that it paid wages at the proper rates. Furthermore, Defendant
20 argues that any unrecorded hours are likely subject to individualized inquiry and unlikely to be
21 certified. Given the difficulty in certifying this claim, Class Counsel applied a significant discount
22 to damages based on this theory.

23 46. Class Counsel’s expert estimated Defendant’s exposure on the unpaid wages claims to be
24 approximately \$487,727.00 (assuming off the clock hours solely attributable to overtime).
25 However, given Defendants’ defenses and the potential hurdles facing certification of off-the-clock
26 claims, Class Counsel applied an 80% discount making for an adjusted realistic exposure of
27 **\$97,545.40** for Defendant.

28 Meal Periods and Rest Breaks:

1 47. Plaintiffs argued that Defendant had a common practice and policy of denying compliant
2 meal periods. For example, Plaintiffs allege that Defendant's policy required Class Members to
3 rarely if ever receive compliant meal periods, and Class Members were not paid for this time spent
4 under Defendant's control resulting in Plaintiffs and Class Members working during their meal
5 periods or missing their meal periods entirely. Additionally, Plaintiffs allege that Defendant failed
6 to provide a second meal period to Plaintiff and Class Members when they worked over 10 hours in
7 a day.

8 48. Under Labor Code § 226.7, an employer must pay the employee an additional one hour
9 of compensation, "premium pay," for each meal period missed, of less than 30 minutes, or taken
10 late for which the employee was not provided a reasonable opportunity to take a complete and timely
11 meal period. To comply with these laws, every employer must keep, for each employee, accurate
12 time records showing when the employee begins and ends each work period and takes his or her
13 meal periods. See Wage Order 4-2001(7)(A)(3). Plaintiffs allege that Defendant failed to pay the
14 legally required premium at their regular rate of pay whenever meal periods were missed,
15 interrupted, or late.

16 49. Defendant contends that Class Members were given a reasonable opportunity to take their
17 meal periods, and when compliant meal periods were not provided, Defendant provided premium
18 pay to Class Members as reflected in their time and pay records. Defendant also contends that the
19 relevant Class Members who skipped meals did that of their own accord, and did not inform
20 Defendant. Defendant further contends that the meal break claim requires individualized inquiries
21 which would prevent class certification. If Defendant's contentions are proven true and prevail in
22 trial, recovery for the Class Members on the meal break claim would be likely be minimal to none.

23 50. Class Counsel's expert estimated Defendant's maximum exposure on the meal period
24 claim at approximately \$732,031.00 (meal period premiums due with an offset for meal period
25 premiums paid). However, given Defendant's defenses and the potential hurdles facing certification
26 of the meal break claim, Class Counsel applied an 80% discount making for an adjusted realistic
27 exposure of **\$146,406.20** for Defendant.

1 51. Rest Breaks: Plaintiffs contended that Defendant did not provide Class Members with
2 timely paid 10-minute rest breaks for every four hours or major fraction thereof. Plaintiffs contend
3 that Class Members consistently worked in excess of consecutive four-hour shifts and were entitled
4 to paid rest breaks of not less than ten minutes for each consecutive four-hour shift but were required
5 to work through their rest breaks during their shifts when they were unable to find coverage for their
6 breaks.

7 52. Defendant maintains that it did provide a reasonable opportunity for Class Members to
8 take duty-free rest breaks during their shifts and dispute all allegations that rest breaks were not
9 provided. (Kim Decl., ¶ 11.) Considering that unlike meal periods, rest breaks need not be recorded,
10 these violations would likely be difficult to prove at trial and potentially depress the damages
11 ultimately awarded.

12 53. Class Counsel's expert estimated Defendant's maximum liability exposure on the rest
13 break period claim at approximately \$1,108,477.00 assuming a 100% violation rate. However, given
14 Defendant's contentions and the difficulties facing certification of rest break claims, Class Counsel
15 applied an 80% discount making for an adjusted realistic exposure of **\$221,695.40** for Defendant.
16 Owing to the arguments above and the fact that the recording of rest periods is not required, this
17 claim was substantially discounted.

18 Unpaid Vacation and Sick Pay

19 54. Plaintiffs also allege Defendant paid nondiscretionary commissions, incentive pay,
20 and/or nondiscretionary bonuses to Plaintiffs and Class Members but failed to include these forms
21 of remuneration in the regular rate of pay upon which vacation wages and sick pay were calculated
22 and paid. Therefore, pursuant to Labor Code § 227.3, Plaintiffs and Class Members seek to
23 recover penalties for unpaid vacation and sick pay. Defendant contends that any incentives or
24 bonuses paid to Class Members were discretionary in nature and not required to be included in the
25 regular rate of pay.

26 55. Defendant denied these allegations and contend that employees were provided with paid
27 sick leave and required information in accordance with all applicable laws. Defendants further
28

1 contend that there is no private right of action to enforce paid sick leave and that PAGA precludes
2 the recovery of civil penalties for “notice and posting” requirements.

3 56. Class Counsel’s expert estimated Defendant’s maximum liability exposure on the
4 vacation and sick pay claim at approximately **\$22,736.00**.

5 Inaccurate Wage Statement Violations:

6 57. Under Labor Code § 226(a), Plaintiff and the Class are entitled to recover \$50 for initial
7 violations for inaccurate wage statements and \$100 for subsequent violations, up to a maximum of
8 \$4,000 per employee. Plaintiff alleged Defendant issued wage statements to Plaintiff and the Class
9 Members that did not accurately list all hours worked by omitting off-the-clock work and
10 inaccurately listing applicable hourly rates.

11 58. Defendant challenged Plaintiff’s claim for Labor Code § 226(e) penalties, including by
12 arguing they were merely derivative of the other claims that lacked merit, and Plaintiff’s failure to
13 prove the underlying claims could result in the dismissal of these derivative claims. Defendant also
14 argued that it did not knowingly and intentionally commit these alleged violations. *See, e.g.*, Labor
15 Code § 226(e) (recovery of penalties requires showing there was “a knowing and intentional failure
16 by an employer”).

17 59. Class Counsel estimated Defendant’s maximum total exposure on the section 226 claim
18 at approximately \$454,900 (assuming \$50/\$100 for initial and subsequent violations and 177
19 employees during the relevant period and a maximum of \$4,000.00 per employee). After
20 considering Defendants’ contentions and the potential class certification issues, Class Counsel
21 discounted this amount by 80% to get an adjusted realistic exposure of **\$90,980.00**.

22 Failure to Pay Final Wages at Termination or Separation:

23 60. In allegedly failing to pay Class Members their minimum wages, overtime wages, and
24 premium pay for deficiently provided meal periods and rest breaks, all discussed above, Plaintiffs
25 alleged that Defendant willfully failed to pay Class Members all wages due and certain at the time
26 of termination or within seventy-two (72) hours of resignation, as required under Labor Code § 203.

27 61. Section 203 further provides that if an employer willfully fails to pay an employee all
28 wages due at termination or within 72 hours of resignation, then that employee’s wages will continue

1 as a penalty until paid for a period of up to 30 days from the date they were due. Because Class
2 Members stopped working for Defendant but were allegedly not paid their full compensation for the
3 reasons discussed above, Class Members did not receive all wages due upon termination of
4 employment.

5 62. Defendant challenged this claim under Labor Code § 203 with several arguments,
6 including that this claim is merely derivative of the other claims that lacked merit and that under
7 Labor Code § 203, employers are only obligated to pay waiting-time penalties if they “willfully”
8 fail to pay wages due and owing at the time of termination or resignation. As Title 8, California
9 Code of Regulations, § 13520 states: “A willful failure to pay wages within the meaning of Labor
10 Code Section 203 occurs when an employer intentionally fails to pay wages to an employee when
11 those wages are due. However, a good faith dispute that any wages are due will preclude imposition
12 of waiting time penalties under Section 203.” Defendant argued that their good faith disputes and
13 lack of willfulness would excuse its violations. Defendant maintained that because they had viable
14 defenses in both law and fact, such penalties were subject to a three-year limitations period under
15 Labor Code § 203(b).

16 63. Class Counsel’s expert estimated Defendant’s maximum total exposure on the section
17 203 claim at approximately \$954,024 (177 terminated employees during the relevant period x 30
18 days x average hourly rate per year x 9.3 hours per workday). Given the foregoing arguments,
19 Class Counsel discounted this amount by 80% to get an adjusted realistic exposure of
20 **\$190,804.80.**

21 Failure to Reimburse for Necessary Business Expenditures:

22 64. Under Labor Code § 22802(a) Defendant must indemnify Plaintiffs and Class Members
23 for all necessary expenditures or losses incurred in direct consequence of the discharge of their
24 duties. As discussed above, Plaintiffs allege that Plaintiffs and Class Members incurred necessary
25 expenditures in the performance of their job duties for Defendant, including the cost of personal
26 cell phone usage for work related purposes, tools, and vehicles for work, but were not reimbursed
27 for those expenses by Defendant. Defendant maintained that any expenses incurred by Class
28

Members for work were either reimbursed or not reimbursable under the law and that this claim is subject to individualized inquiries that would preclude class certification.

65. Plaintiff estimated Defendant's total exposure on the unreimbursed business expenses claim at approximately \$70,788 (\$2,831.52 x 211 Class Members and a conservative estimate of \$25.00 per month). However, given Defendant's reimbursement policy and the potential for the need for individualized inquiries making class certification of this claim difficult, Class Counsel applied an 80% discount to get an adjusted realistic exposure of **\$14,157.60**.

PAGA Penalties:

66. The Labor Code Private Attorneys General Act, Labor Code § 2698 *et seq.*, allows Plaintiff to obtain civil penalties on behalf of herself and other aggrieved employees for Defendant's violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), seventy-five percent (75%) of the penalties recovered must be allocated to the Labor and Workforce Development Agency (LWDA), with the remaining twenty-five percent (25%) allocated to the affected employees. The limitations period for all penalties is one year prior to the filing of the complaint.

67. The provisions of the Labor Code potentially triggering PAGA penalties in this case include but are not limited to Labor Code §§ 203, 226(a), 226.3, 226.7, 510, and 1194. PAGA penalties are not mandatory and are instead permissive. Labor Code § 2699(e)(2) states that "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 Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision). Defendant contested Plaintiffs' claim for PAGA penalties.

68. PAGA penalties are also derivative of each and every other claim, and Defendant argued the PAGA claims would be subject to the same defenses as the underlying claims, and as well as additional equitable defenses, including substantial compliance. Finally, under *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, Defendant asserted that penalties under PAGA could, at best, be awarded only at the rates obtainable for initial violations under the applicable statutes, because Defendant had never been notified of the alleged violations. *Id.* at 1208-1209.

69. Class Counsel estimated Defendant's total exposure on the PAGA claim at approximately \$499,400.00 (4,994 PAGA Pay Periods x \$100). However, Class Counsel also estimated any PAGA recovery would be substantially reduced and applied discounts in light of the countervailing arguments with regard to the other causes of action and the Court's power to award "a lesser amount than the maximum civil liability." The PAGA allocation agreed upon by the Parties therefore was **\$75,000.00**, subject to the Court's final approval. 75% of that amount (\$56,250.00) will be paid to the LWDA out of the Gross Settlement Amount, and the remaining 25% (\$18,750.00) will remain in the PAGA Settlement Fund for distribution to the Aggrieved Employees.

Unfair Business Practices

70. Plaintiff pled this cause of action to augment their other causes of action and aid in their prosecution. Business & Professions Code § 17208 extends the statute of limitations on Plaintiff's wage claims, which qualify as unfair business practices, to four years rather than the three years provided by statute.

Summary

71. The foregoing discussion establishes the adequacy of the Settlement amount in light of the merits of Plaintiff's case and establishes the fairness of the class-action settlement in the instant case, including by analyzing it in light of the *Clark* and *Kullar* decisions. It does so by explaining the legal basis for each of Plaintiff's causes of action, summarizing the evidence that Class Counsel gathered in support of those causes of action, and relating to Defendant's legal and factual arguments that worked to detract from the strength of Plaintiff's case.

72. Class Counsel applied reasonable and justified discounts, considering the facts and legal contexts outlined above. These substantial discounts were necessary in light of Defendant's

1 contentions and denial of liability. This Settlement, like most others, was the product of
2 compromise. As addressed above, Plaintiffs estimated that Defendant faced approximately
3 \$859,325.40 in total realistic exposure on Plaintiffs' main claims. The Gross Settlement Amount of
4 \$700,000.00 therefore represents a recovery for the Class Members of approximately 81.5% of the
5 total realistic exposure Plaintiffs estimated Defendant could face on these class-wide claims. Class
6 Counsel submits that this is an optimal result for the Class in light of all of the factors described
7 above.

8 **Class Counsel Fees Payment is Fair and Reasonable**

9 73. Under the Settlement, Class Counsel requests, without opposition from Defendant, an
10 award of one-third of the Gross Settlement Amount, currently estimated to be \$233,333.33 for
11 attorneys' fees and up to \$30,000.00 for reasonable expenses incurred to prosecute the Action. This
12 request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work they
13 have put into this case and, moreover, the risk they assumed by taking it in the first place as they
14 will not receive any compensation for their efforts until recovery is obtained for the Class. The
15 attorneys' fees award is intended to reimburse Class Counsel for all uncompensated work that they
16 have already done and for all the work they will continue to do in carrying out and overseeing the
17 notification to Class Members, communicating with Class Members regarding their claims, and
18 assisting in the administration of the Settlement if it is preliminarily approved. The requested fee is
19 reasonable for the services provided to Class Members and for the benefits they are to receive. Class
20 Counsel's costs incurred to date and estimated future costs are detailed in their cost log which is
21 attached hereto as **Exhibit 4**.

22 74. D.Law, Inc., David Yeremian & Associates, Inc., and Employment Lawyers Group have
23 an agreement to share fees on a 75% / 25% split basis with D.Law, Inc. and David Yeremian &
24 Associates receiving 75%, and Employment Lawyers Group receiving 25%. Plaintiffs have received
25 written disclosures and have signed authorizations and acknowledgements of the fee splitting
26 arrangement pursuant to Cal. Rules of Professional Conduct, Rule 1.5.1.

27 //

28 //

1 **The Class Representative Service Payments are Fair and Reasonable**

2 75. Plaintiffs are entitled to a reasonable service payment for their efforts and initiative in
3 bringing and helping to prosecute this action. Plaintiffs spent significant time better apprising
4 themselves of their rights, deciding whether remedial action should be taken and how it should be
5 taken, searching for attorneys, and contacting Class Counsel, who spent considerable time with
6 Plaintiffs discussing the case and the law.

7 76. Both before and after the filing of this lawsuit, Plaintiffs met with Class Counsel on
8 multiple occasions to discuss every aspect of their case. Plaintiffs provided Class Counsel with
9 information about Defendant and about the industry generally, produced and reviewed documents,
10 identified witnesses, consulted with Class Counsel regarding litigation strategy, made themselves
11 available and participated in the mediation process, monitored the progress of the litigation with
12 Class Counsel, and reviewed and signed the Memorandum of Understanding and the Settlement
13 Agreement.

14 77. In light of the foregoing, Class Counsel believes that the \$5,000.00 incentive award to the
15 Class Representatives is fair and reasonable.

16 **Proposed Class Notice Provides Adequate Notice**

17 78. The notification procedure set out in the Settlement Agreement provides the greatest
18 likelihood that each and every Class Member will receive the Class Notice, attached to the
19 Settlement as **Exhibit A**. Under the Settlement, Defendant will deliver the Class Information to the
20 Settlement Administrator in the form of a Microsoft Excel spreadsheet not later than thirty (30)
21 calendar days after the Court grants Preliminary Approval of the Settlement. The Settlement
22 Administrator will mail the Class Notice with Spanish translation substantially in the form to all
23 Class Members in no event later than fourteen (14) days following the receipt of Class Data via
24 United States Postal Service (“USPS”) first class mail. (Exhibit 1, Settlement Agreement, ¶ 7.4.2).
25 The Class Notice includes a summary of the case and settlement terms and provides Class Members
26 with detailed instructions on how to exclude themselves, object to the settlement, and dispute the
27 number of workweeks and/or pay periods attributed to each Class Member per Defendant’s records.
28 (Exhibit A, Class Notice). Class Members will have sixty (60) days from the mailing of the Class

1 Notice (plus an additional fourteen (14) calendar days if they receive a re-mailed Notice) to opt out
2 of or object to the Settlement or to dispute the number of work weeks or pay periods. (Exhibit 1,
3 Settlement Agreement, ¶ 7.4.4). This is the best and most practicable way to ensure the greatest
4 possible number of Class Members will receive the Notice.

5 79. The settlement agreement does not impose any affirmative duties on Participating Class
6 Members. No claim form is required to participate in the Settlement. Individuals who wish to opt
7 out or object may do so. The Class Notice itself fully apprises Class Members of the nature of the
8 lawsuit, the claims involved, the terms of the settlement, and their options thereunder. (Exhibit 1,
9 Settlement Agreement, Exhibit A, Class Notice). A website will be maintained to for Class Members
10 to review and reference for details regarding the Final Approval Hearing, copies of the Settlement
11 Agreement, Motion for Preliminary Approval, the Class Notice, the Motion for Final Approval, the
12 Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class
13 Representative Service Payments, and any Final Approval Order and Judgement. (Exhibit 1,
14 Settlement Agreement, ¶ 7.8.1; Exhibit A, Class Notice). The Class Notice also provides for a
15 specific procedure to seek exclusion from the Class, disputing payments and Class Information,
16 challenging workweek and pay period data, and lodging objections to the settlement. (Exhibit 1,
17 Settlement Agreement, ¶ 7.5-7.7). In the Class Notice, Class Members will also receive Class
18 Counsel's contact information so they can speak to attorneys conversant with the legal and factual
19 issues involved in this case, as well as the contact information for the Settlement Administrator. The
20 efforts taken to ensure that Class Members receive the Class Notice and are well informed about the
21 settlement are reasonable and provide the best notice practicable under the facts.

22 **Qualifications and Adequacy of Class Counsel**

23 80. D.Law (formerly known as Davtyan Law Firm) prosecutes wage and hour cases,
24 including class actions and PAGA actions on behalf of employees and others who have had their
25 rights violated. D.Law, either on its own or with co-counsel, is currently serving as plaintiffs'
26 counsel of record in numerous wage and hour and employment class action and PAGA action cases
27 pending in both state and federal court.

28 81. D.Law is well-qualified and has ample experience, knowledge, and resources to act as

1 counsel and represent Plaintiff and the putative Class and Aggrieved Employees in this action. Our
2 practice is exclusively focused on employment matters and representing plaintiffs in wage and hour
3 actions with the same or similar causes of actions brought forth in the matter pending before this
4 Court.

5 82. D.Law has litigated and successfully resolved many wage and hour class action cases
6 involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La Rosa
7 v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787), Harvey v.
8 Bed Bath & Beyond of California Limited Liability Company (Superior Court of California in
9 Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of California in
10 Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in Fresno,
11 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-cv-01084-
12 L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los Angeles,
13 BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles, BC 632
14 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara,
15 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in Los
16 Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of
17 California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family, Inc. (Superior Court of
18 California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global et
19 al. (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real Time
20 Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445), Vargo v.
21 Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836), Conlin v. Aegis
22 Senior Communities LLC (Northern District of California, 17-cv-05534-LHK), Galarza v.
23 Kloeckner Metals Corporation (Central District of California, 2:17-cv-04910-FMO), Estes v. L3
24 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA), Rowser v. Trunk
25 Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v. The Claremont
26 Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau v. PCT
27 Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra Costa
28 MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior Court

1 of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare California,
2 Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v. Church &
3 Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez v. ISL
4 Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC Verdugo
5 Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford v. Account
6 Control Technology, Inc., et al. (Superior Court of California in Los Angeles, 19STCV09369),
7 Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-18-571421),
8 Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307), Barrera et al. v.
9 Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687), Barajas v. Mancha
10 Development Company LLC (Superior Court of California in Orange County, 30-2018-00974707-
11 CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home (Superior Court of
12 California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court
13 of California in Los Angeles, 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern
14 District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al.
15 (Superior Court of California in Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc.
16 (Superior Court of California in Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc.
17 (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat
18 International, Inc. (Superior Court of California in Alameda, HG19026439), Orr v. Petvet Care
19 Centers (California) Inc. (Superior Court of California in Santa Clara, 19CV354063), Jimenez v.
20 OEC Distribution Services, Inc. (Superior Court of California in San Bernardino, CIVDS1915743),
21 Viridi v. Absolute Security International (Superior Court of California in San Bernardino, CIVDS
22 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento, 34-2021-00295895-
23 CU-OE-GDS), Marchbanks v. Torrid Administration, Inc. (Superior Court of California in San
24 Diego, 37-2020-00008179-CU-OE-NC), among others.

25 83. I am Senior Counsel at D.Law and was admitted to the California Bar in December 2008.
26 I received my J.D. from Pepperdine University School of Law and B.S. from the University of
27 Southern California. Since graduating from law school, I have dedicated virtually my entire career
28 on the practice of employment law. I have practiced employment law from the plaintiff's side, from

1 the defense side, and from an in-house position. I have significant experience specifically working
2 on wage and hour class actions from the plaintiff's side as well as the defense side, with the majority
3 of my experience coming from the plaintiff's side.

4 84. Attorney Roman Shkodnik is Senior Counsel at D.Law and counsel of record for Plaintiff.
5 He received his Bachelor of Arts in history and political science from the University of California,
6 Los Angeles, in 2007. He then earned his Juris Doctorate from Loyola Law School in May of 2011.
7 Upon graduating from law school, he has exclusively focused his practice on representing
8 employees including in wage-and-hour class actions. During his career, he has represented
9 employees in over 100 wage-and-hour class action lawsuits as lead or co-lead counsel (including in
10 the Central, Southern, Eastern and Northern Districts of California), and he has obtained six and
11 seven figure settlements against a range of defendants, including Fortune 500 companies. These
12 cases have involved the gamut of wage-and-hour claims, including claims for failure to pay
13 minimum wages, unpaid wages and overtime, inaccurate pay statements, and failure to pay timely
14 wages - similar to claims at issue in the present matter.

15 85. The collective experience of the D.Law attorneys in litigating employment wage and hour
16 matters has been integral in identifying legal issues, evaluating the strengths and weaknesses of a
17 case, and generally negotiating fair and reasonable class and representative action settlements.
18 Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the
19 constantly evolving substantive law (state and federal), as well as the procedural law of class and
20 representative action litigation. In this action, the attorneys at D.Law are fully equipped to use the
21 skills and knowledge developed over decades of prosecuting and defending wage and hour class
22 actions to fairly and adequately represent the interests of the Class Members and aggrieved
23 employees. Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law
24 are well-qualified to act as class counsel and represent the Plaintiffs and the putative Class Members
25 and aggrieved employees in this action.

26 86. David Yeremian of David Yeremian & Associates and Karl Gerber of Employment
27 Lawyers Group are also experienced attorneys in wage and hour class action and PAGA matters.
28

87. We understand the responsibilities owed as counsel to the Settlement Class Members and aggrieved employees we represent. The attorneys at D.Law thoroughly investigated the claims asserted in this action and have remained committed to dedicating the resources necessary to represent the Settlement Class and vigorously pursue their claims. Based upon my experience and understanding of the claims and defenses in this action, I believe the settlement is fair, adequate, and reasonable for the Class Members and aggrieved employees and all involved, and that the Settlement is well within the range of reasonableness that would permit it to be finally approved. I am not aware of any conflict of interest with Plaintiffs or any other Class Member that would interfere with our duties as Class Counsel.

88. On June 4, 2025, Plaintiffs submitted the Class and PAGA Action Settlement Agreement and Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement and supporting documents to the LWDA. A true and correct copy of the confirmatory email from the LWDA is attached hereto as **Exhibit 5**.

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

Executed this 4th day of June 2025, in Glendale, California

/s/ Enoch J. Kim
Enoch J. Kim

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Richard Rico and Yalmar Pastora (collectively “Plaintiffs”) and defendant Premier Logistics and Transportation (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1 “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against Defendant captioned *Richard Rico. v. Premier Logistics & Transportation* initiated on February 8, 2023 and pending in Superior Court of the State of California, County of Sacramento.
- 1.2 “Administrator” means Apex Class Action, the neutral entity the Parties have agreed to request the Court 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 Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means all current and former non-exempt employees who worked for Defendant in the State of California during the PAGA Period.
- 1.5 “Class” means all current and former non-exempt employees of Defendant during the Class Period.
- 1.6 “Class Counsel” means David Yeremian & Associates, Inc., D.Law, Inc., and Employment Lawyers Group.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from February 8, 2019 to July 9, 2024.
- 1.13 “Class Representative(s)” means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as Class Representatives.
- 1.14 “Class Representative Service Payments” mean the payments to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Sacramento.
- 1.16 “Defendant” means named Defendant Premier Logistics & Transportations.
- 1.17 “Defense Counsel” means Gordon Rees Scully Mansukhani, LLP.
- 1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means \$700,000 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.

- 1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the period from December 2, 2021 to July 9, 2024.
- 1.32 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33 “PAGA Notice” means Plaintiffs’ February 7, 2023 and June 16, 2023 letters to Defendant and providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$18,750) and the 75% to LWDA (\$56,250) in settlement of PAGA claims.
- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

- 1.36 “Plaintiffs” mean Richard Rico and Yalmar Pastora, the named plaintiffs in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means: Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, affiliates, agents, employees, DBA’s, and parent companies.
- 1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43 "Response Deadline" means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
- 1.44 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS.**

- 2.1 On February 8, 2023, Plaintiff Richard Rico commenced a Class Action by filing a Complaint alleging causes of action against Defendant for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest Break Liability Under Labor Code § 226.7; (5) Failure to Pay Vacation Wages; (6) Failure to Comply with Labor Code §§ 245 *et seq.* and 246; (7) Reimbursement of Necessary Expenditures Under Labor Code § 2802; (8) Violation of Labor Code 226(a); (9) Failure to Keep Required Payroll Records Under Labor Code 1174 and 1174.5; (10) Penalties Pursuant to Labor Code § 203; and

(11) Violation of Business & Professions Code 17200 *et seq.* On June 1, 2023, Plaintiff Rico filed a First Amended Complaint adding a twelfth cause of action for penalties under PAGA. On September 11, 2023, Plaintiff Rico filed a Second Amended Complaint adding Plaintiff Yalmar Pastora as a class representative. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3 On May 9, 2024, the Parties participated in an all-day mediation presided over by Tagore Subramaniam which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiffs obtained, through informal discovery, the time and payroll data for the putative class, and figures and information regarding the class size and composition. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("Dunk/Kullar").

2.5 The Court has not granted class certification because the Parties engaged in mediation before any class certification.

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

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay \$700,000 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To Plaintiffs: Class Representative Service Payments to each of the Class Representatives of not more than \$5,000 each (in addition to any Individual Class

Payment and any Individual PAGA Payment] the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third, which is currently estimated to be \$233,333.33 and a Class Counsel Litigation Expenses Payment of not more than \$30,000. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$7,500 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$7,500, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
 - 3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The

80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$75,000 to be paid from the Gross Settlement Amount, with 75% (\$56,250) allocated to the LWDA PAGA Payment and 25% (\$18,750) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$18,750) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 211 Class Members who collectively worked a total of 8,648 workweeks from February 8, 2019 to July 9, 2024, and 177 Aggrieved Employees who worked a total of 6,789 PAGA Pay Periods from December 2, 2021 to July 9, 2024.

4.2 Class Data. Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to

immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class 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 Class Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount in three equal installments over two taxable years, beginning with the first payment of \$233, 334 made by January 10th, of the year immediately following that in which this settlement is granted preliminary approval by the Court; the second payment of \$233,333 no later than March 31st of the year immediately following that in which the first payment is to be paid; and the third payment of \$233, 333 to be made no later than December 31st of the second taxable year following preliminary approval by the Court. The Administrator shall deposit the payments into an FDIC insured interest bearing account, and interest from such interest-bearing account will become part of the Net Settlement Fund and be held by the Administrator in escrow.

4.4 Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-

mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or 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 Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 **Plaintiffs' Release.** Plaintiffs and his or her respective former and present spouses, representatives, agents, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences [that occurred during the Class Period], including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiffs' PAGA Notice, [or ascertained during the Action and released under 6.2, below]. ("Plaintiffs' Release.") 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, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 **Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.** For purposes of Plaintiffs' Release, Plaintiffs expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, heirs, administrators, successors, and assigns, release Released Parties from (i) failure to timely pay employees upon separation or discharge; (ii) failure to pay all wages due and owing for time worked, including minimum and overtime wages; (iii) failure to provide meal or rest periods or compensation in lieu thereof; (iv) failure to provide complete, accurate itemized wage statements; (v) failure to pay vacation wages; (vi) failure to pay sick time wages; (vii) failure to reimburse for necessary business expenditures; (viii) failure to keep required payroll records maintain; (ix) all related violations of the applicable Wage Orders; (x) all related violations of California's unfair competition law that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints, and (x) all claims under the California Labor Code Private Attorneys General Act of 2004 or for civil penalties that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints, including but not limited to, Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 *et seq.*, 246, 351, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 2698, 2699, and 2802 (collectively, the "Released Claims"). This release shall apply to claims arising during the Class Period. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Participating and Non-Participating Class Members Who Are Aggrieved Employees: All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notices, and ascertained in the course of the Action.

6. **MOTION FOR PRELIMINARY APPROVAL**. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiffs' Responsibilities. Class Counsel will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that

includes an analysis of the Settlement under Dunk/Kullar and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2); (ii) a draft proposed Order Granting Preliminary Approval; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2); and all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring

them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class

Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their

validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE** Based on its records, Defendant estimates that, as of the date of mediation, (1) there were 211 Class Members who collectively worked 8,648 total workweeks between February 8, 2019 and through the date of mediation. If the number of Total Workweeks worked by the Class members during the Class period exceeds 8,648 workweeks by more than 10%, Defendant, at its option, may elect either to increase the GSA in proportion to the marginal workweek increase in excess of 10% (i.e., if the Total Workweeks is greater than 9,513, the proportional increase will be 1/9,513th of the GSA) or shorten the Class Period to correspond to the date when the Total Workweeks was 9,513.
9. **DEFENDANT'S RIGHT TO WITHDRAW**. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL**. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
 - 10.1 **Response to Objections**. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
 - 10.2 **Duty to Cooperate**. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 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.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, 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 an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. **ADDITIONAL PROVISIONS.**

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest

certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 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.

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 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.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 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.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final

pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 12.15 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.
- 12.16 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.
- 12.17 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:

David Yeremian & Associates, Inc.

David Yeremian
david@yeremianlaw.com
450 N. Brand Blvd., Suite 840
Glendale, CA 91203
Telephone: (818) 962-6465
Facsimile: (818) 962-6469

D.Law, Inc.

Emil Davtyan
Emil@d.law
Roman Shkodnik
r.shkodnik@d.law
Emma Geesaman
e.geesaman@d.law
450 N. Brand Blvd., Suite 840
Glendale, CA 91203
Telephone: (818) 962-6465
Facsimile: (818) 962-6469

Employment Lawyers Group

Karl Gerber
kgerber@emplaw.net
13418 Ventura Boulevard
Sherman Oaks, California 91423

Telephone: (818) 783-7300
Facsimile: (818) 995-7159

To Defendant:
Gordon Rees Scully Mansukhani, LLP
Mollie M. Burks
mburks@grsm.com
Sat Sang Khalsa
skalsa@grsm.com
Jenna L. Halop
jhalop@grsm.com
275 Battery Street, Suite 2000
San Francisco, CA 94111
Telephone: (415) 986-5900
Facsimile: (415) 986-8054

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

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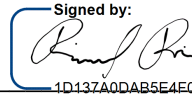
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On Behalf of Plaintiff:

Dated: 2/28/2025, 2025

Signed by:

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Richard Rico, Plaintiff

On Behalf of Plaintiff:

Dated: _____, 2025

Yalmar Pastora, Plaintiff

On Behalf of Defendant Premier Logistics & Transportations:

Dated: _____, 2025

Name: Andrankik Mikayelyan
Title: CEO

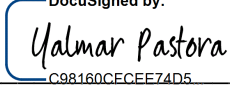
On Behalf of Plaintiff:

Dated: _____, 2025

Richard Rico, Plaintiff

On Behalf of Plaintiff:

Dated: 2/28/2025 _____, 2025

DocuSigned by:

C98160CECEE74D5

Yalmar Pastora, Plaintiff

On Behalf of Defendant Premier Logistics & Transportations:

Dated: _____, 2025

Name: Andrankik Mikayelyan
Title: CEO

On Behalf of Plaintiff:

Dated: _____, 2025

Richard Rico, Plaintiff

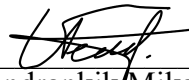
On Behalf of Plaintiff:

Dated: _____, 2025

Yalmar Pastora, Plaintiff

On Behalf of Defendant Premier Logistics & Transportations:

Dated: March 4 _____, 2025



Name: Andrankik Mikayelyan
Title: CEO

EXHIBIT A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Richard Rico v. Premier Logistics & Transportations

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Premier Logistics & Transportations (abbreviate name; "Premier Logistics," is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by former Premier Logistics employees Richard Rico and Yalmar Pastora (collectively "Plaintiffs") and seeks payment of (1) back wages and other relief for a class of hourly employees ("Class Members") who worked for Premier Logistics during the Class Period (February 8, 2019 to July 9, 2024); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly employees who worked for Premier Logistics during the PAGA Period (December 2, 2021 to July 9, 2024) ("Aggrieved Employees").

The proposed Settlement has two main parts: (1) a Class Settlement requiring Premier Logistics to fund Individual Class Payments, and (2) a PAGA Settlement requiring Premier Logistics to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on Premier Logistics' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Premier Logistics' records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Premier Logistics' records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ Pay Periods** during the PAGA Period. If you believe that you worked more workweeks or Pay Periods during either period respectively, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Premier Logistics to make payments under the Settlement and requires Class

Members and Aggrieved Employees to give up their rights to assert certain claims against Premier Logistics.

If you worked for Premier Logistics during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Premier Logistics.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Premier Logistics, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Premier Logistics will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Premier Logistics that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Premier Logistics must pay Individual PAGA Payments

	to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Premier Logistics’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former Premier Logistics employee. The Action accuses Premier Logistics of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses, failing to provide meal periods and rest breaks, failing to pay vacation and sick pay wages, and failing to provide accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”).

Plaintiffs are represented by attorneys in the Action: David Yeremian & Associates, Inc., D.Law, Inc., and Employment Lawyers Group (“Class Counsel.”)

Premier Logistics strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Premier Logistics or Plaintiffs are correct on the merits.

In the meantime, Plaintiffs and Premier Logistics hired a mediator experienced in complex employment litigation in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Premier Logistics have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Premier Logistics does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Premier Logistics has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Premier Logistics Will Pay \$700,000 as the Gross Settlement Amount (Gross Settlement). Premier Logistics has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement in three equal installments. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Premier Logistics will fund the Gross Settlement in three equal installments, the first of which will be made by January 10th of the year immediately following that in which the Court grants preliminary approval. The second installment is to be made no later than March 31st of the year immediately following that in which the first payment is made, and the third installment is to be made no later than December 31st of the second taxable year following preliminary approval of the court.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions

from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- a. Up to \$233,333.33 (one-third of the Gross Settlement] to Class Counsel for attorneys' fees and up to \$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- b. Up to \$5,000 to each of the Plaintiffs as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
- c. Up to \$7,500 to the Administrator for services administering the Settlement.
- d. Up to \$75,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Premier Logistics are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Premier Logistics will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Premier Logistics have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Premier Logistics.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against West Coast Prime Meats based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Premier Logistics have agreed that, in either case, the Settlement will be void: Premier Logistics will not pay any money and Class Members will not release any claims against Premier Logistics.
8. Administrator. The Court has approved of a settlement administration company, Apex Class Action (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks/Pay Periods, mail and remail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Premier Logistics has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any

of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Premier Logistics or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to pay vacation wages; (v) failure to pay sick pay; (vi) failure to reimburse necessary expenditures; (vii) failure to provide complete, accurate wage statements; (viii) failure to pay wages timely at time of termination or resignation; (ix) failure to maintain accurate records; (x) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints, and (xi) all claims under the California Labor Code Private Attorneys General Act of 2004 or for civil penalties that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaints, including but not limited to, Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 *et seq.*, 246, 351, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 2698, 2699, and 2802 (collectively, the "Released Claims"). This release shall apply to claims arising during the Class Period. Except as set forth in Section 6.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Premier Logistics has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Premier Logistics, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Premier Logistics or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notices, and ascertained in the course of the Action.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$_____ by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Premier Logistics' records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Premier Logistics' calculation of Workweeks and/or Pay Periods based on Premier Logistics' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Premier Logistics' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't

opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Richard Rico v. Premier Logistics & Transportation*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Premier Logistics are asking the Court to approve. At least 16 days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ or the Court's website _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Richard Rico v. Premier Logistics & Transportation* and include your name, current address, telephone number, and approximate dates of employment for Premier Logistics and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 27 of the Sacramento Superior Court, located at 720 Ninth Street, Sacramento, CA 95814. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via Zoom (<https://www.saccourt.ca.gov/civil/docs/civil-court-zoom-links.pdf>) Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Premier Logistics and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>) and entering the Case Number for the Action, Case No. 34-2023-00334466. You can also make an appointment to personally review court documents in the Clerk's Office by calling (916) 874-5522.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:
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Telephone: (818) 783-7300

Facsimile: (818) 995-7159

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 2

**DAVID YEREMIAN
& ASSOCIATES INC**

2540 Foothill BLVD STE 201
La Crescenta CA 91214

818 230 8380
818 230 0308 FAX

DAVID@YEREMIANLAW.COM

February 7, 2023

VIA ON-LINE SUBMISSION ONLY TO:

<https://dir.tfaforms.net/128> (copy by certified mail to all Defendants)

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Premier Logistics & Transportations
3291 Ramos Circle
Sacramento, CA 95827
Certified Mail Tracking Number: 7019 2970 0000 5059 6561

Andranik Mikayelyan, Agent for Service
Premier Logistics & Transportations
3291 Ramos Circle
Sacramento, CA 95827
Certified Mail Tracking Number: 7019 2970 0000 5059 6561

**Re: Labor Code § 2698, *et seq.* Penalties – PAGA Notice Letter to the LWDA
Rico v. Premier Logistics & Transportation
Superior Court for the County of Sacramento**

Gentlepersons:

This office represents Plaintiff Richard Rico (“Plaintiff”) and other similarly situated aggrieved non-exempt employees (collectively “Aggrieved Employees”) for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 *et seq.*, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.* and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* (“the Act”). Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants, Premier Logistics & Transportations and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as “Defendants”).

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along with a copy of Plaintiff's Class Action Complaint, which is attached to this Notice letter. The Complaint is being concurrently filed in Sacramento Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. The attached Class Action Complaint provides the details of Plaintiff's class-wide claims and claims under the Act, and the applicable California law governing them. It, along with this Notice Letter, addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts

Aggrieved Employees were employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below. Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked.

Additionally, Aggrieved Employees were not paid for the time that they worked "pre-shift" and "post-shift" without compensation by conducting pre-trip inspections, preparing trucks for trips, unloading trucks post-trip. Moreover, Aggrieved Employees were not paid for the time that they travelled between Defendants' worksites on a daily basis. Thus, Aggrieved Employees were required to work hours, under the control of Defendants, without wages.

Because of the foregoing understatement of hours worked, Defendants also failed to pay Plaintiff and Aggrieved Employees proper overtime wages. Plaintiff and Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week. However, Plaintiff and Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Additionally, Defendants did not pay Aggrieved Employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, Defendants paid Aggrieved Employees nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when Aggrieved Employees worked overtime and received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

Additionally, Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms

of remuneration in the regular rate of pay from which sick pay and vacation pay was calculated and paid.

Defendants had a common policy and/or practice of denying Plaintiff and Aggrieved Employees proper meal periods. Specifically, Plaintiff and Aggrieved Employees were required to work through their meal periods which they were consistently denied. Also, what meal periods Plaintiff and Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Plaintiff and Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders. Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid.

Defendants have consistently failed to provide Plaintiff and Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Plaintiff and Aggrieved Employees who often worked at least twelve (12) hours in a day were entitled to at least two breaks but were required to work through their periods which they were continuously denied. Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid.

Defendants had a common policy and practice of failing to reimburse Plaintiff and Aggrieved Employees for necessary business expenditures incurred in execution of their duties under Defendants' employ. Defendants have failed to reimburse Plaintiff and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, cell phone usage, which were necessary to perform their duties under Defendants' employ which was used throughout the course of Plaintiff and Aggrieved Employees' duties under Defendants' employ.

Defendants consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. Defendants failed in their affirmative obligation to keep accurate records of the correct overtime wages based on proper regular rate calculations that included nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses earned, and the total amount of compensation of Aggrieved Employees. Additionally, the wage statements given to Aggrieved Employees, by Defendants, failed to include the above requirements enumerated above. Aggrieved Employees' wage statements did not include: the total hours worked in violation of Labor Code § 226(a)(2) and failed to accurately set forth all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each such rate in violation of Labor Code § 226(a)(9). The wage statements provided to Aggrieved Employees were confusing and required Aggrieved Employees to refer to outside sources to verify whether their pay was correct and potentially resulting in a miscalculation by the Aggrieved Employees. Moreover, the wage statements given to Aggrieved Employees failed

to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and unlawfully received or collected wages, discussed above.

Moreover, Defendants failed to pay Plaintiff and Aggrieved Employees all wages owed at the time of their termination or within seventy-two (72) hours of their resignation as required by Labor Code §§ 201-203. Defendants also consistently failed to pay Aggrieved Employees all wages due on a semi-monthly basis.

PAGA Claim Details, Legal Bases for Violations and Penalties:

As addressed above and in further detail in the attached Class Action Complaint, Plaintiff and the Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders 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.” Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states: “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: “Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees and costs of suit.”

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants’ unlawful compensation policies

and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants thus failed to pay Employees minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Specifically, Aggrieved Employees were not paid for the time that they worked “pre-shift” and “post-shift” without compensation by conducting pre-trip inspections, preparing trucks for trips, unloading trucks post-trip. Moreover, Aggrieved Employees were not paid for the time that they travelled between Defendants’ worksites on a daily basis. Accordingly, Plaintiff and Aggrieved Employees were required to work without pay. Thus, Plaintiff and Aggrieved Employees were required to work hours without wages. Additionally, Defendants did not pay Plaintiff and Aggrieved Employees at the applicable minimum wage for all hours worked. Defendants have the ability to pay minimum wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Plaintiff and Aggrieved Employees.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney’s fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants’ conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants’ failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants’ conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Plaintiff and Aggrieved Employees earned wages and overtime. Specifically, Plaintiff and Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week. However, Plaintiff and Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day.

Moreover, the uncompensated time, discussed above including the time they worked “pre-shift” and “post-shift” without compensation by conducting pre-trip inspections, preparing trucks for trips, unloading trucks post-trip, the time that they travelled between Defendants’ worksites on a daily basis, and time spent working while clocked out for meal breaks caused Plaintiff and Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Plaintiff and Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders. Additionally, Defendants did not pay Aggrieved Employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, Defendants paid Aggrieved Employees nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when Aggrieved Employees worked overtime and received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of eight hours or twelve hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee’s detriment. Defendants have also violated these provisions by requiring Plaintiff and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys’ fees and costs, as well as

the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Vacation Wages

Pursuant to California Labor Code § 227.3, whenever a contract of employment or employment policy provides for paid vacation and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with said contract of employment or policy respecting eligibility or time served. Defendants paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which vacation wages were calculated and paid. Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code § 227.3. Plaintiff accordingly seeks this relief available for Defendants' violations of section Labor Code § 227.3 in connection with Aggrieved Employees and seeking the civil and statutory penalties available and applicable under Labor Code § 227.3, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Comply with Labor Code §§ 245 et seq. and 246

California Labor Code § 245 et seq. requires that Defendants provide paid sick time to Aggrieved Employees, including at the amount, terms, and rate of compensation set forth in said law. At times relevant, Defendants have failed compute the amount due for paid sick time in conformance with the pay calculation under California Labor Code § 246(l). Defendants paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which sick pay was calculated and paid. Rather than calculating the amount of paid sick time due when sick time is used according to the requirements set forth in California Labor Code § 246(l), Defendants paid sick leave to Aggrieved Employees at a lower rate, in violation of the law. As a result of Defendants' conduct, Defendants have violated California Labor Code §§ 245 et seq. and 246. Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code § 245 et seq. and 246. Plaintiff accordingly seeks this relief available for Defendants' violations of section Labor Code §§ 245 et seq. and 246 in connection with Aggrieved Employees and seeking the civil and statutory penalties available and applicable under Labor Code §§ 245 et seq. and 246, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code §§ 226.7 and 512 and Penalties

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods, were provided with breaks late and well after the fifth hour of work, could not be relieved to take breaks, or

were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks.

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendant's control, in violation of the Labor Code and applicable Wage Orders. On shifts over ten hours, second meal periods were not provided. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions. Defendants paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid. Therefore, Defendants also miscalculated the rate at which they paid any meal period or rest period premiums when Defendant did attempt to pay them, resulting in further violations of section 226.7.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants provided rest periods untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond to job requirements. Defendants paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid. Therefore, Defendants also miscalculated the rate at which they paid any rest period premiums when Defendant did attempt to pay them, resulting in further violations of section 226.7.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties

against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Plaintiff and Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Defendants have failed to reimburse Plaintiff and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, cell phone usage, which were necessary to perform their duties under Defendants' employ which was used throughout the course of Plaintiff and Aggrieved Employees' duties under Defendants' employ in violation of Labor Code § 2802. Defendants systematically and uniformly failed to reimburse those lawful and necessary work related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. Defendants failed in their affirmative obligation to keep accurate records of the correct overtime wages based on proper regular rate calculations that included nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses earned, and the total amount of compensation of Aggrieved

Employees. Additionally, the wage statements given to Aggrieved Employees, by Defendants, failed to include the above requirements enumerated above. Aggrieved Employees' wage statements did not include: the total hours worked in violation of Labor Code § 226(a)(2) and failed to accurately set forth all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each such rate in violation of Labor Code § 226(a)(9). The wage statements provided to Aggrieved Employees were confusing and required Aggrieved Employees to engage in discovery and refer to outside sources to verify whether their pay was correct and potentially resulting in a miscalculation by the Aggrieved Employees. z

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ..."

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday, or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage

statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, Plaintiff was not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, by unlawful rounding and off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the

applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Unfair Competition Under Business and Professions Code § 17200, et seq.

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiff and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

Plaintiff's PAGA Claim under Labor Code § 2698 et seq. and Recovery Bases:

After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the attached Class Action Complaint, Plaintiff will file an amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

Plaintiff and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 et seq., 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, et seq. and 2802, including as follows:

(a) Wage Claims: For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all

civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) Meal and Rest Period Claims: For failure to provide Plaintiff and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiff and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ...";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) Failure to Provide Paid Sick Days: For Defendants' failure to provide Employees with all their required and earned sick days in violation of Labor Code §§ 245 *et seq.* and 246 the civil and statutory penalties available and applicable under Labor Code §§ 245 *et seq.* and 246, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(g) Failure to Pay Vacation Wages: For Defendants' failure to provide Employees with all their vacation days in violation of Labor Code § 227.3 and seeking the civil and statutory penalties available and applicable under Labor Code § 227.3, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(h) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

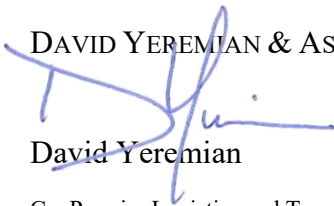
We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Premier Logistics and Transportation and any other named Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

DAVID YEREMIAN & ASSOCIATES, INC.



David Yeremian

Cc: Premier Logistics and Transportation by Certified Mail

EXHIBIT 3

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Attorneys for Plaintiffs RICHARD RICO
and YALMAR PASTORA

[Additional counsel and party listed on following page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

RICHARD RICO, an individual, on behalf
of himself and others similarly situated,

Plaintiff,

v.

PREMIER LOGISTICS &
TRANSPORTATIONS, a California
Corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 34-2023-00334466

CLASS ACTION

Assigned for All Purposes To:
Hon. Jill Talley

**DECLARATION OF SEAN HARTRANFT
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: June 27, 2025
Time: 9:00 a.m.
Location: Department 22

Original Complaint Filed: February 8,
2023
Amended Complaint: June 1, 2023
Second Amended Complaint: Sept. 11, 2023
Trial Date: None Set

1 **DAVID YEREMIAN & ASSOCIATES, INC.**

2 David Yeremian (SBN 226337)

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4 450 N. Brand Blvd., Suite 840

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8 **EMPLOYMENT LAWYERS GROUP**

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12 Sherman Oaks, California 91423

13 Telephone: (818) 783-7300

14 Facsimile: (818) 995-7159

15 Attorneys for Plaintiffs RICHARD RICO
16 and YALMAR PASTORA

17 **DECLARATION OF SEAN HARTRANFT**

18 I, Sean Hartranft, declare as follows:

19 1. I am the Chief Executive Officer of Apex Class Action LLC., a class action
20 settlement administration company headquartered in Irvine, California. I have personal
21 knowledge of the facts outlined in this declaration and, if called as a witness, I could and would
22 competently testify thereto.

23 2. Apex Class Action's team has been directly involved with class action
24 administration for a combined 65 years and has successfully managed numerous class action cases
25 during that time. Our team comprises experienced professionals with extensive knowledge of
26 class action settlement administration. In addition, Apex Class Action has the necessary
27 technology and infrastructure to efficiently manage large-scale class action cases. We utilize
28 state-of-the-art software and systems to ensure that all aspects of the administration process are
executed accurately and efficiently.

3. The legal practitioners or parties involved do not possess any form of ownership
stake or affiliation with Apex Class Action.

4. Apex Class Action has extensive expertise in the dissemination of class action
notices and administration of class action settlements. Our range of services includes first-class

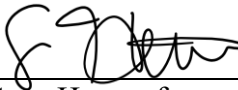
1 mail via the United States Postal Service, a bilingual toll-free call center, interactive & static
2 website development and support, enterprise database management, response processing, and
3 Qualified Settlement Fund (QSF) distribution for class actions of various sizes. We uphold the
4 highest level of confidentiality in all our operations, and any class data and communication
5 received by us will be treated with the utmost confidentiality and will not be disclosed to any
6 unauthorized party. Attached is our current CV as **Exhibit A**, highlighting our primary
7 competencies in class action administration.

8 5. Apex Class Action ensures that Client and Class Member Information is only used
9 for the purposes specified in the relevant agreements or court orders governing the provision of
10 its legal services. To safeguard class member information, Apex Class Action has implemented a
11 comprehensive process to identify, assess, and mitigate risks in all areas of its operations,
12 regularly evaluating the effectiveness of its security measures. Access to class member
13 information is limited to employees, agents, or subcontractors who require it to perform their
14 duties, and Apex Class Action conducts background checks on all personnel with access to
15 sensitive personal information, to ensure they do not pose a threat to the security of client or class
16 member information. To guarantee the security of the settlement administration process, Apex
17 Class Action maintains Professional Liability and Cyber Liability Insurance coverage, as required
18 by legal standards and best practices in the legal profession.

19 6. Apex Class Action disbursement process involves (i) obtaining a Federal Employer
20 Identification Number (FEIN) from the Internal Revenue Service (IRS) under the name of the
21 settlement case; (ii) establishing a QSF to manage the distribution of settlement funds; (iii)
22 conducting preliminary and final calculations to determine the individual settlement amounts,
23 including attorneys' fees, costs, enhancement awards, and any other court-approved designees;
24 (iv) calculating and reporting state and federal taxes as applicable; (v) and disseminating approved
25 settlement funds and tax forms via First-Class USPS mail.

26 7. The administration fees for Apex Class Action's management of this settlement will
27 not exceed \$7,500.00, as specified in **Exhibit B**. This document presents a comprehensive plan
28 detailing the specific administration services that will be provided.

1
2 I declare under penalty of perjury under the laws of the state of California that the
3 foregoing is true and correct. Executed this 6th day of June 2025, in Irvine, California.

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7 Sean Hartranft
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EXHIBIT A



CASE TYPES

- Consumer
- Data Breach
- Mass Tort Disbursement
- Wage & Hour
- Private Attorneys
General Act (PAGA)
- Belaire West
- Class Certification
- Fair Labor Standards
Act (FLSA)
- Telephone Consumer
Protection Act (TCPA)
- Employee Retirement
Income Security Act
(ERISA)
- Product Liability

SUMMARY

Apex Class Action brings together a seasoned team of professionals adept at navigating the intricate landscape of legal processes and settlement administration. Armed with extensive expertise, we offer a comprehensive understanding of the nuances inherent in settlement procedures. Our organization excels in communication and organization, leveraging cutting-edge technology to streamline project management and adhere to rigorous timelines with precision and efficiency.

From initial pre-settlement consultation to the final stages of disbursement and tax reporting, our technology platform and stringent data security protocols revolve around integration, automation, and observability. This ensures swift and precise payment for class members, bolstering efficiency and accuracy throughout the process.

PRELIMINARY CONSULTATION

Our complimentary preliminary consultation serves as the cornerstone for establishing a comprehensive framework. This framework ensures that all stakeholders grasp the project's scope, timeline, and budget parameters effectively. Following the alignment of objectives and expectations between plaintiff and defense counsel, our team diligently explores additional avenues to identify potential class members. We go the extra mile by offering detailed interactive banner ad campaigns and print media options, maximizing outreach and engagement to achieve optimal results.

CASE MANAGEMENT

At Apex Class Action, our expert Case Managers and Data Managers take charge of overseeing all aspects of the settlement administration process. Their role is pivotal in ensuring strict adherence to court orders, settlement agreements, and industry benchmarks. Working hand in hand with both plaintiff and defense counsel, we meticulously manage every aspect of the settlement administration process.

Our comprehensive mailing and notification services commence with meticulous data scrubbing and the establishment of a class database, guaranteeing the accuracy of contact information. Subsequently, the database undergoes validation using the USPS National Change of Address (NCOA) database to ensure precision and reliability. Additionally, we provide court-certified translation services covering over 65 languages, facilitating effective communication across diverse demographics. In instances where mail is returned as undeliverable, we undertake skip tracing to obtain updated addresses for class members, ensuring that all notices reach their intended recipients without delay.



To ensure transparency throughout the entire process, a steady cadence of reports, as defined during the preliminary consultation, is generated throughout the administration process for both the plaintiff and defense counsel.

Our capability to provide cost-effective pricing is rooted in our adept utilization of cutting-edge technology, a team of highly skilled professionals, and an optimized process. Should the courts approve the utilization of modern electronic notification methods like email and banner ads, we ensure both certainty and cost-effectiveness. Through electronic disbursement, we offer a highly efficient strategy wherein settlement awards are directly delivered to class members, mitigating potential drawbacks associated with traditional mail delivery and enhancing overall efficiency.

TAX COMPLIANCE & CASE RESOLUTION

Apex leverages its proprietary technology to efficiently manage all necessary state and federal tax reporting requirements. This includes establishing a Settlement Federal Tax Identification Number (FIEN) with the IRS and Qualified Settlement Fund (QSF) EDD accounts where applicable. We handle taxes associated with settlements involving multiple state tax filings, as well as manage all payroll tax filings such as Form 940, 941, and state filings. Additionally, our services encompass the preparation of information returns (Forms W-2, 1099, and 1042-S) for reportable payments and the preparation of the annual Federal income tax return (Form 1120-SF). Moreover, we provide comprehensive management of qualified settlement funds (QSF), ensuring that all accounts are FDIC-insured bank accounts. Our full suite of comprehensive tax management services includes:

- Prepare and fill all applicable returns (Forms W-2, 1099, and 1042-S)
- Payroll tax filings, including Form 940, 941, and state filings
- FID-Insured QSF Bank Accounts
- State and Federal Tax Reporting
- IRS Federal Tax Identification Number
- QSF Audit Reports
- Prepare And File 1120-SF Tax Returns with Quarterly Tax Obligations

CONTACT

Address
18 Technology Dr. Ste. 164
Irvine, CA 92618

Email
Info@apexclassaction.com

Phone
1.800.355.0700

EXHIBIT B



Quotation Request:

Emma Geesaman
D.LAW
e.geesaman@d.law
818.962.6465

Case Name:

Rico v. Premier Logistics and Transportations

Date:

Monday, February 10, 2025

RFP Number:

10620012

Prepared By:

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

Settlement Specifications	
Estimated Class Size:	211
Certified Language Translation:	Yes
Static Settlement Website	Yes
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	2	\$250.00
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:				\$550.00

Mailing of Class Notice				
Form Set Up	Per Hour	\$120.00	1	\$120.00
Print & Mail Class Notice	Per Piece	\$1.50	211	\$316.50
USPS First Class Postage	Per Piece	\$0.73	211	\$154.03
Remail Undeliverable Mail (Skip-Trace)	Per Piece	\$2.00	42	\$84.40
Receive and Process Undeliverable Mail	Per Hour	\$75.00	1	\$75.00
Process Class Member Correspondence via mail, e-mail & fax	Per Piece	\$75.00	1	\$75.00
NCOA Address Update (USPS)	Static Rate	\$42.34	1	\$42.34
Certified Language Translation: Spanish	Static Rate	\$1,200.00	1	\$1,200.00
Sub Total:				\$2,067.27

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

APEX
CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	\$55.00	1	\$55.00
Settlement Website: Static Apex URL	Static Rate	\$500.00	1	\$500.00
Settlement Status Reports	Static Rate	\$750.00	1	Waived
			Sub Total:	\$555.00

Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	\$120.00	2	\$240.00
Account Management and Reconciliation	Per Hour	\$140.00	2	\$280.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	\$1.50	211	\$316.50
USPS First Class Postage	Per Piece	\$0.73	211	\$154.03
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$2.00	21	\$42.20
Individual Income Tax Preparation & Reporting	Per Hour	\$100.00	6	\$600.00
QSF Income Tax Reporting (per calendar year)	Per Year	\$1,250.00	1	\$1,250.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	\$350.00	1	\$350.00
			Sub Total:	\$3,232.73

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:	\$7,500.00
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Thank you for your business!



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. The Client agrees to pay each invoice within 30 days of receipt. In case 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 stated in Section 13, 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 4

Rico v. Premier Logistics & Transportation

Litigation Costs

Service Date	Details	Provider	Amount
2/7/23	LWDA Letter	LWDA	\$ 75.00
2/7/23	Summons & Complaint	Rapid Legal	\$ 553.73
3/9/23	Process of Service - Summons & Complaint	Rapid Legal	\$ 82.80
3/15/23	Proof of Service	Rapid Legal	\$ 31.05
4/19/23	Stipulation & Order to File FAC	Rapid Legal	\$ 140.08
6/1/23	First Amended Complaint	Rapid Legal	\$ 103.00
8/30/23	Stip & Order	Rapid Legal	\$ 156.56
9/5/23	Mediation Fee	Tagore Subramaniam	\$ 8,500.00
9/11/23	Notice of Change of Address	Rapid Legal	\$ 128.75
12/21/23	Notice of Unavailability	Rapid Legal	\$ 87.55
5/21/24	Notice of Posting Jury Fees	Rapid Legal	\$ 168.87
5/22/24	Expert Fee	Berger Consulting	\$ 6,680.00
8/19/24	Notice of Disassociation	Rapid Legal	\$ 14.37
12/13/24	Notice of Unavailability	Rapid Legal	\$ 14.94
3/6/25	Notice of Association	Rapid Legal	\$ 14.94
5/9/25	Notice of Association	Rapid Legal	\$ 15.01
6/4/25	Motion for PAGA Approval of Settlement	Rapid Legal	\$ 85.00
FUTURE	Decl of Class Admin re Final Distribution	Rapid Legal	\$ 18.00
FUTURE	Ntc of Entry of Final Order & Judgment	Rapid Legal	\$ 18.00

Total \$ 16,887.65

EXHIBIT 5