

THE MARKHAM LAW FIRM

David R. Markham (SBN 71814)

dmarkham@markham-law.com

Lisa R. Brevard (SBN 323391)

lbrevard@markham-law.com

888 Prospect Street, Suite 200

La Jolla, CA 92037

Telephone: (619) 399-3995/Facsimile: (619) 615-2067

COHELAN KHOURY & SINGER

Isam C. Khoury (SBN 58759)

ikhoury@ckslaw.com

Michael D. Singer (SBN 115301)

msinger@ckslaw.com

Maggie K. Realin (SBN 263639)

mrealin@ckslaw.com

605 C Street, Suite 200

San Diego, CA 92101

Telephone: (619) 595-3001/Facsimile: (619) 595-3000

[Additional Counsel Listed on Next Page]

Attorneys for Plaintiff CHRISTIAN SANCHEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

CHRISTIAN SANCHEZ, ATU AKINLABI
WATSON, and TYRON WESLEY
MCCARTHER, individuals, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

SPOKE LOGISTICS, LLC, a Wyoming
Limited Liability Company, and Does 1-25,
Inclusive,

Defendant.

Case No. 23-CV-035138

ASSIGNED FOR ALL PURPOSES TO:

The Honorable Victoria Kolakowski

Department 16

CLASS AND REPRESENTATIVE ACTION

**DECLARATION OF MAGGIE REALIN
IN SUPPORT OF PLAINTIFFS'
UNOPPOSED MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT**

Date: April 14, 2026

Time: 2:30 p.m.

Dept.: 16

Reservation: 408531732666

Complaint filed: June 6, 2023

Trial Date: Not Set

SPOKE LOGISTICS, LLC, a California Corporation,

Cross-Complainant,

v.

HE IS THE WAY TRANSPORT SERVICES, INC.,

Cross-Defendant.

Complaint filed: September 11, 2023
Trial Date: Not Set

UNITED EMPLOYEES LAW GROUP

Walter L. Haines (SBN 71075)

whaines@uelglaw.com

8605 Santa Monica Blvd., #63354

West Hollywood, CA 90069

Telephone: (562) 256-1047/Facsimile: (562) 256-1006

Attorneys for Plaintiff CHRISTIAN SANCHEZ

SIRMABEKIAN LAW FIRM, PC

Sarkis Sirmabekian (SBN 278588)

contact@slawla.com

2600 W. Olive Avenue, Suite 549

Burbank, CA 91505

Telephone: (818) 473-5003/Facsimile: (818) 476-5619

Attorneys for Plaintiffs ATU AKINLABI WATSON and TYRON WESLEY MCCARTHER

1 I, Maggie Realin, declare as follows:

2 1. I am a Partner at the law firm of Cohelan Khoury & Singer, co-counsel of record
3 for Plaintiff Christian Sanchez (“Plaintiff”) in this Action. I submit this declaration in support of
4 Plaintiffs’ Unopposed Motion for Preliminary Approval of Class and Representative Action
5 Settlement. The following facts are within my personal knowledge and if called to testify I
6 could and would competently testify to them.

7 2. Plaintiffs Christian Sanchez, Atu Akinlabi Watson, and Tyron Wesley
8 McCarther (“Plaintiffs”) seek preliminary approval, under Rule 3.769(c) of the California Rules
9 of Court, of a \$1,050,000 non-reversionary Settlement on behalf of approximately 300 drivers
10 who worked for Defendant Spoke Logistics, LLC (“Spoke” or “Defendant”) in California
11 between September 18, 2021 and December 17, 2025 (the “Class Period”), and approximately
12 255 Aggrieved Employees who worked for Defendant in California between March 30, 2022, to
13 December 17, 2025 (the “PAGA Period”).

14 3. On June 6, 2023, Plaintiff Sanchez filed a PAGA-only complaint in Alameda
15 Superior Court, seeking civil penalties on behalf of Defendant’s misclassified drivers. Sanchez
16 began working for Spoke Logistics in July 2022, delivering durable medical equipment on
17 behalf of Apria Healthcare. Although classified as an independent contractor and issued a 1099
18 form, he alleges that the nature of his work and the level of control exercised by Spoke
19 Logistics reflected an employee relationship.

20 4. Sanchez worked approximately six days a week, averaging over 50 hours and
21 700 miles weekly. He was paid a flat daily rate of \$340, without additional compensation for
22 overtime. His delivery routes and schedules were assigned through an iPad and mobile app
23 managed by Spoke and Apria, and new assignments were added throughout the day. He states
24 that this made it difficult to take uninterrupted meal and rest breaks, and no formal system was
25 provided to request them.

26 5. Sanchez was required to use his own vehicle and cover related expenses,
27 including fuel, insurance, and maintenance. He alleges he could not subcontract his work or use
28 third-party equipment. Although the agreement allowed some independence, he asserts that his

1 duties, schedule, and restrictions were consistent with those of a W-2 employee. He previously
2 performed similar work for another company under employee classification.

3 6. Four months after the *Sanchez* action, Plaintiffs Watson and McCarther filed a
4 similar PAGA lawsuit against Spoke Logistics, initially in Orange County Superior Court. The
5 case was amended and refiled in Alameda County Superior Court on June 6, 2024. Like
6 *Sanchez*, the *Watson* plaintiffs worked as delivery drivers for Spoke and allege they were
7 misclassified as independent contractors. Consequently, they claim they were unlawfully denied
8 overtime pay, meal and rest breaks, reimbursement for business expenses, timely payment of
9 final wages upon separation, and accurate itemized wage statements. *Watson* plaintiffs did not
10 typically deliver for Apria Healthcare.

11 7. On September 11, 2023, Spoke filed a cross-complaint against He Is The Way
12 Transport Services, Inc. (“HWTS”) in the *Sanchez* action, alleging HWTS was the actual
13 employer of Plaintiff Sanchez and responsible for any labor code violations.

14 8. No cross-complaint was filed in the *Watson* action. Spoke asserted it acted only
15 as a licensed broker and had an independent contractor relationship with HWTS under a July 5,
16 2022 Broker-Carrier Agreement. The agreement purportedly required HWTS to comply with
17 the law and indemnify Spoke for losses from HWTS’s conduct.

18 9. After some litigation and discovery, the parties attended a private mediation on
19 September 18, 2025. The case eventually settled. For purposes of settlement, the parties
20 stipulated to filing a First Amended Complaint (FAC) alleging class claims and adding Watson
21 and McCarther as named Plaintiffs in addition to Sanchez after which the *Watson* case will be
22 dismissed; all claims released in the settlement are alleged in the FAC.

23 10. The Parties conducted a thorough investigation of the claims and facts alleged in
24 this action through both written discovery and the informal exchange of information for
25 mediation purposes. Plaintiffs undertook an in-depth analysis of the legal principles applicable
26 to their claims against Defendant. Plaintiffs reviewed data points and company documents,
27 including policies, broker-carrier contracts, and data points for the driver group, to evaluate their
28 misclassification claim and analyzed pre-mediation document production and diligently

1 investigated Class Members' claims to prepare a damage model. As a result of this careful
2 investigation, both parties developed a clear understanding of their respective claims and
3 defenses.

4 11. Although Plaintiffs are confident in their position, they recognize several risks to
5 succeeding on the merits.

6 12. First, Spoke will argue that the claims of over half of the drivers are barred by
7 the class and PAGA settlement in *Quintero v. Apria Healthcare LLC*, Case No. 20STCV42367,
8 which was finally approved on July 14, 2025. The \$16.5 million settlement resolved claims of
9 drivers supplied to Apria by vendors including Spoke, covering the period through January 30,
10 2025. The settlement includes a broad release extending to all potentially jointly liable parties,
11 including Spoke. Accordingly, Spoke contends that class and PAGA claims by drivers assigned
12 to Apria by Spoke through January 30, 2025 – which affects 54% of workweeks in this case,
13 have already been released and cannot be re-litigated.

14 13. Second, Defendant will argue that Plaintiffs and other drivers were properly
15 classified as independent contractors under the business-to-business exception in Labor Code §
16 2776, which triggers the *Borello* test. According to Defendant, because Spoke meets the
17 statutory requirements for the business-to-business exemption, *Borello*—a flexible, multi-factor
18 test—applies. Spoke will argue it operated solely as a broker, not a carrier, and exercised no
19 control over how Plaintiffs performed their work, that Plaintiffs used their own vehicles, had
20 motor carrier authority, set their own schedules, accepted or rejected work, were paid under
21 negotiated contracts, and many operated their own businesses, employed drivers, and worked
22 for other clients.

23 14. Third, even if the ABC test applies here, Defendant will argue that Plaintiffs still
24 do not qualify as employees. According to Defendant, Plaintiffs operated through independent
25 businesses that controlled their own operations and paid their own drivers. Spoke acted solely as
26 a broker—it did not own vehicles, employ drivers, or direct how deliveries were performed.
27 Defendant will argue that Plaintiffs were free to accept or reject assignments, contract with
28 other brokers, and were solely responsible for licensing, insurance, and regulatory compliance.

1 Government-imposed requirements, Defendant contends, do not establish “control” under the
2 ABC test. Spoke will argue that because it did not control the manner or means of Plaintiffs’
3 work, and because they operated as independent businesses, all three prongs of the ABC test are
4 met—and hence, Plaintiffs were not misclassified.

5 15. Additionally, Defendant will argue that Plaintiffs’ claims for unpaid wages—
6 including overtime and meal and rest period premiums—depend entirely on the threshold issue
7 of misclassification. If Plaintiffs were properly classified as independent contractors, these wage
8 claims fail entirely, aside from the expense reimbursement claim.

9 16. Wage statement and untimely wage claims are further derivative of Plaintiffs’
10 unpaid time, meal and rest break claims, so if Plaintiffs did not prevail on the underlying claims,
11 their derivative claims would also fail. Defendant would likely assert that wages that were not
12 paid cannot form the basis of these derivative claims

13 17. The Parties estimate there were approximately 11,200 workweeks worked by the
14 300 class members during the class period. On average, a participating class member may
15 expect to receive approximately \$50.00 per workweek or \$1,865 total.

16 18. The Parties agreed \$52,500 of the Gross Settlement Amount will be allocated for
17 payment under PAGA. Of this amount, 75% (\$39,375) will be paid to the LWDA, and 25%
18 (\$13,125) to Aggrieved Employees, who are those Class Members who worked for Defendant
19 from March 30, 2022 to December 17, 2025. The PAGA penalties to be paid under this
20 Settlement represent almost 1% of the total potential maximum PAGA penalties for Plaintiffs’
21 direct claims, assuming class members could prove misclassification and that they suffered four
22 types of violations in every single pay period (11,200 pay periods times \$100, multiplied by 5
23 penalties for unpaid time, meal breaks, rest breaks, sick pay, and unreimbursed expenses per
24 pay period = \$5,600,000).

25 19. The settlement amount of \$1,050,000 derives from Plaintiffs’ claim that they
26 were misclassified as independent contractors, and as a result, were not paid all wages, were
27 denied meal and rest break premiums, and were not reimbursed for business expenses.
28 According to Defendant’s records, class members collectively worked approximately 11,200

workweeks as of the date of mediation.

20. Plaintiffs earned approximately \$340 per week. Based on a 42.5-hour workweek, this equates to an hourly rate of approximately \$40 for the purposes of the calculations below. Defendant's maximum exposure is as follows:

(i) Unpaid Overtime Claim: \$1,680,000. This is based on Plaintiffs' schedule of working 42.5 hours per week; the 2.5 hours per workweek should be paid at an overtime rate of \$60 per hour. With a total of 11,200 workweeks worked by all drivers, this results in 28,000 hours of unpaid overtime (2.5 hours × 11,200 workweeks). At the overtime rate of \$60, the total damages for unpaid overtime amount to **\$1,680,000** (28,000 hours x \$60/hour).

(ii) Meal Break Claim: \$896,000. Plaintiffs estimate they were not able to take a compliant meal break twice a week. Thus, Spoke's realistic exposure for unpaid meal break premiums is $11,200 \times \$40 \times 2 = \$896,000$.

(iii) Rest Break Claim: \$896,000. Plaintiffs estimate they were not able to take a rest break twice a week. Thus, Spoke's realistic exposure for unpaid meal break premiums is $11,200 \times \$40 \times 2 = \$896,000$.

(iv) Wage statement penalties: \$1,200,000, based on the \$50 per pay period for the initial violation (300 pay periods x \$50 = \$15,000) and \$100 for the subsequent violations (\$100 x 10,900 pay periods = \$1,090,000). Thus, the total penalties amount to \$1,105,000 (\$15,000 + \$1,090,000). However, this would be less the \$4,000 cap per class member, thus the total maximum penalties are \$1,200,000 (300 class members * \$4,000).

(v) Waiting time penalties: Plaintiffs calculated daily wages for approximately 251 former employees at \$470 (8 hours at \$40 + 2.5 hours at \$60), times 30 days, to amount to **\$3,539,100.**

(vi) Unreimbursed Business Expenses: \$5,328,624. Plaintiffs spent approximately \$300 per week for fuel, \$20 per week on cell phone, \$70 for a commercial van insurance, and the DMV registration fee breaks down to about \$9 per week. Routine maintenance is estimated at \$30 per week, and oil changes—at five per year costing \$200 each—add another \$20 weekly. Altogether, these expenses total approximately **\$450 per week, and when multiplied**

1 by 11,200 class workweeks equal \$5,040,000 in total Spoke's exposure.

2 (vii) Labor Code 226.8 penalties for Willful Misclassification: \$5,000 x 300 drivers =
3 **\$1,500,000.**

4 21. Thus, Defendant's potential maximum liability for Plaintiffs' direct claims is
5 **\$8,800,624**, and an additional \$6,239,100 for Plaintiffs' wage statement, waiting time, and
6 willful misclassification penalties claims, possible only if Plaintiffs prevailed on their
7 underlying claims, for a total of **\$15,039,724**. Thus, the Gross Settlement Amount of \$1,050,000
8 represents almost 12% Defendant's maximum potential liability for Plaintiffs' direct claims, and
9 approximately 7% (6.98%) of Defendant's maximum liability for all of Plaintiffs' claims,
10 without any discounts

11 22. However, when considering Spoke's plausible argument that the class claims
12 applicable to 54% of workweeks at issue here have been resolved by the *Quintero* settlement,
13 Spoke's maximum exposure for all claims is \$6,918,273.04 (46% of \$15,039,724).

14 23. **Thus, this settlement represents 15.2% of Defendant's realistic liability for**
15 **Plaintiffs' claims.** This is an excellent result, without any risks, costs, and uncertainty of
16 prolonged litigation, and well within the range of – and exceeding - settlements commonly
17 approved by California state and district courts.

18 24. Without accounting for the length of each class member's providing services for
19 Defendant, a class member will recover on average **over \$1,850** as a result of this settlement, or
20 approximately \$50 per workweek.

21 25. Class Members will receive a portion of the Gross Settlement Amount based on
22 the number of workweeks they worked for Spoke during the class period. This formula is
23 realistic because Class Members' individual recovery is proportionate to the amount of time the
24 Class Members worked for Defendant.

25 26. There are common questions of law and fact that apply to Class Members across
26 the board, because all Class Members were subject to Defendant's classification as independent
27 contractors which Plaintiffs argue was unlawful, method/rate of pay, meal and rest break and
28 expense reimbursement policies and practices (or lack thereof).

27. Those questions include: (i) Whether or not Class Members were misclassified as independent contractors; (ii) Whether or not Class Members were provided with off-duty, uninterrupted meal and rest breaks; (iii) whether Class Members were not paid overtime wages for hours worked over 40 in a week and 8 in a day; (iv) Whether or not Class Members incurred business expenses without reimbursement; (v) Whether or not Class Members were provided with all wages due upon separation under Labor Code section 203; (vi) Whether or not Class Members were provided with accurate wage statements as required by Labor Code section 226; (vii) Whether or not Defendant engaged in unfair business practices in violation of the UCL.

28. Plaintiffs' claims arise from the same facts and legal theories as the Class Members' claims. Plaintiffs are members of the class of independent contractor drivers of Spoke in California, and subject to the same policies and practices of Spoke with respect to classification, pay, meal and rest breaks, and expense reimbursement.

29. In addition, Plaintiffs have the same interests as the rest of the Settlement Class, because they have allegedly been injured in substantially the same manner.

30. Plaintiffs assisted in investigation, participated in multiple call conferences with counsel, provided and reviewed documents and pleadings, and were on standby during mediation.

31. I have no conflicts of interest with the class or with the class representative. I am not related to the representative Plaintiffs. I do not represent opposing factions within the class in that all claims are predicated upon the same theories of liability and benefit all class members equally. In sum, I am well-suited to act as Class Counsel and will continue to vigorously represent the interests of the class

I declare under the penalty of perjury under the laws of United States and the State of California that the foregoing is true and correct and that this declaration is executed on March 18, 2026, in San Diego, California.



Maggie K. Realin