

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 ISAM C. KHOURY
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

1 SPOKE LOGISTICS, LLC, a California
2 Corporation,

3 Cross-Complainant,

4 v.

5 HE IS THE WAY TRANSPORT
6 SERVICES, INC.,

7 Cross-Defendant.

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

8 **UNITED EMPLOYEES LAW GROUP**

9 Walter L. Haines (SBN 71075)

10 whaines@uelglaw.com

11 8605 Santa Monica Blvd., #63354

12 West Hollywood, CA 90069

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

14 Attorneys for Plaintiff CHRISTIAN SANCHEZ

15 **SIRMABEKIAN LAW FIRM, PC**

16 Sarkis Sirmabekian (SBN 278588)

17 contact@slawla.com

18 2600 W. Olive Avenue, Suite 549

19 Burbank, CA 91505

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

21 Attorneys for Plaintiffs ATU AKINLABI WATSON and TYRON WESLEY MCCARTHER

1 I, Isam C. Khoury, declare as follows:

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

7 2. I am a 1973 Hastings School of Law graduate and was admitted to the California
8 State Bar in 1974 and am admitted to practice in all state courts in California and in the all
9 federal courts in California, as well as the First Circuit Court of the State of Hawaii and the
10 United States Court of Appeals for Sixth Circuit.

11 3. In 1981, Timothy D. Cohelan and I formed Cohelan & Khoury, a Partnership of
12 Professional Law Corporations, and within a few years began to focus on class actions. Cohelan
13 & Khoury became Cohelan Khoury & Singer in 2009. Our firm represents plaintiffs in class and
14 representative action litigation, including wage and hour, labor and employment, antitrust,
15 consumer protection, construction defect and other public interest class and representative
16 actions.

17 4. I, along with Partner Diana M. Khoury, have been selected by our peers based on
18 ethics, experience and reputation as Super Lawyers in Civil Litigation by the Southern
19 California Super Lawyers Magazine for the years 2012 through the present. Michael D. Singer,
20 Managing Partner, was named to the Daily Journal 2012, 2013, and 2018 list of Top California
21 Labor and Employment Attorneys and selected to the Southern California Super Lawyers in
22 2010, 2012-2019. Mr. Singer was admitted as a fellow to the College of Labor and Employment
23 Attorneys in 2020. I am AV – Preeminent rated by Martindale-Hubbell, as are many attorneys
24 in our firm.

25 5. Cohelan Khoury & Singer has been certified by the State Bar of California to
26 provide the Mandatory Continuing Legal Education activity entitled "Litigating California Class
27 Actions" and has conducted MCLE certified seminars on this topic. Senior Partner, Timothy D.
28 Cohelan, is the author of Cohelan on California Class Actions (1997-2025, updated annually),

1 part of Thomson Reuters Expert Series updated annually. Michael D. Singer is a contributing
2 author on the CEB publication California Wage and Hour Law: Compliance and Litigation
3 (2010-2025 updated annually), in which he wrote the opening chapter overview on California
4 Wage and Hour laws, including the public policy underpinnings for those laws, and the Private
5 Attorneys General Act (“PAGA”) Claim chapter. He is also a contributing author to the CEB
6 Practitioner (2020), including guidelines for oral argument and forms for PAGA litigation. Mr.
7 Singer has served as a columnist for the California State Bar, Litigation Section on wage and
8 hour litigation and has contributed articles on wage and hour and class action issues through the
9 years to numerous California publications.

10 6. Prior to COVID-19, Mr. Singer typically lectured several times per year for
11 continuing education courses on wage and hour and class action issues at events in San Diego,
12 Orange County, Los Angeles, and San Francisco. For over twelve years, he has served as wage
13 and hour amicus co-chair and liaison for the California Employment Lawyers Association,
14 drafting, reviewing, and coordinating amicus filings on wage and hour issues in the California
15 Supreme Court and Courts of Appeal. He has been engaged in the practice of labor and
16 employment law since 2000, handling well over 300 wage and hour class and PAGA actions
17 and several individual labor cases. He has litigated several types of employment actions,
18 including complex ERISA employee welfare benefit plan cases, as well as wage and hour class
19 actions before Federal and State Courts in California. In 2014, Mr. Singer tried a wage and hour
20 class action involving claims for illegally deducted wages and unreimbursed expenses. *Dilts v*
21 *Penske Logistics LLC, Inc.* Mr. Singer successfully appealed the trial court ruling in *Dilts*
22 finding state laws preempted by the FAAAA for truck drivers. Mr. Singer has participated in
23 over 50 appellate cases and argued writs and appeals before several California District Courts of
24 Appeal, arguing for plaintiffs on rehearing in *Brinker International Inc. v. Superior Court*
25 before the Fourth District Court of Appeal, as well as federal appeals in the Second, Third, and
26 Ninth Circuit Courts of Appeals. In addition, Mr. Singer has drafted numerous appellate briefs
27 as the appellant, respondent, or amicus curiae in employment class and individual actions. As
28 co-Class Counsel in *Brinker Restaurant Corp. v. Superior Court* [formerly reported at

1 (2008)165 Cal.App.4th 25], Mr. Singer argued before the Fourth District Court of Appeal in
2 May 2008 on transfer from the California Supreme Court, and co-authored the successful
3 Petition for Review.

4 7. Partner Maggie Realin worked for a certified appellate law specialist in San
5 Diego for five years. Subsequently, she was an associate at a San Diego consumer class action
6 firm, where she represented consumers in class actions against large corporations, specifically
7 in the area of deceptive food labeling. Ms. Realin then joined an employment class action firm
8 in 2013, where she focused on representing employees in wage and hour class actions. On
9 February 26, 2020, Ms. Realin was rated AV Preeminent by Martindale Hubbell. In 2024, Ms.
10 Realin joined Cohelan Khoury & Singer, where her practice continues to focus on employee-
11 side wage and hour class actions.

12 8. My firm has successfully tried class cases, obtained appellate reversals of class
13 certification denials (*e.g. Hicks v. Kaufman and Broad*, (2001) 89 Cal.App.4th 908), and has
14 certified multiple wage and hour class.

15 9. As a part of our overall firm philosophy lawyers perform community service and
16 pro bono work. Firm volunteer work includes service through Legal Aid at Work, San Diego
17 Volunteer Lawyer Program, the San Diego County Bar Foundation and Consumer Attorneys of
18 San Diego. I am a past recipient of the Wiley W. Manuel Award for Pro Bono Service. Mr.
19 Singer has served on the Legal Aid at Work Board of Directors since 2011. Mr. Cohelan served
20 as the Chair of the San Diego Volunteer Lawyers Program from 2015-2018, and currently sits
21 on the Board as past Chair. He completed 24 years of volunteer judicial service as a Judge Pro
22 Tem of the San Diego Superior Court. Since admission to the California Bar, Partner Diana M.
23 Khoury has been a member of the San Diego County Bar Association, Consumer Attorneys of
24 San Diego, Consumer Attorneys of California, and American Association for Justice serving
25 and chairing various committees through the years for these organizations. For six years from
26 2010 through 2015, Ms. Khoury served on the Board of Directors for Consumer Attorneys of
27 San Diego. Since 2013, Ms. Khoury actively serves on the Board of Directors for the San Diego
28 County Bar Foundation, the 501(c)(3) charitable arm of the San Diego County Bar Association

1 providing access to justice to the underserved and impoverished in the San Diego County
2 region. Our firm's pro bono victories include a settlement which prohibits the City of San Diego
3 from targeting homeless people for illegal lodging tickets under Penal Code Section 467(j).
4 (*Spencer v. City of San Diego*, USDC Case No 04CV-2314 BEN (WMC).) The *Spencer*
5 settlement had the effect of increasing the number of available shelter beds in San Diego.

6 10. Cohelan Khoury & Singer has been certified Class Counsel in the following
7 contested proceedings: *Aguilar v. Atlantic Richfield, et al.*, San Diego County Superior Court
8 Case No. 00700810; *Andino v. Kaiser Foundation Hospitals*, Alameda County Superior Court
9 Case No. RG11580548; *Arellano, et al. v. Container Connection of Southern California, Inc.*,
10 Los Angeles County Superior Court Case No. BC500675; *BANK OF AMERICA WAGE AND*
11 *HOURLY EMPLOYMENT PRACTICES LITIGATION*, United States District Court, District of
12 Kansas MDL Case No. 2138 (FLSA Condition Certification); *Czuchaj v. Conair Corporation*,
13 United States District Court, Southern District of California Case No. 13CV1901; *Dilts, et al. v.*
14 *Penske Logistics, L.L.C., et al.*, United States District Court, Southern District of California
15 Case No. 08CV0318; *Englert, et al. v. AT&T Wireless Services, Inc., et al.*, Circuit Court of the
16 Second Circuit, State of Hawaii Case No. 02-1-0074; *Evans v. Washington Mutual Bank*,
17 Orange County Superior Court Case No. 02CC15415; *Filion v. Ethan Allen Retail Inc.*, United
18 States District Court, Southern District of California Case No. 05CV2340; *Gerard v. Les*
19 *Schwab Tire Centers of California, Inc.*, Sacramento County Superior Court Case No. 2007-
20 30000003; *Grana, et al. v. PICO Enterprises, Inc. dba Phyle Inventory Control Specialist and*
21 *PICS*, Los Angeles County Superior Court Case No. BC472891; *Gutierrez v. Save Mart*
22 *Supermarkets*, San Mateo County Superior Court Case No. CIV530955; *Wilcox v Albertsons*,
23 San Diego County Superior Court Case No. GIC833922; *Gonzalez, et al. v. Freedom*
24 *Communications, Inc. d/b/a The Orange County Register*, Orange County Superior Court Case
25 No. 03CC08756; *Graham, et al. v. Overland Solutions, Inc.*, United States District Court,
26 Southern District of California Case No. 10CV0672 (FLSA Conditional Certification); *Hicks v.*
27 *Kaufman and Broad Home Corp.*, Los Angeles County Superior Court Case No. B198414;
28 *Hohnbaum, et al. v. Brinker Restaurant Corporation, et al.*, San Diego County Superior Court

Case No. GIC834348; *KEMP, et al. v. CSEA, et al.*, Circuit Court of the First Circuit, State of Hawaii Case No. 98-3815-08; *LIBERTY MUTUAL OVERTIME CASES*, Los Angeles County Superior Court Case No. JCCP 4234; *Mitchell, et al. v. Acosta, Inc., dba Acosta Sales and Marketing Company*, United States District Court, Central District of California Case No. 11CV07196 (FLSA Conditional Certification); *Santana v. Rady Children's Hospital-San Diego*, San Diego County Superior Court Case No. 37-2014-00022411; *Schaffer v. Rady Children's Hospital-San Diego*, San Diego County Superior Court Case No. 337-2015-00022978; *Schneider, et al. v. Catholic Healthcare West*, San Francisco County Superior Court Case No. CGC-10-506243; *Salucci v. Amada Senior Care, Inc.*, Orange County Superior Court Case No. 37-2015-00778081; *Smith v. California Pizza Kitchen*, San Diego County Superior Court Case No. 37-2008-00083992; STEROID HORMONE PRODUCT CASES, Los Angeles County Superior Court Case No. JCCP 4363; *Stevenson Aibangbee v. Victoria Apartments, et al.*, Los Angeles County Superior Court Case No. BC299498; *Swift v. Liebert Corp.*, Orange County Superior Court Case No. 00CC04588; *Sylvia, et al. v. Wells Fargo Home Mortgage, Inc.*, Orange County Superior Court Case No. 03CC05747; *Vaquero v. Ashley Furniture Industries, Inc., et al.*, United States District Court, Central District of California Case No. 12CV8590; *Vaquero v. Stoneledge Furniture LLC*, Los Angeles County Superior Court Case No. BC522676; *Vazquez v. Kraft Heinz Foods Company*, United States District Court, Southern District of California Case No. 16-CV-02749; *Watson v. Raytheon Company*, United States District Court, Southern District of California Case No. 10CV0634; and *Weigle v. FedEx Ground Package System, Inc.*, United States District Court, Southern District of California Case No. 06CV1330, among others, as well as being appointed Class Counsel in connection with well over 200 class action settlements.

11. As Class and PAGA Representative Counsel, Cohelan Khoury & Singer has actively commenced, prosecuted and concluded numerous state and federal class and representative actions. Since 2016, Cohelan Khoury & Singer has played a central role in the resolution of over 200 such cases, including the following, which have received court approval:

(a) *Arellano, et al. v. Container Connection of Southern California, Inc.*, Los Angeles County

1 Superior Court Case No. BC500675, Hon. Anne I. Jones; (b) *Castro v. Home Depot U.S.A.,*
2 *Inc.*, Los Angeles County Superior Court Case No. BC577885, Hon. Elihu M. Berle; (c)
3 *Czuchaj v. Conair Corporation*, United States District Court, Southern District of California
4 Case No. 13-CV-1901 BEN, Hon. Roger T. Benitez; (d) *Gardiner v. TSYS*, United States
5 District Court, Central District of California Case No. 18-cv-00415, Hon. David O. Carter; (e)
6 *Grana v. PICO Enterprises, Inc.*, Los Angeles County Superior Court Case No. BC472891,
7 Hon. Stephanie M. Bowick; (f) *Gutierrez v. Save Mart Supermarkets*, San Mateo County
8 Superior Court Case No. CIV530955, Hon. Marie S. Weiner; (g) *Hernandez v. Workforce*
9 *Enterprises WFE, Inc.*, Los Angeles County Superior Court Case No. BC590913, Hon. Elihu
10 M. Berle; (h) *Hicks v. Poway Academy of Hair Design, Inc.*, San Diego County Superior Court
11 Case No. 2014-00026517, Hon. Ronald L. Styn; (i) *Hubbard v. Caliber Home Loans, Inc.*,
12 Orange County Superior Court Case No. 2018-01017838; (j) *Klein v. Loomis Armored US,*
13 *LLC*, San Bernardino County Superior Court Case No. CIVDS1704547, Hon. David Cohn; (k)
14 *Laureano v. The Art of Shaving*, Los Angeles County Superior Court Case No. BC550093, Hon.
15 Amy D. Hogue; (l) *Lopez, et al. v. Management & Training Corporation, et al.*, United States
16 District Court, Southern District of California Case No. 17-CV-010624 JM, Hon. Jeffrey T.
17 Miller; (m) *Magdaleno v. Shelly Automotive, LLC*, Orange County Superior Court Case No.
18 2013-0043958, Hon. Kim. G. Dunning; (n) *McGrath, et al. v. Wyndham Resort Development*
19 *Corporation, et al.*, United States District Court, Southern District of California Case. No. 15-
20 CV-1631 JM, Hon. Jeffrey T. Miller; (o) *Mena v. Wolfgang Puck Catering*, Los Angeles
21 County Superior Court Case No. BC582743, Hon. John Shepard Wiley, Jr.; (p) *Morales v. The*
22 *Los Angeles Country Club*, Los Angeles County Superior Court Case No. BC566493, Hon.
23 William F. Highberger; (q) *Nijmeh v. Bon Appetit Management Company, Inc.*, Santa Clara
24 County Superior Court Case No. 16CV294127, Hon. Thomas E. Kuhnle; (r) *Plascencia v.*
25 *Aramark Services, Inc.*, Santa Clara County Superior Court Case No. 2015-1-CV-288310, Hon.
26 Brian C. Walsh; (s) *Plimpton v. Gordon Trucking, Inc.*, San Bernardino County Superior Court
27 Case No. CIVDS1511918, Hon. Donald Alvarez; (t) *Raya v. Amazon*, United States District
28 Court, Northern District of California Case No. 15-CV-02005 MMC, Hon. Maxine M. Chesney;

(u) *Rivas v. ESA Management*, United States District Court, Central District of California Case No. 14-CV-5767, Hon. Dale S. Fischer; (v) *Rodriguez v Healthcare Partner Medical Group, Inc.*, Los Angeles County Superior Court Case No. BC541313, Hon. Kenneth Freeman; (w) *Ryan v. Dignity Health*, Sacramento County Superior Court Case No. 2013-00147371, Honorable Alan G. Perkins; (x) *Santana v. Rady Children's Hospital-San Diego*, San Diego County Superior Court Case No. 37-2014-00022411, Hon. Joel R. Wohlfeil; (y) *Schaffer v. Rady Children's Hospital-San Diego*, San Diego County Superior Court Case No. 337-2015-00022978; Hon. Joel R. Wohlfeil; (z) *Schneider v. Catholic Healthcare West*, San Francisco County Superior Court Case No. CGC-10-506243, Hon. Angela Bradstreet; (aa) *Schwartz v Bank of the West*, San Francisco County Superior Court Case No. CGC-14-538955, Hon. Harold E. Kahn; (bb) *Syed v. M.I. Swaco*, United States District Court, Eastern District of California, Case No. 12-CV-01718 DAD, Hon. Dale A. Drozd; (cc) *Vaquero, et al. v. Stoneledge Furniture, LLC*, Los Angeles County Superior Court Case No. BC522676, Hon. Elihu M. Berle; (dd) *Vazquez v. Kraft Heinz Foods Company*, United States District Court, Southern District of California Case No. 16-CV-02749, Hon. William Q. Hayes; (ee) *Walsh v. Cedars-Sinai Medical Center*, Los Angeles County Superior Court Case No. BC487290, Hon. William F. Highberger; among many others.

12. As Class and PAGA Representative Counsel, Cohelan Khoury & Singer has actively commenced, prosecuted and concluded over 300 state and federal class and representative actions.

13. We are experienced and consider ourselves qualified to evaluate the claims and defenses in this action, and support the efficient resolution of the claims in this matter for a \$1,050,000.00 Maximum Settlement Amount with Defendant Spoke Logistics, LLC ("Defendant") ("Defendant" or "Spoke") for a group of approximately 300 current and former drivers who were misclassified as independent contractors and performed work for Defendant in California between September 18, 2021 through December 17, 2025.

14. Members of my firm attended the mediation on September 18, 2025, with Jeffrey Fuchsman, Esq., an experienced wage and hour neutral. Following the mediation

1 session, Mr. Fuchsman issued a mediator's proposal, which the parties accepted, reaching the
2 settlement in principle. After additional weeks of arms'-length negotiations, the Parties finalized
3 the terms of the settlement agreement. The Parties then negotiated and drafted the proposed
4 Class and Representative Action Settlement Agreement and Class Notice presented for
5 preliminary approval, a true and correct copy of which is attached as **Exhibit 1**.

6 15. Before settling this action, the parties had a thorough understanding of their
7 respective claims and defenses. Before mediation, Class Counsel had investigated Class
8 Members' claims, examined documents and data, and retained an expert to prepare damage
9 calculations. At the time the Parties engaged in mediation, they knew and understood their
10 respective positions.

11 16. The Parties selected Phoenix Class Action Administration Solutions as the
12 Settlement Administrator in this action. The costs of the Administrator, estimated at \$8,000,
13 will be deducted from the Gross Settlement Amount. The parties obtained bids from four
14 settlement administrators, and Phoenix's was the most competitive bid.

15 17. The Class Notice, mutually drafted and agreed upon by the Parties, will
16 summarize the terms of the Settlement Agreement, advise the Class Members of their estimated
17 individual settlement payment, and inform Class Members of their right to object to or exclude
18 themselves from the Settlement within 60 days after the Notice mailing. Because this is the
19 California-only class, and the mailing will occur only in California, 60 days to opt out from or
20 object to the Settlement is sufficient.

21 18. Further, because Class Members worked as Drivers in California,
22 communicating with co-workers and supervisors on a daily basis in English, English-only
23 notice is sufficient.

24 19. Plaintiffs gave written consent to apportion fees between Class Counsel as
25 follows: 60% to *Sanchez* counsel (to be further allocated as follows: the Markham Law Firm
26 shall receive 16.33% of the awarded attorneys' fees, Cohelan, Khoury & Singer shall receive
27 50.34%, and 33.33% to United Employees Law Group) and 40% to *Watson* counsel.

28 ///

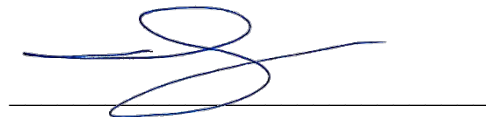
1 20. I have no conflicts of interest with the class or with the class representative. I am
2 not related to the representative Plaintiffs. I do not represent opposing factions within the class
3 in that all claims are predicated upon the same theories of liability and benefit all Class
4 Members equally.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

6 21. As Cohelan Khoury & Singer has done since its entry into this matter, we will
7 continue to fulfill our responsibility to the Plaintiffs and the members of the class.

8 22. My firm fully endorses the terms and conditions of the proposed Settlement. We
9 respectfully request that the Court grant preliminary approval of the Class and Representative
10 Action Settlement, approve the proposed Class Notice, and set a date to conduct the final
11 approval hearing.

12 23. The Settlement Agreement, Preliminary Approval Motion and its supporting
13 documents have been provided to the LWDA via the LWDA's website. Attached as **Exhibit 2**
14 is a true and correct copy of the LWDA confirmation of Receipt.

15 I declare under the penalty of perjury under the laws of United States and the State of
16 California that the foregoing is true and correct and that this declaration is executed on March
17 18, 2026, in San Diego, California.



Isam C. Khoury

EXHIBIT 1

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

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

Attorneys for Plaintiff CHRISTIAN SANCHEZ

[Additional Counsel Listed on Next Page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

CHRISTIAN SANCHEZ, an individual, on
behalf of himself and all others similarly
situated,

Plaintiff,

v.

SPOKE LOGISTICS, LLC, a California
Corporation,

Defendant.

SPOKE LOGISTICS, LLC, a California
Corporation,

Cross-Complainant,

v.

HE IS THE WAY TRANSPORT SERVICES,
INC.,

Cross-Defendant.

Case No. 23-CV-035138

ASSIGNED FOR ALL PURPOSES TO:

The Honorable Victoria Kolakowski
Department 16

**CLASS AND REPRESENTATIVE
ACTION SETTLEMENT
AGREEMENT AND RELEASE**

Complaint filed: June 6, 2023

Trial Date: Not Set

Complaint filed: September 11, 2023

Trial Date: Not Set

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

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 Ave, Suite 549

Burbank, California 91505

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

Attorneys for Plaintiffs Atu Akinlabi Watson and Tyron Wesley McCarther

MARRON LAWYERS, APC

Paul Marron (SBN 128245)

pmarron@marronlaw.com

Paul Arenas (SBN 167863)

parenas@marronlaw.com

Laura A. Theriault (SBN 330474)

ltheriault@marronlaw.com

5000 E. Spring Street, Suite 580

Long Beach, CA 90815

Telephone: (562) 432-7422

Attorneys for Defendant/Cross-Complainant SPOKE LOGISTICS, LLC

JONES TRIAL ATTORNEYS

Sean M. Jones (SBN 305370)

sean@jonestrialattorneys.com

Wells Fargo Plaza, 20th Floor

401 B Street, Suite 2010

San Diego, CA 92101

Telephone: (619) 732-6377/Facsimile: (619) 566-4220

Attorneys for Cross-Defendant HE IS THE WAY TRANSPORT SERVICES, INC.

This Class and Representative Action Settlement Agreement and Release (“Settlement” or “Agreement”) is made and entered into by and between Plaintiffs Christian Sanchez, Atu Akinlabi Watson and Tyron Wesley McCarther (collectively, “Plaintiffs”) and between Defendant SPOKE LOGISTICS, LLC, a Wyoming Limited Liability Company¹ (“Defendant,” collectively with Plaintiffs, the “Parties”), as individuals and on behalf of the class, the State of California, and the allegedly aggrieved employees.

1. DEFINITIONS

For purposes of this Agreement only, the following terms shall be defined as set forth below:

1.1 “**Actions**” means all operative and the most recent complaints filed in the following cases:

1.1.1 *Christian Sanchez v. Spoke Logistics, LLC*, Alameda Superior Court, Case No. 23CV035138 (the “*Sanchez* PAGA Action”); and

1.1.2 *Atu Akinlabi Watson and Tyron Wesley McCarther v. Spoke Logistics, LLC, et al.*, Alameda Superior Court, Case No. 24CV078707 (“*Watson* PAGA Action”)

1.2 “**Aggrieved Employees**” means Defendant’s drivers who worked within the State of California at any time during the PAGA Period.

1.3 “**Agreement**” refers to this Class and Representative Action Settlement Agreement and Release entered into by Plaintiffs and Defendant for the resolution of the Actions.

1.4 “**Class Counsel**” refers to Isam C. Khoury, Michael D. Singer, and Maggie K. Realin of Cohelan Khoury & Singer; David R. Markham, and Lisa R. Brevard of The Markham Law Firm; Walter L. Haines of United Employees Law Group, and Sarkis Sirmabekian of Sirmabekian Law Firm, PC.

1.5 “**Class Counsel Fees and Costs**” means payment to Class Counsel from the Gross Settlement Amount and approved by the State Court for recoverable attorneys’ fees and reimbursement of litigation costs and expenses related to the Actions, which include reasonable

¹ Defendant was erroneously named as “a California Corporation” in the caption for this matter. Defendant is correctly defined in this Settlement Agreement as “Spoke Logistics, LLC, a Wyoming Limited Liability Company.”

1 fees, costs, expenses incurred to date, as well as all such reasonable fees, costs, and expenses
2 incurred in documenting the Settlement, securing approval of the Settlement, and administering
3 and obtaining a judgment and/or dismissal of the Actions, not to exceed \$35,000. Subject to the
4 State Court's approval, it is agreed by the Parties that the Class Counsel Fees are not to exceed
5 one-third (1/3) of the Gross Settlement Amount of \$1,050,000.00 (or \$350,000.00), as
6 supported by declaration and any additional documentation or information as required by the
7 State Court. Defendant agrees not to contest the amount of Class Counsel Fees and Costs,
8 provided that they are consistent with the terms of this Agreement. The Class Counsel Fees and
9 Costs are not a material term of the Agreement. If the Court reduces the amount of Class
10 Counsel Fees and Costs, all other terms of this Agreement shall remain in effect.

11 1.6 **"Class Members"** refers to all of Defendant's current and former Drivers who worked
12 within the State of California during the Class Period.

13 1.7 **"Class Payment(s)"** means each Participating Class Member's respective share of the
14 Net Settlement Amount.

15 1.8 **"Class Period"** means the time period from September 18, 2021, to the date of the
16 preliminary approval of the settlement, or December 17, 2025, whichever is earlier.

17 1.9 **"Court"** refers to the Alameda Superior Court overseeing the Actions.

18 1.10 **"Class List"** means a complete list of all Class Members that Defendant will diligently
19 and in good faith compile from its records and provide to the Settlement Administrator within
20 14 calendar days after Preliminary Approval of this Settlement by the State Court. The Class
21 List will be formatted in Microsoft Office Excel and will include each individual's full name,
22 last known mailing address (if available) and telephone number (if available), Social Security
23 number (if available), number of Workweeks, and all necessary information to prepare and
24 calculate the Class Payments. For purposes of this Agreement, the Class List in Defendant's
25 records shall be considered the official information to be used for this Settlement.

26 1.11 **"Defense Counsel"** refers to Marron Lawyers, APC.

27 1.12 **"Effective Date"** is the date on which the Settlement becomes **"Final,"** which means
28 the latest date on which the following events have occurred: (i) the Superior Court has granted

Final Approval and entered its Final Judgment approving the Settlement, without material modification, if there are no objections to the Settlement, or if any and all objections have been withdrawn by the time of the Final Approval order; or (ii) if there are any objections, and they have not been withdrawn by the time of the Final Approval order, the day after the deadline for filing a notice of appeal from the Final Judgment has passed without a timely appeal having been filed; or (iii) if a timely appeal from the Final Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.13 **“Enhancement Awards”** means the amounts to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Actions as class representatives on behalf of Class Members, and for their general release of claims. Subject to the State Court’s approval, the Enhancement Awards shall not exceed \$15,000.00 for each Plaintiff, for a combined amount of \$45,000.00.

1.14 **“Final Approval Hearing”** refers to the hearing at which the State Court will make a final determination whether the terms of the Agreement are fair, reasonable, and adequate and meet all applicable requirements for final approval.

1.15 **“Gross Settlement Amount”** means the amount that is allocated towards the resolution of the Actions, in an amount not to exceed \$1,050,000.00. The Gross Settlement Amount shall be inclusive of (i) Class Counsel Fees and Costs; (ii) Enhancement Awards; (iii) PAGA Payment; (iv) Settlement Administration Costs, and (iv) Net Settlement Amount. The Gross Settlement Amount does not include the employer’s share of the payroll taxes on the wages portion of Class Payments. The Gross Settlement Amount is a material term of the Agreement and shall not be increased for any reason, except at Defendant’s sole discretion pursuant to the Escalator Clause (Section 4.2 below) contained herein. If the State Court requires an increase to the Gross Settlement Amount, Defendant shall have the right to void the Agreement.

1.16 **“LWDA”** refers to the California Labor and Workforce Development Agency.

1.17 **“Net Settlement Amount”** means the portion of the Gross Settlement Amount remaining after deducting (i) the Class Counsel Fees and Costs, (ii) the Enhancement Awards, (iii) the PAGA Payment, and (iv) the Settlement Administration Costs, as approved by the State

1 Court. The entire Net Settlement Amount shall be distributed to the Participating Class
2 Members.

3 1.18 “**Notice**” refers to the document substantially in the form attached as **Exhibit A**, which
4 will be distributed to all Class Members. The Notice will explain the terms of the Agreement,
5 including (i) information regarding the nature of the Actions; (ii) a summary of the principal
6 terms of the Agreement; (iii) the Class Member definition; (iv) the total number of Workweeks
7 each respective Class Member worked for Defendant during the Class Period; (v) the estimated
8 Class Payment (if applicable) from the Net Settlement Amount to each Class Member; (vi) the
9 formula for calculating the settlement payments; (vii) instructions on how to submit Requests
10 for Exclusion, Notices of Objection, and Workweeks disputes; (viii) the Response Deadline;
11 and (ix) the claims to be released under the Released Class Claims. The Notice will be printed
12 in English only, because Class Members can speak, write, and understand English.

13 1.19 “**PAGA**” refers to the California Private Attorneys General Act of 2004, Cal. Lab. Code
14 §§ 2699, *et seq.*

15 1.20 “**PAGA List**” means a complete list of all Aggrieved Employees that Defendant will
16 diligently and in good faith compile from its records and provide to the Settlement
17 Administrator within 14 calendar days after Preliminary Approval of this Settlement by the
18 State Court. The PAGA List will be formatted in Microsoft Office Excel and will include each
19 individual’s full name, last known mailing address (if available) and telephone number (if
20 available), Social Security number (if available), number of Pay Periods, and all necessary
21 information to prepare and calculate the portion of the PAGA Payment allocated to Aggrieved
22 Employees. For purposes of this Agreement, the PAGA List in Defendant’s records shall be
23 considered the official information to be used for this Settlement.

24 1.21 “**PAGA Payment**” shall be \$52,500 as civil penalties, to be paid from the Gross
25 Settlement Amount. The PAGA Payment shall be allocated as follows: 75% of the PAGA
26 Payment will be paid to the LWDA, and 25% of the PAGA Payment will be paid to the
27 Aggrieved Employees pursuant to a formula based on the number of Pay Periods worked
28 during the PAGA Period.

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

1.22 “**PAGA Period**” means the time period from March 30, 2022, to December 17, 2025, or the date of the preliminary approval of the settlement, whichever is earlier.

1.23 “**Pay Periods**” refers to the number of weekly pay periods worked by the Aggrieved Employees during the PAGA Period. Defendant’s payment records will be determinative for purposes of calculating the Pay Periods and any payments under the Settlement. If an individual worked during any day of the Pay Period, the Pay Period shall be included in their pro rata share of the PAGA Payment allocated to Aggrieved Employees.

1.24 “**Participating Class Members**” are all Class Members who do not submit a timely and valid Request for Exclusion.

1.25 “**Released Class Claims**” shall mean any and all claims, rights, demands, liabilities and causes of action, whether known or unknown, that were asserted or that could have been asserted based on the facts alleged in the operative complaints in the Actions during the Class Period, including but not limited to, all claims under California Labor Code sections 201-203, 204, 218, 218.5, 218.6, 226, 226(a), 226.3, 226.7, 226.8, 233, 234, 246, 246.5, *et seq.*, 432.5, 450, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1197, 1198, 1199(a) and (c), 2802, 2698, *et seq.*, any applicable California Industrial Welfare Commission Wage Order, California Code of Regulations, tit. 8, § 11000 *et seq.* (including but not limited to § 11070), the California Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, *et seq.*), and any remedies for any of the claims described herein, including damages, penalties, restitution, declaratory relief, equitable or injunctive relief, interest, attorneys’ fees and costs.

1.26 “**Released PAGA Claims**” shall mean any and all PAGA claims for civil penalties, whether known or unknown, that were asserted or that could have been asserted based on the facts alleged in the operative complaints in the Actions during the PAGA Period, including but not limited to PAGA claims premised upon violation of California Labor Code sections 201-203, 204, 218, 218.5, 218.6, 226, 226(a), 226.3, 226.7, 226.8, 233, 234, 246, 246.5, *et seq.*, 432.5, 450, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1197, 1198, 1199(a) and (c), 2802, 2698, *et seq.*, any applicable California Industrial Welfare Commission Wage Order, California Code of Regulations, tit. 8, § 11000 *et seq.* (including but not limited to § 11070),

1 and PAGA claims premised upon violations that are otherwise covered by the Released Class
2 Claims. The Released PAGA Claims shall be released by Plaintiffs, the State of California
3 (including the LWDA), and all Aggrieved Employees, without any option to submit any
4 Request for Exclusion.

5 1.27 **“Released Parties”** shall mean Defendant, any of its current, former, and future parents,
6 successors, predecessors, affiliates, subsidiaries or related entities, and any of their current,
7 former, and future officers, directors, members, shareholders, managers, human resources
8 representatives, employees, agents, contractors, shippers, consignees, healthcare professionals,
9 healthcare providers, customers, clients, brokers, sub-brokers, parties Defendants has provided
10 services for, pharmacists, medical equipment providers, third party administrators, insurance
11 carriers, representatives, or attorneys.

12 1.28 **“Response Deadline”** means the deadline by which Class Members must postmark to
13 the Settlement Administrator the Requests for Exclusion, Notices of Objection, and/or
14 Workweeks disputes. The Response Deadline will be 60 calendar days from the initial mailing
15 of the Notice by the Settlement Administrator, unless the 60th calendar day falls on a Sunday
16 or a legal holiday, in which case the Response Deadline will be extended to the next day on
17 which the U.S. Postal Service is open. Those Class Members who receive a re-mailed Notice,
18 whether by skip-trace or otherwise, will have an additional 14 calendar days to submit Requests
19 for Exclusion, Notices of Objection, and/or Workweeks disputes.

20 1.29 **“Settlement Administrator”** refers to Phoenix Class Action Administration Solutions
21 (“Phoenix”).

22 1.30 **“Settlement Administration Costs”** refers to the costs payable from the Gross
23 Settlement Amount to the Settlement Administrator for administering this Settlement,
24 including, but not limited to, printing, distributing, and tracking documents for this Agreement,
25 tax reporting, distributing the Gross Settlement Amount, and providing necessary reports and
26 declarations, as requested by the Parties. The Settlement Administration Costs are currently
27 estimated to be \$8,000.00.

28 1.31 **“Workweeks”** refers to the number of weeks worked by the Class Members during the

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

Class Period. Defendant's records will be determinative for purposes of calculating the Workweeks and any payments under the Settlement. If an individual worked during any day of the Workweek, the Workweek shall be included in their pro rata share of the Net Settlement Amount.

2. RECITALS

2.1 The *Sanchez* PAGA Action.

2.1.1 On March 30, 2023, Plaintiff Sanchez submitted his PAGA notice. On June 6, 2023, Plaintiff filed a PAGA-only complaint in Alameda Superior Court, seeking civil penalties on behalf of Defendant's drivers alleging they were misclassified as independent contractors. Plaintiff alleged that as a result of the misclassification, Defendant's policies and/or practices and/or other unlawful conduct resulted in Defendant's alleged failure to: (1) timely pay Plaintiff all regular and overtime wages for all hours worked, in violation of Labor Code §§ 201-203, 510, 1198; (2) provide Plaintiff and other aggrieved employees with timely and duty-free meal and rest periods in violation of Labor Code §§ 226.7 and 512; (3) provide Plaintiff and other aggrieved sick pay (Labor Code §§ 233, 234, 246, 246.5, et seq.; (4) provide Plaintiff and other aggrieved employees with correctly itemized wage statements in violation of Labor Code §§ 226(a) and 1174; (5) timely provide Plaintiff and other aggrieved employees with all wages owed, in violation of Labor Code §204; (6) pay all wages—specifically, overtime wages to employees within the required time period as specified in Labor Code § 204; and (7) reimburse Plaintiff and other aggrieved employees for necessary expenditures and losses occurred in violation of California Labor Code §2802. As a result, Plaintiff alleged Defendant violated California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 233, 234, 246, 246.5, et seq., 510, 512, 1174, 1198, and 2802, to which penalties under PAGA apply pursuant to California Labor Code § 2699.5.

The parties engaged in discovery and initiated the *Belaire* process. No significant motion practice has occurred. The trial was set for March 16, 2026. In or around January of 2025, the parties agreed to mediation which took place on September 18, 2025.

///

1 **2.2 The *Watson* PAGA Action**

2 2.2.1 On October 18, 2023 Watson Plaintiffs filed a similar PAGA lawsuit against
3 Spoke Logistics, initially in Orange County Superior Court. The case was later amended and
4 refiled in Alameda County Superior Court on June 6, 2024. Like Sanchez, the *Watson* plaintiffs
5 worked as delivery drivers contracted with Defendant and allege they were misclassified as
6 independent contractors. As a result, they claim they were unlawfully denied overtime pay, sick
7 pay, meal and rest breaks, reimbursement for business expenses, timely final wages upon
8 separation, and accurate itemized wage statements. Watson Plaintiffs also alleged inaccurate
9 record keeping, unlawful rounding, and unlawful deductions. *Watson* Plaintiffs sought civil
10 penalties under PAGA for violations of Labor Code sections 201–203, 226, 226(a), 226.7,
11 226.8, 432.5, 450, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1199(a) and (c), 2699.5,
12 2698, *et seq.*, 2802.

13 **2.3 Defendant’s Cross-Complaint**

14 2.3.1 On September 13, 2023, Defendant filed a cross-complaint against He Is The
15 Way Transport Services, Inc. (“HWTS”) in the *Sanchez* action. Defendant denied it
16 misclassified drivers as independent contractors and asserted that it acted solely as a licensed
17 transportation broker and that HWTS, an independent, licensed motor carrier, was Sanchez’s
18 actual employer. Defendant did not file any cross-complaint in the *Watson* action.

19 **2.4 Procedural Posture**

20 2.4.1 The Parties engaged in discovery and initiated the *Belaire* process. No
21 significant motion practice has occurred. The trial was set for March 16, 2026. In or around
22 January of 2025, the parties agreed to mediation and mediation was held on September 18,
23 2025.

24 2.4.2 Class Counsel represent they have thoroughly investigated Plaintiffs’ claims
25 against Defendant. Class Counsel further represent they have conducted their own investigation
26 into the underlying facts, events, and issues related to the subject matter of the Actions,
27 including the review of the records produced by Defendant. In addition, Class Counsel
28 represent that they have further undertaken an extensive analysis of the legal principles

1 applicable to the claims asserted against Defendant, and the potential defenses thereto. All
2 Parties have had ample opportunity to evaluate their respective positions on the merits of the
3 claims asserted.

4 **2.5 Private Mediation**

5 2.5.1 On September 18, 2025, the Parties attended a full-day mediation with Jeffrey
6 Fuchsman, Esq., a highly-respected and experienced mediator in wage-and-hour class action
7 cases. Following the mediation, Mr. Fuchsman issued a written mediator's proposal, which the
8 Parties accepted on September 19, 2025.

9 **2.6 The Settlement Is The Result Of Arms' Length Negotiations.** Based on the
10 foregoing investigation and evaluation, Class Counsel believes that the terms set forth in this
11 Agreement are fair, reasonable, adequate, and in the best interests of the Class Members. The
12 terms of the Settlement also reflect extensive exchange of information and data between the
13 Parties, which allowed Class Counsel to fully evaluate the potential risks in pursuing the
14 underlying claims on the merits. This Agreement was reached after extensive arm's-length
15 negotiations, and it was negotiated in light of all known facts and circumstances, including the
16 risks of significant delay and uncertainty associated with litigation, the risk that the Actions
17 would not be permitted to proceed on a class or representative basis, various defenses asserted
18 by Defendant, and numerous potential appellate issues.

19 **2.7 The Parties' Intent.** It is the desire of the Parties to fully, finally, and forever settle,
20 compromise, and discharge any and all claims, rights, demands, charges, complaints,
21 obligations or liability of any and every kind that were or could have been pled based on the
22 factual allegations in the operative or prior complaints in the Actions arising during the Class
23 Period, including, but not limited to, the Released Class Claims, and arising during the PAGA
24 period, including but not limited to, the Released PAGA Claims.

25 **3. NON-ADMISSIONS OF LIABILITY**

26 3.1 Defendant denies and continues to deny all of the allegations made by Plaintiffs in the
27 Actions, and denies and continues to deny that it is liable or owes any damages, penalties or
28 other compensation or remedies to anyone with respect to the alleged facts or claims asserted in

1 the Actions. Defendant denies any liability or wrongdoing of any kind in connection with
2 Plaintiffs' claims, and contends that, during all relevant times, it complied with all applicable
3 California law. Nonetheless, without admitting or conceding any liability or damages
4 whatsoever, and without admitting that a class and/or representative action is appropriate
5 except for settlement purposes alone, Defendant has agreed to settle the Actions on the terms
6 and conditions set forth in this Agreement, to avoid the burden, expense, and uncertainty of
7 continuing with litigation.

8 3.2 The Parties understand and agree that this Agreement and any exhibits thereto are
9 settlement documents and shall be inadmissible for the purpose of showing liability against
10 Defendant or the Released Parties. However, the Parties agree that, to the extent permitted by
11 law, this Agreement may be pleaded as a full and complete defense to and may be used as the
12 basis for an injunction against any action, suit, or other proceeding that may be instituted,
13 prosecuted, or attempted in breach of this Agreement.

14 **4. FINANCIAL TERMS OF THE SETTLEMENT**

15 4.1 **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement,
16 Defendant shall pay the Gross Settlement Amount not to exceed \$1,050,000.00, which includes
17 Class Counsel Fees and Costs to Class Counsel, Enhancement Awards to Plaintiffs, PAGA
18 Payment, Settlement Administration Costs to Settlement Administrator, and Net Settlement
19 Amount for distribution to Participating Class Members. The Gross Settlement Amount is a
20 material term of the Agreement and shall not be increased for any reason, except at Defendant's
21 sole discretion pursuant to the Escalator Clause (Section 4.2 below) contained herein. If the
22 Court requires an increase to the Gross Settlement Amount, Defendant shall have the right to
23 void the Agreement.

24 4.2 **Escalator Clause.** Defendant estimates that Class Members worked a combined total of
25 approximately 11,200 Workweeks during the period from March 30, 2022, to September 18,
26 2025. If the total number of Workweeks during the Class Period increases by more than 10%
27 (i.e., 12,320 Workweeks), then Defendant shall have the option to either (a) increase the Gross
28 Settlement Amount on a pro-rata basis equal to the percentage increase in the number of

1 Workweeks worked by the Class Members above 10% (for example, if the number of
2 Workweeks increases by 11%, the GSA will increase by 1%); or (b) modify the end date for the
3 Class Period to an earlier date that would reduce the total number of Workweeks to 12,320
4 Workweeks. If this provision is triggered and if Defendant elects to increase the Gross
5 Settlement Amount on a pro-rata basis, the Parties agree that the portion of the Gross
6 Settlement Amount allocated to Class Counsel Fees will increase proportionally such that the
7 total amount of Class Counsel Fees remains one-third (1/3) of the Gross Settlement Amount
8 after any upward adjustment triggered by this provision.

9 **4.3 Class Counsel Fees And Costs.** Class Counsel will apply to the State Court for an
10 award of Class Counsel Fees not to exceed one-third (1/3) of the Gross Settlement Amount, or
11 \$350,000.00, and reasonable documented costs directly incurred for purposes of the Actions,
12 not to exceed \$35,000, as supported by declarations. Except as provided in this Agreement,
13 Defendant shall have no liability for any other attorneys' fees, costs or expenses in connection
14 with the Actions.

15 4.3.1 Class Counsel will be responsible for submitting all documents to support their
16 request for attorneys' fees, costs, and expenses in connection with the Actions. Defendant
17 agrees not to oppose or object to Class Counsel's request for Class Counsel Fees And Costs if
18 they are made in accordance with the terms of this Agreement.

19 4.3.2 The Court's approval of the Class Counsel Fees And Costs is not a material term
20 of the Agreement. If the Court does not approve or approves only a lesser amount than that
21 requested by Class Counsel for Class Counsel Fees And Costs, the other terms of the
22 Agreement shall still apply. The Court's refusal to approve the Class Counsel Fees And Costs
23 requested by Class Counsel does not give Plaintiffs, Class Members, or Class Counsel any
24 basis to abrogate the Agreement. Any amount of Class Counsel Fees And Costs requested by
25 Class Counsel but unapproved by the Court shall be part of the Net Settlement Amount.

26 **4.4 Enhancement Awards.** Subject to the Court's approval, Defendant agrees not to
27 oppose Plaintiffs' request for Enhancement Awards up to \$15,000.00 to each Plaintiff (up to
28 \$15,000 to Plaintiff Christian Sanchez, up to \$15,000 to Plaintiff Atu Akinlabi Watson and up

1 to \$15,000 to Plaintiff Tyron Wesley McCarther), for a combined amount of \$45,000.00. The
2 Enhancement Awards shall be paid from the Gross Settlement Amount, as an enhancement for
3 their services as the representatives of the Class and additional claims released by Plaintiffs.
4 The Enhancement Awards shall be in addition to any pro rata share of the Net Settlement
5 Amount that Plaintiffs may otherwise receive under the Agreement.

6 4.4.1 Defendant will not oppose Plaintiffs' request for the Enhancement Awards if it
7 is made in accordance with the terms of this Agreement. Defendant will not deduct any payroll
8 taxes from the Enhancement Awards because it is not considered to be payment of wages.
9 Plaintiffs will be responsible for correctly characterizing this compensation for tax purposes
10 and for paying any taxes owing on said amount. Plaintiffs shall indemnify and hold harmless
11 Defendant from any claim or liability for taxes, penalties, or interest arising as a result of the
12 payment of the Enhancement Awards.

13 4.4.2 The Court's approval of the Enhancement Awards is not a material term of the
14 Agreement. The Parties agree that a denial or reduction by the State Court of the requested
15 Enhancement Awards is not a basis for rendering the entire Agreement voidable or
16 unenforceable. Any reductions by the State Court of the Enhancement Awards shall be part of
17 the Net Settlement Amount.

18 **4.5 Settlement Administration Costs.** Subject to the State Court's approval, Defendant
19 agrees to pay the Settlement Administrator the Settlement Administration Costs, currently
20 estimated at \$8,000, for the administration of this Settlement. The Settlement Administration
21 Costs shall be paid from the Gross Settlement Amount. Any reduction by the Court or any
22 unused amount shall revert to the Net Settlement Amount. The Settlement Administrator shall
23 assist in all aspects of the settlement process for the Actions, including, but not limited to:

24 4.5.1 Printing, distributing, and tracking Notices and resending Notices pursuant to
25 the terms of this Agreement;

26 4.5.2 Establishing a separate employer identification number and a Qualified
27 Settlement Fund, tax reporting, making tax payments, providing required 1099 and W-2 forms;

28 4.5.3 Calculating and distributing the Class Counsel Fees And Costs, Enhancement

1 Awards, Class Payments, PAGA Payment, and Settlement Administration Costs;

2 4.5.4 Documenting and determining which Class Members have submitted a timely
3 and valid Request for Exclusion, Notice of Objection, and/or Workweeks disputes;

4 4.5.5 Depositing the funds from uncashed or undelivered checks to the appropriate
5 non-profit organization or agency under this Agreement; and

6 4.5.6 Providing necessary reports and declarations, as requested by the Parties or the
7 Court, including weekly reports on the number of Class Members who have timely submitted
8 Requests for Exclusion, Notices of Objection, and/or Workweeks disputes.

9 4.6 **Net Settlement Amount.** After deducting (i) the court-approved Class Counsel Fees
10 and Costs, (ii) the court-approved Enhancement Awards, (iii) the court-approved PAGA
11 Payment, and (iv) the court-approved Settlement Administration Costs, the remainder of the
12 Gross Settlement Amount is the Net Settlement Amount.

13 5. RELEASES

14 5.1 **Release By Participating Class Members.** Upon the Effective Date, the Participating
15 Class Members, Plaintiffs, and their heirs, executors, administrators, attorneys, agents and
16 assigns, fully and finally release and forever discharge the Released Parties from any and all
17 Released Class Claims arising during the Class Period. As a result of this release, the
18 Participating Class Members will be unable to bring a claim or seek recovery for any alleged
19 violations of the Released Class Claims that took place during the Class Period.

20 5.2 **Release By The State Of California.** Upon the Effective Date, Plaintiffs, the
21 Aggrieved Employees, and the State of California (including but not limited to the LWDA)
22 fully and finally release and forever discharge the Released Parties from any and all Released
23 PAGA Claims arising during the PAGA Period. As a result of this release, Plaintiffs, the
24 Aggrieved Employees, and the State of California (including but not limited to the LWDA) will
25 not be able to bring a claim or seek civil penalties based on the Released PAGA Claims that
26 took place during the PAGA Period.

27 5.3 **Additional Release By Plaintiffs.** In addition to the Released Class Claims and the
28 Released PAGA Claims, upon the Effective Date, Plaintiffs will generally release and forever

1 discharge the Released Parties, to the fullest extent permitted by law, of and from any and all
2 claims, known and unknown, asserted and not asserted, which Plaintiffs have or may have
3 against the Released Parties as of the date of execution of this Agreement. For the purpose of
4 implementing a full and complete release and discharge of the Released Parties, Plaintiffs
5 expressly waive all rights provided by California Civil Code § 1542, or any other similar
6 provisions of applicable law, which are as follows: “A general release does not extend to claims
7 that the creditor or releasing party does not know or suspect to exist in his or her favor at the
8 time of executing the release and that, if known by him or her, would have materially affected
9 his or her settlement with the debtor or released party.”

10 **5.4 Injunction From Pursuing Released Claims.** Upon final approval of the Settlement,
11 Plaintiffs, Participating Class Members, the Aggrieved Employees, and the State of California
12 shall be enjoined from filing, initiating, or continuing to prosecute any actions, claims,
13 complaints, or proceedings in any court, or with the California Division of Labor Standards
14 Enforcement (“DLSE”), or with the LWDA, or the United States Department of Labor
15 (“DOL”), or with any other entity regarding the claims released in the Agreement. This
16 Settlement is conditioned upon the release by Plaintiffs, the Participating Class Members, the
17 Aggrieved Employees, and the State of California as described herein, and upon covenants by
18 these individuals that they will not participate in any actions, lawsuits, proceedings, complaints,
19 or charges brought by the DLSE, LWDA, DOL, or by any other agency, persons, or entity in
20 any court or before any administrative body related to the claims released in this Agreement. In
21 the event that any court or administrative agency does not order injunctive relief, Defendant
22 shall have the right to file a motion for summary judgment or any other pleading or paper to
23 enforce the terms of this Agreement. The Participating Class Members and Class Counsel will
24 not oppose, contest or interfere with efforts by Defendant to oppose any attempt to bring such
25 released claims against Defendant.

26 **5.5 Class Members’ Acknowledgment.** The Participating Class Members acknowledge
27 that they may hereafter discover facts or law different from, or in addition to, the facts or law
28 they know or believe to exist with respect to the Released Class Claims. The Participating Class

Members nonetheless agree that this Settlement, including the release of the Released Class Claims contained herein, shall be and remain effective in all respects notwithstanding such different or additional facts or law regarding such Released Class Claims. These releases do not include any claims that cannot be waived as a matter of law, but the Participating Class Members agree that they will not accept any monetary recovery or benefit from any proceedings relating to any such claims.

6. COMPUTATION OF SETTLEMENT PAYMENTS TO PARTICIPATING CLASS MEMBERS AND AGGRIEVED EMPLOYEES

6.1 Payments Based On Workweeks. The Net Settlement Amount will be distributed to Participating Class Members based on their number of Workweeks during the Class Period. Defendant shall provide records (*i.e.*, the Class List) showing the total Workweeks of Class Members during the Class Period. Defendant's records shall be determinative for purposes of calculating the number of Workweeks worked and any payments to the Participating Class Members.

6.2 Distribution Of Net Settlement Amount. The Class Payments to Participating Class Members will be determined by dividing the value of Net Settlement Amount by the total number of Workweeks of all Participating Class Members during the Class Period, and then multiplying the resulting figure by the number of Workweeks of each Participating Class Member during the Class Period.

6.3 Payments Based On Pay Periods. The portion of the PAGA Payment allocated to Aggrieved Employees will be distributed to Aggrieved Employees based on their number of Pay Periods during the PAGA Period. Defendant shall provide records (*i.e.*, the PAGA List) showing the total Pay Periods of Aggrieved Employees during the PAGA Period. Defendant's records shall be determinative for purposes of calculating the number of Pay Periods worked and any payments to Aggrieved Employees.

6.4 Distribution Of PAGA Payments. PAGA Payments to Aggrieved Employees will be determined by dividing \$13,125.00 (25% of the PAGA Payment, which is allocated to Aggrieved Employees) by the total number of Pay Periods of all Aggrieved Employees during

1 the PAGA Period, and then multiplying the resulting figure by the number of Pay Periods of
2 each Aggrieved Employee during the PAGA Period.

3 **6.5 No Impact On Employee Benefit Plans.** None of the payments made pursuant to the
4 Agreement shall be considered for purposes of determining eligibility for, vesting or
5 participation in, or contributions to any benefit plan, including, without limitation, all plans
6 subject to the Employee Retirement and Income Security Act of 1974. Any distribution of
7 payments to Plaintiffs, Participating Class Members, and Aggrieved Employees shall not be
8 considered as a payment of wages or compensation under the terms of any applicable benefit
9 plan and shall not affect participation in, eligibility for, vesting in, the amount of any past or
10 future contribution to, or level of benefits under any applicable benefit plan. Any amounts paid
11 will not impact or modify any previously credited hours of service or compensation taken into
12 account under any benefit plan sponsored or contributed to by Defendant or any jointly-trusted
13 benefit plan. For purposes of this Agreement, “benefit plan” means each and every “employee
14 benefit plan,” as defined in 29 U.S.C. § 1002(3), and, even if not thereby included, any 401(k)
15 plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare, profit sharing,
16 retirement, disability, vacation, sick time or pay, severance, hospitalization, insurance,
17 incentive, deferred compensation, or any other similar benefit plan, practice, program, or
18 policy.

19 **7. NOTICE TO CLASS MEMBERS**

20 **7.1 Data Lists.** Defendant shall provide the Settlement Administrator with the Class List
21 and PAGA List within 14 calendar days after the Court grants preliminary approval of the
22 Settlement. The Class List and PAGA List are being provided confidentially to the Settlement
23 Administrator only, and the Settlement Administrator shall treat the information as private and
24 confidential and take all necessary precautions to maintain the confidentiality of the Class List
25 and PAGA List. This information is to be used only to carry out the Settlement Administrator’s
26 duties as specified in this Settlement.

27 **7.2 Mailing Of Notice.** The Settlement Administrator shall mail the Notice to Class
28 Members within 14 calendar days of the receipt of the Class List and PAGA List via First Class

1 U.S. Mail, using the most current, known mailing address for each Class Member based on
2 information provided by Defendant.

3 **7.3. Non-Delivered Notices Or Checks.** Any mailing returned to the Settlement
4 Administrator as undeliverable shall be re-mailed within five calendar days via First Class U.S.
5 Mail to the forwarding address affixed thereto. If no forwarding address is provided, the
6 Settlement Administrator shall attempt to determine the correct address using a computer-based
7 skip-trace search, and it shall then perform a single re-mailing via First Class U.S. Mail within
8 five calendar days. If the computer-based skip-trace search does not provide a correct address,
9 the Settlement Administrator shall attempt to determine the correct address using the Class
10 Member's Social Security number (if available) and any available information provided by
11 Defendant. If the Settlement Administrator is unable to determine the correct address using the
12 Class Member's Social Security number and/or any information provided by Defendant, the
13 Settlement Administrator shall perform a search based on the National Change of Address
14 Database maintained by the United States Postal Service to update and correct any known or
15 identifiable address changes.

16 **8. OPTIONS TO RESPOND**

17 **8.1 Consideration Period.** Class Members shall be provided 60 calendar days to submit a
18 Request for Exclusion, Notice of Objection, and/or Workweeks dispute, following the postmark
19 date of the initial mailing of the Notice. Except as specifically provided herein, no Requests for
20 Exclusion, Workweek disputes, or Notices of Objection that are postmarked more than 60
21 calendar days after the initial mailing of the Notice or, with respect to a re-mailed Notice, an
22 additional 14 calendar days from the date of re-mailing, shall be considered.

23 **8.2 Request For Exclusion And Opt-Out Rights.** Class Members shall be given the
24 opportunity to opt out of the Class Settlement.

25 **8.2.1 Opt-Out Procedures.** Class Members may opt out of the Class Settlement by
26 mailing to the Settlement Administrator a Request for Exclusion. Any such Request for
27 Exclusion must be postmarked by the Response Deadline. A valid Request for Exclusion must:
28 (a) state the case name and number of the *Sanchez* Action; (b) provide the Class Member's

1 name (and former names, if any), current address, and current telephone number; and
2 (c) clearly state that the Class Member wishes to be excluded from the Class Settlement. The
3 Administrator may not reject a Request for Exclusion as invalid because it fails to contain all
4 the information specified in the Class Notice. The Administrator shall accept any Request for
5 Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a
6 Class Member and the Class Member's desire to be excluded. If there is a dispute regarding the
7 timeliness or validity of a Request for Exclusion, the Settlement Administrator shall make the
8 determination, after consultation with Class Counsel and Defense Counsel.

9 **8.2.2 Effect Of Opt-Out.** Any Class Member who opts out of the Class Settlement
10 may not object to the Class Settlement, shall not receive any share of the Net Settlement
11 Amount, and shall not be bound by the applicable Released Class Claims provisions in this
12 Agreement. If a Class Member submits both a Request for Exclusion and a Notice of
13 Objection, the Settlement Administrator will attempt to contact the Class Member to inquire
14 regarding his or her intention to opt out of or object to the Class Settlement. If the Settlement
15 Administrator is unable to confirm the Class Member's intention, the Class Member's Request
16 for Exclusion will be valid and be deemed to invalidate the Notice of Objection.

17 **8.3 Objection Rights.** Because the Class will be certified by the State Court for purposes of
18 settlement, only Class Members who do not opt out of the Class Settlement shall be entitled to
19 object to the terms of the Class Settlement.

20 **8.3.1 Objection Procedures.** Participating Class Members may send written
21 objections to the Settlement Administrator and postmarked by the Response Deadline. A
22 Notice of Objection shall be deemed to be submitted as of the postmarked date. The Notice of
23 Objection should include the following: (i) the case name and number of the *Sanchez* Action;
24 (ii) the objector's full name, signature, address, and telephone number; (iii) a written statement
25 of all grounds for the objection accompanied by any legal support for such objection;
26 (iv) copies of any papers, briefs, or other documents upon which the objection is based; and (v)
27 a statement whether the objector intends to appear at the Final Approval Hearing. If the
28 objector is represented by counsel, statement shall include the name, address, and telephone

1 number of their counsel. In the alternative, Participating Class Members may appear in Court
2 (or hire an attorney to appear in Court at their own expense) to present objections at the Final
3 Approval Hearing.

4 8.3.2 Participating Class Members who submit an objection remain bound by this
5 Agreement. Class Members who submit a timely and valid Notice of Objection may be subject
6 to appear for a deposition, if requested by Plaintiffs or Defendant.

7 8.3.3 **Waiver Of Objection Rights.** Class Members who fail to make objections in
8 the manner specified in the Notice shall be deemed to have waived any objections and shall be
9 foreclosed from making any objection, whether by appeal or otherwise, to this Agreement.

10 8.3.4 **Response to Objections.** The Parties retain the right to respond to any objection
11 raised, including the right to file responsive documents in Court no later than 5 court days prior
12 to the Final Approval Hearing, or as otherwise ordered by the Court.

13 8.4 **Disputed Workweeks On Notice.** Participating Class Members will have an
14 opportunity to dispute the number of Workweeks indicated on their Notice. To do so,
15 Participating Class Members must produce evidence to the Settlement Administrator showing
16 that such information is inaccurate on or before the Response Deadline. Defendant's records
17 will be presumed correct, but the Settlement Administrator will evaluate the evidence
18 submitted by the individual and will make the final decision as to the merits of the dispute. All
19 disputes will be decided within 10 business days after the Response Deadline. The Settlement
20 Administrator shall have the right to contact Defense Counsel and/or Class Counsel if it
21 determines more information is needed to resolve any issue of disputed Workweeks.

22 8.5 **Defendant's Rights To Withdraw Based On The Number Of Request For**
23 **Exclusion.** Defendant has the right, at its sole option, to withdraw from this Agreement if 5%
24 or more Class Members submit a timely and valid Request for Exclusion. Defendant must
25 exercise this right of rescission in writing within 14 calendar days after the Settlement
26 Administrator notifies the Parties in writing that at least 5% of Class Members have opted out
27 of the Class Settlement. These rights to withdraw are material terms of the Agreement and
28 Defendant has the right, at its sole option, to withdraw from this Agreement if either of these

1 material terms are not approved by the Court. If Defendant exercises this right to withdraw,
2 Defendant will be responsible for all Settlement Administration Costs incurred by the
3 Settlement Administrator.

4 **8.6 Proof Of Class Members' Responses.** No later than 75 calendar days after the initial
5 mailing of the Notice, the Settlement Administrator will prepare and submit a declaration
6 attesting to its mailing of the Notice, its inability to deliver any mailing due to invalid
7 addresses, its receipt of valid Requests for Exclusion and Notices of Objection, and any other
8 information that the Parties request be included. At least 10 calendar days prior to the Final
9 Approval Hearing, the Settlement Administrator will prepare a supplemental declaration (at the
10 request of Class Counsel or Defense Counsel) to submit to the Court. Class Counsel is
11 responsible for filing the Administrator's declaration in Court.

12 **8.7 Weekly Reports.** The Settlement Administrator will provide written reports on a
13 weekly basis to Class Counsel and Defense Counsel that include the number of: Class Notices
14 mailed, Class Notices re-mailed, Class Notices returned undeliverable, Requests for Exclusions
15 received, Objections received, Workweek Disputes received, Workweek Disputes resolved, and
16 checks mailed for Individual Class Payments and Individual PAGA payments.

17 **8.8 Final Report by Settlement Administrator.** Within 10 days of disbursement of all
18 funds in the Gross Settlement Amount, the Settlement Administrator will provide Class
19 Counsel and Defense Counsel with a final report detailing the disbursements by driver
20 identification number only of all payments made pursuant to this Agreement. At least 15 days
21 before any deadline set by the Court, the Settlement Administrator will prepare and submit to
22 Class Counsel and Defense Counsel a signed declaration attesting to its disbursement of all
23 payments required under this Agreement. Class Counsel is responsible for filing the Settlement
24 Administrator's declaration in Court.

25 **9. SETTLEMENT APPROVAL PROCEDURE**

26 **9.1 First Amended Complaint.**

27 9.1.1 Prior to seeking preliminary approval of the Settlement, Class Counsel shall
28 seek leave to file a First Amended Complaint substantially in the form attached hereto as

1 **Exhibit B** in the *Sanchez* action. This amendment shall seek to (i) add Plaintiffs Atu Akinlabi
2 Watson and Tyron Wesley McCarther as co-plaintiffs in the *Sanchez* Action; (ii) consolidate all
3 claims and allegations pleaded in the *Watson* Action into the *Sanchez* Action for the sole
4 purpose of seeking preliminary approval of this Settlement; and (iii) assert class claims
5 predicated on the same factual allegations as those in Plaintiffs' PAGA complaints. Defense
6 Counsel shall have reasonable time to review the draft of Exhibits B and suggest revisions to
7 the draft. Defense Counsel and Class Counsel shall ensure that the amended complaint contains
8 adequate factual and legal bases to effectuate the Released Class Claims and Released PAGA
9 Claims in this Agreement. Defendant shall not be required to file an Answer or responsive
10 pleading to the First Amended Complaint.

11 9.1.2 After the First Amended Complaint is filed in the *Sanchez* Action, the Parties
12 shall then stipulate to stay the *Watson* Action pending final approval of this Settlement.

13 9.1.3 The Parties agree that the amendment described in this section is for settlement
14 purposes only. In the event the Court does not grant final approval of the Settlement, the Parties
15 agree that any amended complaint filed pursuant to this Agreement shall be stricken; and the
16 stay of *Watson* shall be lifted.

17 9.1.4 Within 10 days of Final Approval of the Settlement, the *Watson* Action shall be
18 dismissed with prejudice.

19 **9.2 Preliminary Approval Of Class/Representative Settlement.** Upon execution of this
20 Agreement, Plaintiffs and Class Counsel shall promptly prepare the Motion For Preliminary
21 Approval of Class/Representative Settlement to be filed in the *Sanchez* Action. Class Counsel
22 and Defense Counsel shall use their best efforts to ensure that the Motion and amended
23 complaint(s) are filed with the applicable courts within 60 days of execution of this Agreement.
24 Class Counsel will prepare and deliver to Defense Counsel no later than 7 days before the filing
25 deadline all documents necessary for obtaining Preliminary Approval of the Settlement
26 including: (i) a draft of the notice, and memorandum of points and authorities in support, of the
27 Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar*
28 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 and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; This Motion shall seek an order to conditionally certify the Class for the sole purpose of settlement and preliminarily approve the proposed settlement according to the terms in this Agreement. The Motion also shall seek an order that provides for the Notice to be sent to Class Members as specified in this Agreement. This Motion shall include the bases for the Class/Representative Settlement Amount and why the amount is reasonable in light of the facts and controlling authorities pertaining to the claims alleged in the Actions. The Motion shall also be accompanied by signed declarations by Class Counsel, discussing the risks of continued litigation and that the best interests of both Parties and the Class Members are served by the terms of this Agreement. 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. Class Counsel is responsible for delivering the Court’s preliminary approval order to the Settlement Administrator.

9.3 **Final Approval.** Plaintiffs shall submit to the Court a Motion for Final Approval of the Class and Representative Settlement as soon as practicable after the Response Deadline or pursuant to order by the Court. The Motion shall request the entry of a Final Approval Order, which shall include findings and orders: (a) approving the Agreement; (b) adjudging the terms to be fair, reasonable, and adequate; (c) reciting the release terms in full; (d) directing that the settlement terms and provisions be carried out; and (e) retaining jurisdiction to oversee administration and enforcement of the terms of this Agreement and the Court’s orders. Class Counsel shall provide a draft of the Final Approval Motion to Defense Counsel not later than

1 seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel
2 will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any
3 disagreements concerning the Motion for Final Approval.

4 **9.4 Motion For Class Counsel Fees And Costs And Enhancement Awards.** Class
5 Counsel shall file a motion or application for the Court's approval of Class Counsel Fees and
6 Costs and Enhancement Awards under the terms of the Agreement. Defendant will not oppose
7 the motion, provided it is consistent with this Agreement.

8 **9.5 Settlement Is Conditioned On Approval Of The Agreement.** The Parties
9 acknowledge and agree that the global settlement will be memorialized in one written
10 agreement for the Class and Representative Settlement, and requires approval in Court. It is the
11 Parties' intention that the Agreement is valid if the approval of the proposed Settlement by the
12 Court becomes Final. Accordingly, the Effective Date of this Agreement is contingent upon the
13 order approving the Settlement in the Actions.

14 **9.6 Effect Of Failure To Obtain Preliminary Or Final Approval.** If the proposed
15 settlement or a substantially similar settlement mutually agreed to by the Parties is not
16 preliminarily or finally approved by the Court, the Actions shall proceed as if no settlement had
17 been attempted (*e.g.*, an amended complaint shall be stricken), unless the Parties jointly agree
18 to seek reconsideration of the ruling or Court's approval of a renegotiated settlement.
19 Defendant retains the right to contest whether any aspect of the Actions should be maintained
20 as a class or representative action, or to contest the merits of the claims being asserted by the
21 Plaintiffs or Class Members in the Actions.

22 **9.7 Entry Of Judgment.** The Parties shall request that the Court issue Judgment in
23 accordance with this Agreement and without further fees or costs to any party except as
24 expressly set forth in this Agreement. In the event either the Court fails to enter final judgment
25 in accordance with this Agreement, or such final judgment is vacated or reversed, the Actions
26 shall proceed as if no settlement had been attempted, unless the Parties jointly agree to seek
27 reconsideration or appellate review of the ruling or approval of a renegotiated settlement.

28 **9.8 Dismissal Of Cross-Complaint.** Upon final approval of the Settlement, Defendant

1 shall promptly seek dismissal of the Cross-Complaint against He is The Way Transport, Inc.,
2 with prejudice, with each party to bear their own attorneys' fees and costs.

3 **9.9 Notice To The LWDA.** Class Counsel shall give written notice of the Settlement to the
4 LWDA simultaneously with the filing of the Motion For Preliminary Approval of
5 Class/Representative Settlement, to provide the LWDA an opportunity to comment and/or
6 object to the terms of the Settlement before Class Counsel moves for final approval.

7 **10. FUNDING AND DISTRIBUTION OF THE CLASS/REPRESENTATIVE**
8 **SETTLEMENT AMOUNT**

9 **10.1 Funding Of Class/Representative Settlement Amount.** The Settlement Administrator
10 shall establish a Qualified Settlement Fund pursuant to Section 468B(g) of the Internal
11 Revenue Code for purposes of administering the Settlement. The Settlement Administrator
12 shall furnish the Qualified Settlement Fund with its own Employer ID Number and calculate all
13 settlement checks and payroll deductions and withholdings required under law based on
14 information that will be confidentially furnished by Defendant. Within 14 calendar days after
15 the Effective Date, Defendant shall deposit the Class/Representative Settlement Amount into an
16 interest-bearing escrow account with the Settlement Administrator.

17 **10.2 Timing Of Disbursement Of Class/Representative Settlement Amount.**

18 **10.2.1 Class Counsel Fees And Costs.** Subject to the terms of the Agreement, the
19 Settlement Administrator shall distribute payment of any approved Class Counsel Fees And
20 Costs within seven (7) calendar days after the funding of the Gross Settlement Amount. This is
21 the same date that the Net Settlement Amount will be distributed to Participating Class
22 Members. Class Counsel agree that they are responsible for allocating this payment among
23 themselves and any other counsel for Plaintiffs settling claims through this Agreement. The
24 Settlement Administrator shall issue an Internal Revenue Service Form 1099 to Class Counsel
25 for any Class Counsel Fees And Costs payment, based on the allocation communicated by
26 Class Counsel. Class Counsel shall be solely and legally responsible for paying all applicable
27 taxes on any Class Counsel Fees And Costs and shall indemnify and hold harmless Defendant
28 from any claim or liability for taxes, penalties, or interest arising as a result of the payment.

1 **10.2.2 Enhancement Awards.** Subject to the terms of the Agreement, the Settlement
2 Administrator shall pay to Plaintiffs any approved Enhancement Awards within seven (7)
3 calendar days after the funding of the Gross Settlement Amount. The Settlement Administrator
4 shall issue an IRS Form 1099 to Plaintiffs for any Enhancement Awards. Plaintiffs shall be
5 solely and legally responsible for paying all applicable taxes on any Enhancement Awards and
6 shall indemnify and hold harmless Defendant from any claim or liability for taxes, penalties, or
7 interest arising as a result of the payments.

8 **10.2.3 Settlement Administration Costs.** The Settlement Administrator shall pay
9 itself any approved Settlement Administration Costs within seven (7) calendar days after the
10 funding of the Gross Settlement Amount. The Settlement Administrator shall be solely and
11 legally responsible for paying all applicable taxes on any Settlement Administration Costs and
12 shall indemnify and hold harmless Defendant from any claim or liability for taxes, penalties, or
13 interest arising as a result of the payment.

14 **10.2.4 Distribution Of PAGA Payment.** The Settlement Administrator shall distribute
15 the PAGA Payment within seven (7) calendar days after the funding of the Gross Settlement
16 Amount. The portion of the PAGA Payment allocated to the LWDA is \$39,375.00 (75% of the
17 PAGA Payment). The portion of the PAGA Payment allocated to Aggrieved Employees will be
18 determined by dividing \$13,125.00 (25% of the PAGA Payment, which is allocated to
19 Aggrieved Employees) by the total number of Pay Periods of all Aggrieved Employees during
20 the PAGA Period, and then multiplying the resulting figure by the number of Pay Periods of
21 each Aggrieved Employee during the PAGA Period.

22 **10.2.5 Distribution Of Net Settlement Amount.** The Settlement Administrator shall
23 distribute the Net Settlement Amount to Participating Class Members within seven (7) calendar
24 days after the funding of the Gross Settlement Amount. Class Payments made under this
25 Settlement will be attributed 80% as penalties and interest, to be reported on IRS Form 1099 (if
26 applicable), and 20% as unpaid wages, to be reported on IRS Form W-2 and subject to payroll
27 deductions. In accordance with applicable tax laws, the Net Settlement Amount is subject to
28 reduction for the employee's share of required tax withholdings and payroll deductions on the

1 wage portion of the Class Payments. The employer's share of payroll taxes on the wages
 2 portion of the Net Settlement Amount shall be paid by Defendant separately and in addition to
 3 the Gross Settlement Amount. The Settlement Administrator shall issue any necessary IRS
 4 Form 1099 and Form W-2 statements to Participating Class Members for their respective share
 5 of the Net Settlement Amount. Participating Class Members shall be solely and legally
 6 responsible for paying all other applicable taxes on their respective share of the Net Settlement
 7 Amount and shall indemnify and hold harmless Defendant from any claim or liability for taxes,
 8 penalties, or interest arising as a result of the payments.

9 10.2.6 The Parties warrant and represent that the allocation of the Net Settlement
 10 Amount as 80% to non-wage payments (*e.g.*, interest and statutory penalties) and 20% to wage-
 11 related payments is reasonably within the parameters of liability for the Actions, given that the
 12 vast of majority of recovery, if any, in the Actions would be comprised of statutory penalties.

13 10.3 **Undeliverable Or Uncashed Checks.**

14 10.3.1 The Settlement Administrator shall maintain a list of the postmark date for the
 15 original mailing of the Class Payment checks, if any, to the Participating Class Members, the
 16 postmark date of any subsequent mailing to any Participating Class Members, and a list of any
 17 individuals who did not receive the settlement checks due to the inability to locate a valid
 18 address using the procedures described herein above in Section 7.3 above or who otherwise
 19 could not be located within two attempts at mailing.

20 10.3.2 All Class Payment checks will remain valid and negotiable for 180 days from
 21 the date of their mailing by the Settlement Administrator. After 180 calendar days from the date
 22 of mailing, the checks shall become null and void, and any monies remaining in the distribution
 23 account shall be distributed by the Settlement Administrator to Legal Aid at Work No part of
 24 the Net Settlement Amount shall be returned to Defendant.

25 10.3.3 For any Participating Class Members for whom the settlement checks were
 26 deemed undeliverable, the funds associated with the settlement payment will be distributed to
 27 Legal Aid at Work (<https://newcomerswelcome.acgov.org/resource-directory/legal-aid-at-work/>)
 28 ///

11. MISCELLANEOUS PROVISIONS

11.1 **Interim Stay Of Proceedings.** The Parties agree to refrain from further litigation in the Actions, except such proceedings necessary to implement and to obtain preliminary and final approval of the terms of the Agreement. If the Settlement is not finally approved, the Parties agree that they will revert to their positions in the Actions prior to the time the Agreement was reached, and no terms set forth in this Agreement will be admissible in any future proceedings in this case or any other action.

11.2 **Certification Of Class Action And Representative Action For Settlement Purposes Only.** The Parties agree to stipulate to class action and representative action certification for purposes of the settlement only. If, for any reason, the settlement is not approved, the stipulation to certification will be void, and Defendant shall have the full opportunity to file any motion to challenge class certification or any motion to challenge the manageability of PAGA claims. The Parties further agree that certification for purposes of the settlement is not an admission that class action or representative action certification is proper under the standards applied to contested certification motions and that this Agreement will not be admissible in this or any other proceeding as evidence that either (i) a class or representative action should be certified or (ii) Defendant is liable to Plaintiffs or any Class Member, other than according to the terms of the Agreement.

11.3 **Mutual Cooperation.** Plaintiffs, Defendant, Class Counsel, and Defense Counsel agree to fully cooperate with each other to accomplish the terms of this Agreement, including, but not limited to, execution of such documents and taking such other action as may reasonably be necessary to implement the terms herein. The Parties agree to use their best efforts and any other efforts that may become necessary by order of the Courts, or otherwise, to effectuate this Agreement.

11.4 **Plaintiffs' Representation.** Plaintiffs represent and warrant that besides the Actions, they have not filed and will not file any other lawsuit, administrative claim or action, arbitration, demand, or other action of any kind against Defendant or the Released Parties. Plaintiffs represent and warrant that their only pending claims against Defendant or the

Released Parties are included in the Actions.

11.5 Class Counsel's Representation. Class Counsel agree and represent that they will not engage in any conduct to undermine the terms of the Agreement, including any solicitation efforts to persuade any Class Member from opting out of or objecting to the Settlement. Class Counsel further agree and represent that they do not represent any Class Members other than Plaintiffs and will not actively solicit any other Class Members to pursue claims that have been released in this Settlement on an individual, collective, class or representative basis. Class Counsel also warrant and represent that they have access to all of the Plaintiffs who will be executing this Agreement, and that they will promptly obtain their signatures to this Agreement. The Parties agree that verifiable electronic signatures are sufficient. However, if the Court orders wet signatures, the Parties will follow the Court's Order.

11.6 Parties' Authority. The signatories hereto represent that they are fully authorized to enter into this Agreement and are fully authorized to bind the Parties to all terms stated herein. It is agreed that Participating Class Members are so numerous that it is impossible or impractical to have each Participating Class Member execute this Agreement. It is agreed that this Agreement may be executed on behalf of Participating Class Members and by Plaintiffs and Class Counsel.

11.7 Binding Effect Of Settlement. Although some Class Members might not receive the Notice as provided under this Agreement, due to inability to locate their current address following the procedures set forth in this Agreement, such individuals shall nonetheless be bound by all of the terms of this Agreement and the order approving the Settlement.

11.8 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with regard to the subject matter contained herein, and all prior and contemporaneous negotiations and understandings between the Parties shall be deemed merged into this Agreement.

11.9 Arms' Length Transaction; Materiality Of Terms. The Parties have arrived at this Agreement as a result of arm's length negotiations. Except as otherwise stated in this Agreement, all terms and conditions of this Agreement in the exact form set forth in this

1 Agreement are material to this Agreement and have been relied upon by the Parties in entering
2 into this Agreement.

3 **11.10 Counterparts.** This Agreement may be executed in counterparts, and when each party
4 has signed and delivered at least one such counterpart, each counterpart shall be deemed an
5 original, and when taken together with other signed counterparts, shall constitute one signed
6 Agreement, which shall be binding upon and effective as to all Parties.

7 **11.11 Facsimile Or Scanned Signatures.** Any party may sign and deliver this Agreement by
8 signing on the designated signature block and transmitting that signature page via facsimile or
9 as an attachment to an e-mail to counsel for the other party. Any signature made and
10 transmitted by facsimile or as an attachment to an e-mail for the purpose of executing this
11 Agreement shall be deemed an original signature for purposes of this Agreement and shall be
12 binding upon the party who transmits the signature page.

13 **11.12 Binding Effect.** This Agreement shall be binding upon the Parties and, with respect to
14 Plaintiffs, Participating Class Members, their spouses, children, representatives, heirs,
15 administrators, executors, beneficiaries, conservators, attorneys, and assigns.

16 **11.13 Construction.** The determination of the terms and conditions of this Agreement has
17 been by mutual agreement of the Parties. Each party participated jointly in the drafting of this
18 Agreement, and the terms and conditions of this Agreement are not intended to be, and shall
19 not be, construed against any party by virtue of draftsmanship.

20 **11.14 Severability Clause For Invalidity Of Any Provision.** Before declaring any provision
21 of this Agreement invalid, the State Court shall first attempt to construe the provisions valid to
22 the fullest extent possible consistent with applicable precedents so as to render all provisions of
23 this Agreement valid and enforceable.

24 **11.15 No Prior Assignments Or Undisclosed Liens.** Plaintiffs represent and warrant that
25 they have not assigned, transferred, conveyed, or otherwise disposed of, or purported to assign,
26 transfer, convey, or otherwise dispose of, any Released Class Claims, Released PAGA Claims,
27 or the attorneys' fees and costs to be paid pursuant to this Agreement. Plaintiffs further
28 represent and warrant that there are not any liens or claims against any of the amounts to be

1 paid by Defendant pursuant to this Agreement. Plaintiffs agree to defend, to indemnify, and to
2 hold Defendant harmless from any liability, losses, claims, damages, costs, or expenses,
3 including reasonable attorneys' fees, resulting from a breach of these representations or from
4 any lien or assignment.

5 **11.16 No Initiated Publicity.** Class Counsel shall not take any action or initiate to publicize,
6 or cause to be publicized, directly or indirectly, the discussions resulting in or the existence of
7 this settlement or its terms, in any type of mass media, including, but not limited to, speeches,
8 press conferences, press releases, interviews, television or radio broadcasts, blogs, websites,
9 newspapers, Internet posting, Facebook, Instagram, X (formerly Twitter), TikTok, or any other
10 social media, or information furnished to legal news media, including but not limited to
11 *Bloomberg Law*, *Law 360*, and the *Daily Journal*. Class Counsel shall not refer to Defendant by
12 name in its public marketing materials, law firm websites, or posting with any other
13 organizations, such as the California Employment Lawyers Association. Class Counsel further
14 agrees and warrants that if they were contacted by media outlets regarding this case, they will
15 simply state that the lawsuit exists and has been resolved. Nothing in this section shall prevent
16 Class Counsel from referencing this settlement to a court as evidence of their experience in
17 connection with motions for class certification, approval of settlements, fee motions, and the
18 like. Further, nothing in this section shall prevent the Settlement Administrators from posting
19 the Class Notice approved by the Court on their website for Class Members' reference.

20 **11.17 Continuing Jurisdiction.** The Court shall retain jurisdiction over the implementation of
21 this Agreement as well as any and all matters arising out of, or related to, the implementation of
22 this Agreement and settlement. The Court shall not have jurisdiction to modify the terms of the
23 Agreement without the consent of all of the Parties.

24 **11.18 Modification.** The Agreement may not be changed, altered, or modified, except in
25 writing and signed by the Parties hereto or their counsel of record. After preliminary approval
26 of the Settlement has been granted, the Settlement may not be modified except by a writing
27 signed by the Parties hereto or their counsel of record, and approved by the Court.

28 **11.19 Disputes.** If the Parties have a dispute with regard to the language of this Agreement,

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

they agree to first attempt to resolve the dispute informally through good faith negotiations, but if those efforts are unsuccessful, they agree to mediate any such dispute, with Jeffrey Fuchsman, the mediator who helped the Parties reach the Settlement. The Parties will split the costs of the mediator, and all Parties will bear their own fees and costs.

11.20 Governing Law. This Agreement was made and entered into in the State of California. All terms of this Agreement shall be governed by and interpreted according to the substantive laws of the State of California and the procedural laws of the State of California.

11.21 Papers To Be Filed With The Court. Except as stated otherwise in section 9 herein, all papers to be filed with the Court by Defense Counsel or Class Counsel in connection with this Agreement shall be submitted to the other party at least three business days prior to filing. The other party shall have no right to object to the papers unless they do not conform to the terms and conditions of this Agreement.

SO AGREED AND STIPULATED.

PLAINTIFF

Dated: 1/13/2026

Signed by:
By: Christian Sanchez
D758E909B7224C8C
Christian Sanchez

PLAINTIFF

Dated: _____

By: _____
Atu Akinlabi Watson

PLAINTIFF

Dated: _____

By: _____
Tyron Wesley McCarther

**DEFENDANT/CROSS-COMPLAINANT
SPOKE LOGISTICS, LLC**

Daed: 1/15/2026

DocuSigned by:
By: Tim Meyer
1F31F609BF1A46B...
Authorized signatory for Defendant
Spoke Logistics, LLC

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

they agree to first attempt to resolve the dispute informally through good faith negotiations, but if those efforts are unsuccessful, they agree to mediate any such dispute, with Jeffrey Fuchsman, the mediator who helped the Parties reach the Settlement. The Parties will split the costs of the mediator, and all Parties will bear their own fees and costs.

11.20 Governing Law. This Agreement was made and entered into in the State of California. All terms of this Agreement shall be governed by and interpreted according to the substantive laws of the State of California and the procedural laws of the State of California.

11.21 Papers To Be Filed With The Court. Except as stated otherwise in section 9 herein, all papers to be filed with the Court by Defense Counsel or Class Counsel in connection with this Agreement shall be submitted to the other party at least three business days prior to filing. The other party shall have no right to object to the papers unless they do not conform to the terms and conditions of this Agreement.

SO AGREED AND STIPULATED.

PLAINTIFF

Dated: 1/13/2026

Signed by:
By: Christian Sanchez
D758E909B7224C8C
Christian Sanchez

PLAINTIFF

Dated: 1/15/2026

DocuSigned by:
By: Atu Akinlabi Watson
6E438B88FC7C40D...
Atu Akinlabi Watson

PLAINTIFF

Dated: 1/15/2026

Signed by:
By: Tyron Wesley McCarther
3A9B0F14D15C4DE...
Tyron Wesley McCarther

**DEFENDANT/CROSS-COMPLAINANT
SPOKE LOGISTICS, LLC**

Daed: _____

By: _____
Authorized signatory for Defendant
Spoke Logistics, LLC

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

**CROSS-DEFENDANT
HE IS THE WAY TRANSPORT SERVICES,
INC.**

Dated: 2/2/2026

Signed by:
By: Baldomero Sanchez
592B955EA3234E5...
Authorized signatory for Cross-Defendant
He Is The Way Transport Services, Inc.

COHELAN KHOURY & SINGER

Dated: 01/15/2026

By: Isam C. Khoury
Maggie K. Realin
Attorneys for Plaintiff CHRISTIAN SANCHEZ

THE MARKHAM LAW FIRM

Dated: 01/15/2026

By: David R. Markham
Lisa R. Brevard
Attorneys for Plaintiff CHRISTIAN SANCHEZ

UNITED EMPLOYEES LAW GROUP, P.C.

Dated: January 13, 2026

By: Walter L. Haines
Attorneys for Plaintiff CHRISTIAN SANCHEZ

SIRMABEKIAN LAW FIRM, PC

Dated: 1/15/2026

DocuSigned by:
By: Sarkis Sirmabekian
847C4C6AA169454...
Sarkis Sirmabekian
Attorneys for Plaintiffs Atu Akinlabi Watson and
Tyron Wesley McCarther

MARRON LAWYERS, APC

Dated: _____

By: _____
Laura A. Theriault
Attorneys for Defendant/Cross-Complainant
SPOKE LOGISTICS, LLC

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

**CROSS-DEFENDANT
HE IS THE WAY TRANSPORT SERVICES,
INC.**

Dated: _____

By: _____
Authorized signatory for Cross-Defendant
He Is The Way Transport Services, Inc.

COHELAN KHOURY & SINGER

Dated: 01/15/2026

By: 
Isam C. Khoury
Maggie K. Realin
Attorneys for Plaintiff CHRISTIAN SANCHEZ

THE MARKHAM LAW FIRM

Dated: 01/15/2026

By: 
David R. Markham
Lisa R. Brevard
Attorneys for Plaintiff CHRISTIAN SANCHEZ

UNITED EMPLOYEES LAW GROUP, P.C.

Dated: January 13, 2026

By: 
Walter L. Haines
Attorneys for Plaintiff CHRISTIAN SANCHEZ

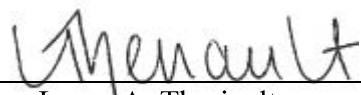
SIRMABEKIAN LAW FIRM, PC

Dated: _____

By: _____
Sarkis Sirmabekian
Attorneys for Plaintiffs Atu Akinlabi Watson and
Tyron Wesley McCarther

MARRON LAWYERS, APC

Dated: _____

By: 
Laura A. Theriault
Attorneys for Defendant/Cross-Complainant
SPOKE LOGISTICS, LLC

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

JONES TRIAL ATTORNEYS

Dated: January 16, 2026

By: 
Sean M. Jones

Attorneys for Cross-Defendant HE IS THE WAY
TRANSPORT SERVICES, INC.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Christian Sanchez, Atu Akinlabi Watson, and Tyron Wesley McCarther, on behalf of themselves and others similarly situated v. Spoke Logistics, LLC, a Wyoming Limited Liability Company
Superior Court of the State of California, County of Alameda
Case No. 23-CV-035138

The Alameda County Superior Court authorized this Notice. Please read it carefully. It is not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

To: All current and former Drivers who worked for Spoke Logistics, LLC in California from September 18, 2021 through and including December 17, 2025 (the “Class”):

You may be eligible to receive money from a class action lawsuit filed by Christian Sanchez, Atu Akinlabi Watson, and Tyron Wesley McCarther (“Plaintiffs” or “Class Representatives”) against Defendant Spoke Logistics, LLC (“Defendant”) for alleged violations of the California Labor Code and Business and Professions Code (the “Action”). Plaintiffs and Defendant shall be collectively referred to as the “Parties.” Defendant denies all claims in the Action.

On [DATE], the Honorable Victoria Kolakowski of the Alameda County Superior Court granted preliminary approval of settlement of this Action and ordered the Parties to notify all Class Members of the settlement. **You have received this Notice because Defendant’s records indicate that you are a Class Member, and therefore may be entitled to a payment from the settlement.** All checks will be negotiable for 180 days – checks that are not cashed within 180 days will be paid to Legal Aid at Work (<https://newcomerswelcome.acgov.org/resource-directory/legal-aid-at-work/>), a non-profit providing free legal services to low-income and unemployed residents of California relating to employment.

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Participating Class Member, and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at [TIME] and [DATE] in Department 16 of the Alameda County Superior Court located at 1221 Oak Street, Oakland, California, 94612. You are not required to attend the hearing, but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, or by using the Court’s virtual appearance platform.

SUMMARY OF THE LITIGATION

The Action seeks payment of (1) unpaid wages, unreimbursed expenses, statutory damages and penalties, interest and attorneys’ fees on behalf of all Class Members; as well as (2) penalties under the California Private Attorneys General Act (“PAGA”) on behalf of all Aggrieved Employees, who are defined as all drivers who have been employed by Defendant between March 30, 2022, and December 17, 2025 (“PAGA Period”).

PAGA is a California law that allows employees to bring claims for civil penalties on behalf of the California Labor and Workforce Development Agency (“LWDA”) and all Aggrieved Employees for alleged violations of the Labor Code; any payment for PAGA penalties in this Action will be paid 75% to the LWDA and 25% to all Aggrieved Employees as civil penalties (rather than wages).

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the Class, the Markham Law Firm, Cohelan Khoury & Singer, United Employees Law Group, and Sirmabekian Law Firm, PC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the

applicable law. While Class Counsel believes that the claims alleged in this lawsuit have merit, Class Counsel also recognizes that the risk and expense of continued litigation justify settlement. Thus, Class Counsel believes the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny, the factual and legal allegations in the case and believes that it has valid defenses to Plaintiffs' claims. By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiffs.

SUMMARY OF THE PROPOSED SETTLEMENT TERMS

Plaintiffs and Defendant have agreed to settle the underlying class and PAGA claims in exchange for a Gross Settlement Amount of \$1,050,000.00. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) Enhancement Awards to Plaintiffs as the Class Representatives in the amount not to exceed \$15,000.00 each to Christian Sanchez, Atu Akinlabi Watson, and Tyron Wesley McCarther; (3) up to \$350,000.00 in attorneys' fees and up to \$35,000.00 in litigation costs and expenses; (4) a \$52,500.00 PAGA payment, 75% (\$39,375.00) of which will be provided to the California Labor & Workforce Development Agency ("LWDA") as required under California law, and 25% (\$13,125.00) in Individual PAGA Payments to Aggrieved Employees based on their Workweeks, and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$8,000.00. After deducting the Class Representative Enhancement Awards, attorneys' fees and costs, the payment to the LWDA, and the Settlement Administrator's fees and expenses, a total of approximately \$559,500.00 will be allocated to Class Members who do not opt out of the settlement ("Net Settlement Amount").

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Settlement Payments to Class Members, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the LWDA. Based on Defendant's records, and the Parties' current assumptions, your Individual Class and PAGA Payments are shown in the chart below, along with the applicable data points from which these estimates are derived.

<i>Calculations and Data Points for Estimated Individual Class and PAGA Payments</i>	
Weeks Worked during Class Period	<i>Estimated Individual Class Payment</i>
INSERT	INSERT
Weeks Worked during PAGA Period	<i>Estimated Individual PAGA Payment</i>
INSERT	INSERT

Please note that the actual amount you receive may be different from the above and will depend on several factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant's records you didn't perform work for Defendant in California during the PAGA Period.) If you believe that you worked more weeks during the periods shown in the chart above, you can submit a challenge by **[DATE]** ("**Response Deadline**").

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 Class Counsel. The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

YOUR OPTIONS UNDER THE SETTLEMENT

If you worked for Defendant in California during the Class Period and/or the PAGA Period, you have a few options as shown in the Chart below:

DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	If you want to receive your full settlement payment, then no further action is required on your part. You will automatically receive a settlement payment if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Class Claims described in Section 3 below.
EXCLUDE YOURSELF	If you do not wish to participate in the proposed Settlement of the Class Claims, you may “opt out” of the Settlement of the Class Claims. If you choose to opt out, you must submit a Request for Exclusion by [DATE] (see Section 6 below for more details on how to opt out). If you opt out, you will no longer be a Participating Class Member, and you will (1) <u>not</u> receive an Individual Class Payment, but you will preserve your right to pursue the Released Class Claims described below subject to applicable statutes of limitations, and (2) be barred from filing an objection to the settlement. You cannot opt out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees. See Section 6 of this Notice.
OBJECT	If you decide to object to the settlement with respect to the Class Claims, you must submit a Notice of Objection stating why you object to the settlement by [DATE] (see Section 7 for more details on how to object).
DISPUTE THE NUMBER OF WEEKS WORKED	If you believe the number of workweeks that you were credited with working in the chart above is incorrect, you may submit a written dispute to Phoenix Class Action Administration Solutions (the “Settlement Administrator”), a third party responsible for sending this Notice. (see Section 4 for more details on how to submit a Dispute). Defendant’s records will be presumed correct, but you may provide evidence to the Settlement Administrator showing how many workweeks you believe you should be credited.

1. WHAT IS THIS ACTION ABOUT?

Plaintiffs allege that Defendant violated California labor laws due to the alleged: failure to pay all wages due, including regular, minimum, and overtime wages, meal and rest period violations, wage statement violations, failure to reimburse expenses, failure to timely pay wages during employment, failure to timely pay final wages at termination, failure to provide sick pay, unlawful deductions, and unfair business practices. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under PAGA.

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

Both Parties are represented by attorneys in this Action. See Section 9 below for their contact information.

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

The Parties hired an experienced, neutral mediator in an effort to resolve the Action by settlement rather than continuing the expensive and time-consuming litigation. The case settled. Plaintiffs and Defendant 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, Defendant does not admit any violations or concede the merit of any claims.

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

- Defendant Will Pay \$1,050,000.00 as the “Gross Settlement Amount.” Defendant will deposit the Gross Settlement Amount into an account controlled by the Settlement Administrator. The Settlement Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Plaintiffs’ Enhancement Awards, Class Counsel’s attorney’s fees and expenses, the Administrator’s Costs, and PAGA Penalties to be paid to the LWDA.
- Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - Individual settlement payments to all Participating Class Members.
 - Enhancement Awards to Plaintiffs as the class representatives in the amount not to exceed \$15,000.00 each to Christian Sanchez, Atu Akinlabi Watson, and Tyron Wesley McCarther.
 - Up to \$350,000.00 to Class Counsel in attorneys’ fees and up to \$35,000.00 in litigation costs and expenses.
 - Up to \$52,500.00 for PAGA Penalties, 75% (\$39,375.00) of which will be provided to the California Labor & Workforce Development Agency (“LWDA”) as required under California law, and 25% in Individual PAGA Payments (\$13,125.00) to Aggrieved Employees based on their workweeks.
 - Approximately \$8,000.00 to the Settlement Administrator for administering the settlement.
 - Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.
- Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Settlement Administrator will distribute the remainder of the Gross Settlement Amount (the “Net Settlement Amount”) by making Individual Class Payments to Participating Class Members based on their pro rata share of total Weeks Worked during the Class Period.
- Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of twenty percent (20%) of each Individual Class Payment to taxable wages (“Wage Portion”) and eighty percent (80%) to penalties and interest (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes they owe 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 the Parties 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.
- 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 donated to Legal Aid at Work.

- Requests for Exclusion from the Class Settlement (Opt Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt out of the Settlement, not later than the Response Deadline. See Section 6 of this Notice for details on how to Opt Out.
- Settlement Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the “Settlement Administrator”) to send this Notice, calculate and make payments, and process any Class Members’ Requests for Exclusion. The Settlement Administrator will also decide any disputes over workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement Administrator’s contact information is contained in Section 9 of this Notice.
- Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement Amount, 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 Defendant or the “Released Parties” (which means “Defendant, any of its current, former, and future parents, successors, predecessors, affiliates, subsidiaries or related entities, and any of their current, former, and future officers, directors, members, shareholders, managers, human resources representatives, employees, agents, contractors, shippers, consignees, healthcare professionals, healthcare providers, customers, clients, brokers, sub-brokers, parties Defendants has provided services for, pharmacists, medical equipment providers, third party administrators, insurance carriers, representatives, or attorneys) based on the facts alleged in the Action for the duration of the Class Period and PAGA Period, which are resolved by this Settlement.

The Participating Class Members will be bound by the following release during the Class Period (the “Released Class Claims”):

The members of the Settlement Class will release the Released Parties from any and all claims, rights, demands, liabilities, and causes of action of every nature and description, arising from September 18, 2021 through December 17, 2025, including any and all claims, rights, demands, liabilities and causes of action, whether known or unknown, that were asserted or that could have been asserted based on the facts alleged in the operative complaints in the Actions during the Class Period, including but not limited to, all claims under California Labor Code sections 201-203, 204, 218, 218.5, 218.6, 226, 226(a), 226.3, 226.7, 226.8, 233, 234, 246, 246.5, *et seq.*, 432.5, 450, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1197, 1198, 1199(a) and (c), 2802, 2698, *et seq.*, any applicable California Industrial Welfare Commission Wage Order, California Code of Regulations, tit. 8, § 11000 *et seq.* (including but not limited to § 11070), the California Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, *et seq.*), and any remedies for any of the claims described herein, including damages, penalties, restitution, declaratory relief, equitable or injunctive relief, interest, attorneys’ fees and costs.

- Release of Released PAGA Claims. After the Court’s judgment is final, and Defendant has paid the Gross Settlement Amount, the Aggrieved Employees shall release the Released Parties from the “Released PAGA Claims” defined as the following:

Any and all PAGA claims for civil penalties, whether known or unknown, that were asserted or that could have been asserted based on the facts alleged in the operative complaints in the Actions during any time from March 30, 2022 through December 17, 2025, including but not limited to PAGA claims premised upon violation of California Labor Code sections 201-203, 204, 218, 218.5, 218.6, 226, 226(a), 226.3, 226.7, 226.8, 233, 234, 246, 246.5, *et seq.*, 432.5, 450, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1197, 1198, 1199(a) and (c), 2802, 2698, *et seq.*, any applicable California Industrial Welfare Commission Wage Order, California Code of Regulations, tit. 8, § 11000 *et seq.* (including but not limited to § 11070), and PAGA claims premised upon violations that are otherwise covered by the Released Class Claims. The Released PAGA Claims shall be released by Plaintiffs, the State of California (including the LWDA), and all Aggrieved Employees, without any option to submit any Request for Exclusion.

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

- **Individual Class Payments.** The Settlement Administrator will calculate Individual Class Payments by (a) dividing the portion of the Net Settlement Amount allocated to the Participating Class Members by the total number of workweeks for all Participating Class Members, and (b) multiplying the result by each Participating Class Members' weeks worked.
- **Individual PAGA Payments.** The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing \$13,125.00 by the total number of workweeks for all Aggrieved Employees, and b) multiplying the result by the number of weeks worked by each individual Aggrieved Employees during the PAGA Period.
- **Disputing Weeks Worked.** The number of weeks you worked during the Class and PAGA Periods, as recorded in Defendant's records, are stated in the tables on page 2 of this Notice. You have until **INSERT DATE** (the "Response Deadline") to dispute the number of Workweeks credited to you by submitting evidence to the Settlement Administrator. Section 9 of this Notice has the Settlement Administrator's contact information.

You will need to support your dispute by producing evidence to the Settlement Administrator showing that Defendant's records are inaccurate on or before the Response Deadline.

5. HOW WILL I GET PAID?

- Individual Class and PAGA payments will be paid by check and shall be made payable to each Participating Class Member and/or Aggrieved Employee by the Settlement Administrator via regular First-Class U.S. Mail.
- **Your check will be sent to the same address as this Notice. If you change your address, notify the Settlement Administrator as soon as possible. Section 9 of this Notice has the Settlement Administrator's contact information.**

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

- You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt out of the Settlement, not later than the Response Deadline.
- If you **do not** wish to take part in the release of the Class Claims in the Settlement, you may exclude

yourself by sending to the Settlement Administrator a written “Request for Exclusion,” which must include your name, current address, current telephone number, and a statement setting forth your request to opt out of or be excluded from the Class portion of the Settlement and the Released Class Claims. Be sure to include the required information, personally sign your request, and identify the Action as *Sanchez, et al. v. Spoke Logistics, LLC*, Case No. 23-CV-035138. You must make the request yourself. If someone else makes the request for you, it will not be valid. **Send your Request for Exclusion to the Settlement Administrator by [REDACTED], 2026 (the “Response Deadline”), or it will be invalid.** Section 9 of the Notice has the Settlement Administrator’s contact information.

- Any person who submits a timely Request for Exclusion from the Class Claims (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive an Individual Class Payment; (3) will preserve the right to pursue the Released Class Claims, and (4) will not be bound by the Class Claims portion of this Settlement, or the Judgment.
- You cannot opt out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Claims remain eligible to receive an Individual PAGA Payment and will be bound by the PAGA Settlement and Judgment.

7. HOW DO I OBJECT TO THE SETTLEMENT?

- Only Participating Class Members have the right to object to the Settlement. If you wish to object to the proposed Settlement, you or your own attorney must submit a written objection and include any and all evidence and supporting papers. The Notice of Objection must include your full name, signature, address, telephone number, as well as the case name and number (*Sanchez, et al. v. Spoke Logistics, LLC*, Case No. 23-CV-035138), the basis for the objection, including any legal support and each specific reason in support of the objection, as well as any documentation or evidence in support thereof. Additionally, if you are represented by an attorney, the objection must include the name, address, and telephone number of your attorney. This objection and all supporting information must be sent to the Administrator at the address listed in Section 9, **postmarked** on or before [REDACTED], 2026.
- If you do not comply with these procedures, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. However, you have a right to appear at the Final Approval Hearing and voice your objection to the Settlement whether or not you complied with these procedures. You are still eligible to receive a settlement payment should the Settlement become Final even if you object to the Settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

8. WHEN IS THE FINAL APPROVAL HEARING?

- On [REDACTED], 2026, at ____ a.m./p.m., the Court will hold a public hearing in Department 16 of the Superior Court for the State of California, County of Alameda, 1221 Oak Street, Alameda, CA 94612, for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel’s applications for attorneys’ fees and costs, whether to approve the payments to the LWDA, and whether to approve Plaintiffs’ request for the enhancement awards. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to attend the Final Approval Hearing. It’s possible the Court will reschedule the Final Approval Hearing. You should check with the Settlement Administrator beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing if you wish to attend.

9. HOW CAN I GET MORE INFORMATION?

- If you have questions about this Notice, the process to Opt Out or Object, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you may contact the Settlement Administrator for more information or to request that a copy of this Notice be sent to you in the mail. And you may also contact Class Counsel. Contact information for both the Settlement Administrator and Class Counsel is provided here:

Administrator	Class Counsel	Defense Counsel
Name Mailing Address Telephone Number Settlement website	David R. Markham Lisa R. Brevard The Markham Law Firm 888 Prospect Street, Suite 200 La Jolla, CA 92037 Telephone: (619) 399-3995 Isam C. Khoury Michael D. Singer Maggie K. Realin Cohelan Khoury & Singer 605 C Street, Suite 200 San Diego, CA 92101 Telephone: (619) 595-3001 Walter L. Haines United Employees Law Group 8605 Santa Monica Blvd., #63354 West Hollywood, CA 90069 Telephone: (562) 256-1047 Sarkis Sirmabekian Sirmabekian Law Firm, PC 2600 W Olive Ave, Suite 549 Burbank, CA 91505 Telephone: (818) 473-5003	Paul Marron Paul Arenas Laura Theriault Marron Lawyers, APC 5000 E. Spring Street, Suite 580 Long Beach, CA 90815 Telephone: (562) 432-7422

- You may also seek advice and guidance from your own private attorney at your own expense, if you so desire.
- This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement, which is on file with the Court and attached to the Declaration of Isam Khoury in Support of Motion for Preliminary Approval of Class and Representative Action Settlement filed on DATE, 2026 and available to be inspected at any time during regular business hours at the Office of the Clerk, Alameda County Superior Court, located at 1225 Fallon Street, Oakland, CA 94612. The settlement documents may also be accessed at the Administrator's website at: .

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

- If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT B

THE MARKHAM LAW FIRM

David R. Markham (SBN 071814)

dmarkham@markham-law.com

Lisa 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 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,

Defendants.

CASE NO. 23-CV-035138

**FIRST AMENDED CLASS ACTION AND
REPRESENTATIVE ACTION COMPLAINT
FOR:**

- 1. FAILURE TO PAY MINIMUM AND
REGULAR WAGES;**
- 2. FAILURE TO PAY OVERTIME WAGES;**
- 3. FAILURE TO PROVIDE SICK PAY;**
- 4. FAILURE TO PROVIDE MEAL PERIODS;**
- 5. FAILURE TO PROVIDE REST PERIODS;**
- 6. FAILURE TO FURNISH TIMELY AND
ACCURATE WAGE STATEMENTS;**
- 7. FAILURE TO REIMBURSE BUSINESS
EXPENSES;**
- 8. FAILURE TO PAY ALL WAGES DUE
DURING EMPLOYMENT;**
- 9. FAILURE TO PAY ALL WAGES DUE AT
SEPARATION FROM EMPLOYMENT;**
- 10. UNLAWFUL DEDUCTIONS**
- 11. VIOLATION OF CALIFORNIA'S UNFAIR
COMPETITION LAW ("UCL"), Bus. & Prof.
Code §§ 17200, *et seq.***
- 12. PENALTIES PURSUANT TO LABOR CODE
§ 2699(f) FOR VIOLATIONS OF LABOR**

CODE §§ 201-203, 204, 226(a), 226.7, 233, 234,
246, 246.5, *et seq.*, 510, 512, 1174, 1198, 2802,
AND LABOR CODE § 2699(a)

UNITED EMPLOYEES LAW GROUP

Walter Haines (SBN 071075)

walter@uelglaw.com

8605 Santa Monica Blvd., #63354

West Hollywood, CA 90069

Telephone: (888) 474-7242; 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 Plaintiffs CHRISTIAN SANCHEZ, ATU AKINLABI WATSON, and TYRON WESLEY
2 MCCARTHER (“Plaintiffs”), by and through their attorneys of record, bring this Class and PAGA
3 Representative Action Complaint, on behalf of themselves and all other similarly-situated and aggrieved
4 employees of Defendant SPOKE LOGISTICS, LLC (“SPOKE” or “Defendant”). Plaintiffs hereby
5 allege, on information and belief, except for information based on personal knowledge, which
6 allegations are likely to have evidentiary support after further investigation and discovery, as follows:

7 **NATURE OF THE ACTION**

8 1. Plaintiff brings this action on behalf of themselves and a proposed Class of all Full-Time
9 Dedicated Drivers who are hired as independent contractors, or formerly were hired as independent
10 contractors, by SPOKE LOGISTICS, LLC, a Wyoming Limited Liability Company, and DOES 1
11 through 25, Inclusive (“Defendants”) (“Class Members”) from September 18, 2021 through December
12 17, 2025 (“Class Period”) for unlawful employment policies and/or practices that denied, and continue
13 to deny, proposed Class Members the wages and benefits to which they are lawfully entitled.

14 2. This proposed class action is filed on behalf of Plaintiffs and other Class Members who,
15 during the Class Period, were: (1) misclassified as independent contractors, and as a result (2), were not
16 paid wages for all hours worked by Defendants, including minimum, regular, and overtime wages
17 (Labor Code §§ 510 and 1198); (2) were not provided timely and off-duty meal periods and rest periods
18 (Labor Code §§ 226.7 and 512); (3) were not provided sick pay (Labor Code §§ 233, 234, 246, 246.5, *et*
19 *seq.*; (4) were not furnished timely and accurate wage statements (Labor Code §226 and 1174); (5) were
20 not paid all wages due upon termination of employment (Labor Code §§ 201-203); (6) were not paid all
21 wages—specifically, overtime wages to Class Members within the required time period (Labor Code §
22 204); (7) were not reimbursed for necessary expenditures and losses incurred, including internet charges
23 (Labor Code § 2802); and were subject to unlawful wage deductions.

24 3. This case is also brought as a “Representative Action” arising from Defendants’
25 violations of the Private Attorney General Act of 2004 (“PAGA”), California Labor Code sections 2698,
26 *et seq.*, and is filed on behalf of Plaintiffs and all Full-Time Dedicated Drivers who are hired as
27 independent contractors, or formerly were hired as independent contractors by, Defendants within the
28 State of California (“aggrieved employees”) during the relevant time period, defined as one (1) year

1 from the date of service of Notice on the California Labor and Workforce Development Agency
2 (“LWDA”) and on the agent for service of process of SPOKE LOGISTICS, LLC, as provided by Labor
3 Code section 2699.3(a), until commencement of trial in this matter (“PAGA Period”).

4 4. Plaintiffs bring this case as a “Representative Action” seeking penalties for the State of
5 California in a representative capacity, as provided by PAGA to the extent permitted by law, as
6 aggrieved employees who allege that Defendants violated Labor Code sections 201, 202, 203, 204, 226,
7 226.7, 233, 234, 246, 246.5, *et seq.*, 510, 512, 1174, 1198, and 2802 to which PAGA applies under
8 Labor Code section 2699.5, and seek compensation for penalties when allowed, and other relief, and
9 reasonable attorneys’ fees and costs.

10 5. On **March 30, 2023**, Plaintiff Sanchez sent notice via online filing to the California
11 LWDA and a certified letter to Defendants’ agent for service of process in California, and also to the
12 Legal Department of Defendants’ chief executive office in Rancho Santa Margarita, California. A true
13 and correct copy of Sanchez’s notice is attached hereto as **Exhibit “A”** and is incorporated herein by
14 this reference. On **August 8, 2023**, Plaintiff Watson sent notice via online filing to the California
15 LWDA and a certified letter to Defendants. On **October 2, 2024**, Plaintiffs Watson and McCarther sent
16 amended notice via online filing to the California LWDA and a certified letter to Defendants. A true and
17 correct copy of Watson and McCarther’s amended notice is attached hereto as **Exhibit “B”** and is
18 incorporated herein by this reference. The notices have been sent pursuant to Labor Code section
19 2699.3(a) of PAGA, which provides, in Subsection (2)(A): “The agency shall notify the employer and
20 the aggrieved employee or representative by certified mail that it does not intend to investigate the
21 alleged violation within 60 calendar days of the postmark date of the notice received pursuant to
22 paragraph (1). Upon receipt of that notice or if no notice is provided within 65 calendar days of the
23 postmark date of the notice given pursuant to paragraph (1), the aggrieved employee may commence a
24 civil action pursuant to Section 2699.” By serving these notices before one year from any date of
25 separation from the employer, each Plaintiff’s claim under PAGA is timely and within the applicable
26 statute of limitations.

27 6. As of the date of this complaint, the LWDA has not responded to any of Plaintiffs’
28 notices. Accordingly, Plaintiffs file this action as a “Representative Action” as provided by California

Code of Civil Procedure and as specifically permitted and authorized by Labor Code section 2699.3(a)(2)(A).

7. Plaintiffs, on behalf of themselves and other Class Member, bring this action pursuant to California Code of Civil Procedure section 1021.5; California Labor Code sections 201, 202, 203, 218, 218.5, 218.6, 226, 226.7, 246, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802; the applicable Industrial Welfare Commission (“IWC”) Wage Order(s); Business and Professions Code sections 17200, *et seq.*, 17203, and 17204, and PAGA (Labor Code §§ 2698, *et seq.*) seeking unpaid wages, liquidated damages, penalties, equitable relief, prejudgment interest, reasonable attorneys’ fees and costs, and any other relief this Court deems proper

JURISDICTION AND VENUE

8. Venue is proper in this judicial district, because upon information and belief, Plaintiffs have worked for Defendants within this judicial district. Further, Defendants conduct substantial business and commits Labor Code violations in Alameda County, California, and each Defendant is within the jurisdiction of this Court for service of process purposes. The unlawful acts alleged have a direct effect on Plaintiffs and other Class Members and aggrieved employees within the State of California and Alameda County. Defendants employ numerous independent contractors in Alameda County and surrounding counties.

9. Business and Professions Code section 17203 provides that any person who engages in unfair competition may be enjoined in any court of competent jurisdiction. Business and Professions Code section 17204 provides that any person, acting on his own behalf, may bring an action in a court of competent jurisdiction.

10. No federal question is raised and the Class Action Fairness Act (“CAFA”), 28 U.S.C. § 1332(d), does not apply, or in the alternative, local case or controversy exceptions apply and prohibit removal of this action. Based on their rate of pay, Plaintiffs’ individual claims do not meet the amount in controversy to implicate traditional diversity jurisdiction.

PARTIES

11. Plaintiff CHRISTIAN SANCHEZ is currently a resident of Hayward, California. Plaintiff has worked for Defendants as an independent contractor Full-Time Dedicated Driver, and worked for

Defendants in the Bay Area, California, from approximately July 2022 to the present.

12. Plaintiff ATU AKINLABI WATSON is a California resident. Plaintiff worked for Defendants as an independent contractor Full-Time Dedicated Driver from approximately November 2021 to October 2022.

13. Plaintiff TYRON WESLEY MCCARTHER is a California resident. Plaintiff worked for Defendants as an independent contractor Full-Time Dedicated Driver from approximately November 20, 2023 to August 9, 2024.

14. Plaintiffs are informed and believe, and on that basis allege, that SPOKE LOGISTICS, LLC is a Wyoming Limited Liability Company, which provides logistics consulting throughout all 50 states. See <https://spokelogistics.com/coverage/>.

15. Plaintiffs are informed and believe, and on that basis allege, that SPOKE LOGISTICS, LLC is, and at all relevant times alleged herein was, a Wyoming company authorized to and conducts business in California, including but not limited to Alameda County.

FACTS

16. During the relevant time periods asserted hereto, Plaintiffs, Class Members, and other aggrieved employees have been misclassified as independent contractors of Defendants within the meaning of the California Labor Code in the State of California. Plaintiffs suffered damages and legally cognizable harm due to Defendants' policies and practices and have standing to bring this case individually and as representatives for other similarly-impacted independent contractors.

17. From July 2022 to approximately April 2023, Plaintiff Sanchez worked for Defendants as a Full-Time Dedicated Driver. Plaintiff Sanchez is classified as an independent contractor.

18. From November 2021 to October 2022, Plaintiff Watson worked for Defendants as a Full-Time Dedicated Driver. Plaintiff Watson was classified as an independent contractor.

19. From November 2023 to August 2024, Plaintiff McCarther worked for Defendants as a Full-Time Dedicated Driver. Plaintiff McCarther was classified as an independent contractor.

20. Defendants provide logistics services to companies throughout the State of California and in all fifty states.

21. At all times during the relevant time periods, Defendants classified Plaintiffs and those

1 similarly situated as “independent contractors,” even though the work performed and conditions of
2 employment were that of an “employee.” Defendants are unable to provide their services without
3 delivery drivers like Plaintiffs.

4 22. Plaintiffs’ job duties required Plaintiffs to drive in a specific area for a specific company
5 who contracts with Defendants and was assigned to Plaintiffs. Plaintiffs were contracted to work five
6 days per week driving a total of 600 miles per week, for a total of 42.5 hours per week. On the sixth day,
7 Plaintiffs work an additional 8.5 hours and drives an additional 100 miles. Plaintiffs were contracted to
8 be paid \$340 per day, plus overtime for the hours worked outside of those hours. Plaintiffs have not been
9 paid any overtime compensation for such additional work.

10 23. Defendants direct and control the way the drivers perform their work, including
11 controlling their schedules, where they deliver product, and how they work.

12 24. Defendants contract with other companies, and Plaintiffs are required to follow the
13 schedule set by those companies. Plaintiffs are provided with an iPad which has their set route, which
14 tracks their route and time. Once Plaintiffs complete all of the pre-scheduled stops, more stops are
15 added, which puts undue pressure on Plaintiffs to continually work without allowing any time for them
16 to rest or take a meal break.

17 25. Plaintiffs were not allowed to deliver for other companies while actively delivering for
18 Defendants, or else they could be fined.

19 26. During the relevant time periods, Defendants failed to pay Plaintiffs, Class Members, and
20 other aggrieved employees for all hours worked. Plaintiffs are not paid any compensation outside of
21 \$340 per day, regardless of how many stops are put on their schedule. They must complete their route
22 before they can stop working for the day.

23 27. Defendants failed to keep track of Plaintiffs’, Class Members’, and other aggrieved
24 employees’ actual hours worked. Defendants rounded time entries and therefore the Drivers’ pay was
25 inaccurate.

26 28. Defendants failed to pay Plaintiffs, Class Members, and other aggrieved employees for
27 their actual travel time and expense. Defendants would “fix” the mileage and not allow Plaintiffs to
28 know true payment amounts. Plaintiffs often drove over 500 miles and was given partial payment or no

1 payment at all.

2 29. While misclassified as independent contractors, Plaintiffs were frequently not provided or
3 allowed to take a thirty (30) minute, uninterrupted, off-duty meal break. Moreover, Plaintiffs, Class
4 Members, and other aggrieved employees often worked in excess of ten (10) hours without a second
5 thirty (30) minute meal break.

6 30. Additionally, for the same reasons as above, Defendants intentionally and improperly
7 denied and failed to permit and authorize duty-free rest periods during the applicable time periods.

8 31. While misclassified as independent contractors, Plaintiffs were not provided sick pay in
9 the amounts mandated by California law. Due to Defendants' misclassification of Plaintiffs, Class
10 Members, and other aggrieved employees as independent contractors, sick pay or paid time off was not
11 provided. If Plaintiffs needed to take a sick day, it went unpaid.

12 32. Further, during the relevant time periods, Defendants failed to reimburse Plaintiffs, Class
13 Members, and other aggrieved employees for the business expenses they incurred. These business
14 expenses include, but are not limited to, cargo insurance, commercial insurance, fuel, maintenance,
15 DMV fees, personal cell phone use and other payments.

16 33. Defendants made numerous unlawful deductions from Plaintiffs', Class Members', and
17 other aggrieved employees' wages including deductions entitled "INSEL," "OF FEE," "Insurance
18 Processing Fee," "Wesco OccAcc," and "CMS Setup Fee."

19 34. By virtue of misclassifying Class Members and aggrieved employees as independent
20 contractors, Defendants knowingly and intentionally omitted required information from the wage
21 statements of Plaintiffs, Class Members, and other aggrieved employees. For instance, the wage
22 statements issued to Plaintiffs, Class Members, and other aggrieved employees failed to itemize the
23 number of minimum, regular, and overtime hours worked during the pay period, the meal and rest break
24 premiums, sick pay accrued, and the rate of pay owed to Plaintiffs, Class Members, and other aggrieved
25 employees, among other required information. As a result, Plaintiffs, Class Members, and other
26 aggrieved employees' wage statements were inaccurate, in violation of Labor Code section 226(a).

27 35. Further, as a result of Defendants' failure to pay Plaintiffs, Class Members, and other
28 aggrieved employees for all hours worked including overtime, Defendants failed to pay Plaintiffs, Class

1 Members, and other aggrieved employees' wages within the time periods prescribed by Labor Code
2 section 204.

3 36. As a result of Defendants' failure to pay Plaintiffs, Class Members, and aggrieved
4 employees for all hours worked, including overtime, Defendants failed to pay all wages due upon
5 separation of employment in violation of Labor Code sections 201-203, and the former Class Members
6 and aggrieved employees of Defendants are entitled to waiting time penalties.

7 37. In addition, Plaintiffs, Class Members, and other aggrieved employees have incurred
8 necessary expenditures and losses in direct consequence of the discharge of their employment duties and
9 their obedience to the directions of Defendants. Expenses include, but are not limited to, cargo
10 insurance, commercial insurance, fuel, maintenance, DMV fees, and personal cell phone use.
11 Defendants failed to reimburse Plaintiff, Class Members, and other aggrieved employees for those
12 expenses, in violation of Labor Code section 2802.

13 38. Upon information and belief, the above-mentioned unlawful employment practices by
14 Defendants were applied the same to all Full-Time Dedicated Drivers of Defendants in the State of
15 California.

16 39. Defendants' policies and/or practices and/or other unlawful conduct resulted in
17 Defendants' failure to: (1) timely pay Plaintiffs all minimum, regular and overtime wages for all hours
18 worked, in violation of Labor Code sections 201-203, 510, 1198; (2) provide Plaintiffs, Class Members,
19 and other aggrieved employees with timely and duty-free meal and rest periods in violation of Labor
20 Code sections 226.7 and 512; (3) were not provided sick pay (Labor Code §§ 233, 234, 246, 246.5, *et*
21 *seq.*; (4) provide Plaintiffs, Class Members, and other aggrieved employees with correctly itemized
22 wage statements in violation of Labor Code sections 226(a) and 1174; (5) timely provide Plaintiffs,
23 Class Members, and other aggrieved employees with all wages owed, in violation of Labor Code section
24 204; (6) pay all wages—specifically, overtime wages to employees within the required time period as
25 specified in Labor Code section 204; (7) reimburse Plaintiffs, Class Members, and other aggrieved
26 employees for necessary expenditures and losses occurred in violation of California Labor Code section
27 2802; and unlawful wage deductions. As a result, Defendants violated California Labor Code sections
28 201, 202, 203, 204, 226(a), 226.7, 233, 234, 246, 246.5, *et seq.*, 510, 512, 1174, 1198, and 2802, to

which penalties under PAGA apply pursuant to California Labor Code section 2699.5.

CLASS DEFINITIONS AND CLASS ALLEGATIONS

40. Plaintiffs bring this action on behalf of themselves and on behalf of all others similarly situated, and as members of the Class they seek to represent. The Class is defined as:

All current and former Drivers who performed work for Defendants in California during the time period September 18, 2021 through December 17, 2025 ("Class Period").

41. Plaintiffs further seek to represent the following subclasses:

Minimum Wages Subclass

All members of the Class who, during the Class Period, worked at least one shift less than eight hours in a workday and/or worked less than 40 hours during the workweek.

Overtime Wages Subclass

All members of the Class who, during the Class Period, worked at least one shift longer than eight hours in a workday and/or worked more than 40 hours during the workweek.

Sick Pay Subclass

All members of the Class who, during the Class Period, who were eligible to accrue or be paid sick pay wages.

Meal Period Subclass

All members of the Class who, during the Class Period, worked at least one shift longer than five hours in a workday, or one shift longer than ten hours in a workday.

Rest Period Subclass

All members of the Class who, during the Class Period, worked at least one shift longer than three and a half hours in a workday.

Wage Statement Subclass

All members of the Class who received one or more itemized wage statements during the one year preceding the filing of this Complaint.

Expense Reimbursement Subclass

All members of the Class who, during the Class Period, incurred business expenses.

Wage Deduction Subclass

All members of the Class who, during the Class Period, were subject to unlawful wage deductions.

Waiting Time Penalties Subclass

All members of the Class whose employment ended any time during the three years preceding the filing of this Complaint.

UCL Subclass

All members of the Class and Subclass who, during the Class Period, who were subject to Defendants' unlawful or unfair business acts or practices.

1 42. Plaintiffs reserve the right to amend or otherwise alter the class definition, or to propose
2 or eliminate subclasses, in response to facts learned through discovery, legal arguments advanced by
3 Defendants or otherwise.

4 43. This action has been brought and may be properly maintained as a class action pursuant
5 to the provisions of Code of Civil Procedure section 382 and other applicable law.

6 44. **Numerosity of the Class:** Pursuant to Code of Civil Procedure section 382, members of
7 the Class are so numerous that their individual joinder is impracticable. Plaintiffs estimate, on
8 information and belief, that there are several hundred current and former Drivers of Defendants in
9 California during the Class Period. The precise number of Class Members and their addresses are
10 known to Plaintiffs or will be known to Plaintiffs through discovery. Class Members may be notified of
11 the pendency of this action by mail, electronic mail, the Internet, or published notice.

12 45. **Existence of Predominance of Common Questions of Law and Fact:** Pursuant to
13 Code of Civil Procedure section 382, common questions of law and fact and common answers exist as
14 to all members of the Class. These questions predominate over any questions affecting only individual
15 Class Members. These common legal and factual questions and answers include:

- 16 a. Whether Defendant misclassified Class members as independent contractors;
- 17 b. Whether members of the Class were not paid all wages owed to them, including
18 minimum, regular, and overtime wages, and at the correct rate;
- 19 c. Whether Defendants violated Labor Code section 246 regarding paid sick leave;
- 20 d. Whether Defendants violated Labor Code section 226.7 and engaged in a pattern or
21 practice of failing to provide timely, off-duty ten (10) minute meal periods to Plaintiffs
22 and members of the Class;
- 23 e. Whether Defendants violated Labor Code sections 226.7 and/or 512 and engaged in a
24 pattern or practice of failing to provide timely, off-duty thirty (30) minute meal periods
25 to Plaintiffs and members of the Class;
- 26 f. Whether Defendants engaged in a pattern or practice of impeding Plaintiffs and the
27 members of the Class from taking statutory off-duty thirty (30) minute meal periods on a
28 timely basis;

- 1 g. Whether Defendants engaged in a pattern or practice of failing to properly compensate
2 Plaintiffs and the members of the Class for missed, untimely or on-duty meal periods as
3 required by California law;
- 4 h. Whether Defendants violated the applicable California Industrial Welfare Commission
5 Order by failing to provide Plaintiffs and the members of the Class with timely off-duty
6 thirty (30)-minute meal periods;
- 7 i. Whether Defendants failed to compensate, and therefore violated Labor Code sections
8 226(a) and 226.7 and the applicable Industrial Wage Order by failing to provide ten (10)
9 minute, uninterrupted rest periods as contemplated by California law for work periods in
10 excess of three and one-half (3 ½) hours;
- 11 j. Whether Defendants engaged in a pattern or practice of failing to properly compensate
12 Plaintiffs and the members of the Class for failing to provide ten (10)-minute,
13 uninterrupted rest periods as contemplated by California law for work periods in excess
14 of three and one-half (3 ½) hours;
- 15 k. Whether members of the Class were not provided with accurate wage statements as
16 required by Labor Code section 226;
- 17 l. Whether members of the Class were provided with wage statements in violation of Labor
18 Code section 226, where the wage statements fail to identify and distinguish between
19 meal and rest break premium payments;
- 20 m. Whether Defendants violated Labor Code section 2802 by failing to reimburse Plaintiffs
21 and Class Members incurred necessary business expenses;
- 22 n. Whether Defendants made unlawful deductions from Plaintiffs' and members of the
23 Class' wages;
- 24 o. Whether Defendants engaged in unfair practices and violated California Business &
25 Professions Code section 17200 by failing to provide Plaintiffs and the members of the
26 Class with their statutory off-duty meal and rest periods on a timely basis;
- 27 p. Whether Defendants engaged in unfair practices and violated California Business &
28 Professions Code section 17200 by failing to pay Plaintiffs and the members of the Class

- 1 for all time worked, and failing to provide meal and rest periods nor pay premiums;
- 2 q. Whether Defendants maintained accurate time records of off-duty thirty (30)-minute
- 3 meal breaks taken by Plaintiffs and members of the Class in accordance with the
- 4 applicable Industrial Wage Order;
- 5 r. Whether Defendants violated Labor Code section 226(a) by issuing inaccurate itemized
- 6 wage statements to Plaintiffs and members of the Class that failed to include payments
- 7 for missed, untimely, and/or on-duty meal periods among wages earned throughout the
- 8 Class Period;
- 9 s. Whether Defendants violated Labor Code section 226(a) by issuing inaccurate itemized
- 10 wage statements to Plaintiffs and members of the Class that failed to include payment for
- 11 all hours worked;
- 12 t. Whether Defendants violated Labor Code section 226(a) by issuing inaccurate itemized
- 13 wage statements to Plaintiffs and members of the Class that failed to accurately state the
- 14 total hours worked, to the detriment of Plaintiffs and the Class;
- 15 u. Whether Defendants violated Labor Code section 1197 due to failure to compensate
- 16 Plaintiffs and members of the Class for those acts Defendants required Plaintiffs and
- 17 members of the Class to perform for the benefit of Defendants;
- 18 v. Whether Defendants violated Labor Code sections 201-203 by failing to pay all wages
- 19 due upon termination to all Class Members who were terminated or voluntarily quit; and
- 20 w. The nature and extent of class-wide injury and the measure of damages or restitution.

21 46. **Typicality:** Plaintiffs' claims are typical of the claims of the members of the Class they

22 seek to represent because Plaintiffs, as misclassified drivers who performed work for Defendants, were

23 exposed and subjected to the same unlawful business practices as other employees employed by

24 Defendants during the Class Period. Plaintiffs and the members of the Class they seek to represent

25 sustained the same types of damages and losses.

26 47. **Adequacy:** Plaintiffs are adequate representatives of the Class they seek to represent

27 because their interests do not conflict with the interests of the members of the Class Plaintiffs seek to

28 represent. Plaintiffs have retained counsel competent and experienced in complex class action litigation

1 and Plaintiffs intend to prosecute this action vigorously. The interests of the members of the Class will
2 be fairly and adequately protected by Plaintiffs and their counsel.

3 48. **Superiority and Substantial Benefit:** The class action is superior to other available
4 means for the fair and efficient adjudication of Plaintiffs' and the Class Members' claims. The damages
5 suffered by each individual Class Member may be limited. Damages of such magnitude are small given
6 the burden and expense of individual prosecution of the complex and extensive litigation necessitated
7 by Defendants' conduct. Further, it would be virtually impossible for the Class Members to redress the
8 wrongs done to them on an individual basis. Even if members of the Class themselves could afford such
9 individual litigation, the court system could not. Individualized litigation increases the delay and
10 expense to all parties and the court system due to the complex legal and factual issues of the case. By
11 contrast, the class action device presents far fewer management difficulties and provides the benefits of
12 single adjudication, economy of scale, and comprehensive supervision by a single court.

13 49. The Class should also be certified because:

- 14 a. The prosecution of separate actions by individual members of the Class would create a
15 risk of inconsistent or varying adjudications with respect to individual Class Members
16 which would establish incompatible standards of conduct for Defendants;
- 17 b. The prosecution of separate actions by individual members of the Class would create a
18 risk of adjudication with respect to them, which would, as a practical matter, be
19 dispositive of the interests of the other Class Members not parties to the adjudications, or
20 substantially impair or impede their ability to protect their interests; and
- 21 c. Defendants have acted or refused to act on grounds generally applicable to the Class,
22 and/or the general public, thereby making appropriate final and injunctive relief with
23 respect to the Class as a whole.

24 **CAUSES OF ACTION**

25 **FIRST CAUSE OF ACTION**

26 **FAILURE TO PAY MINIMUM AND REGULAR WAGES** 27 **(California Labor Code §§ 218, 218.5, 218.6, 1194, 1194.2, 1197, 1197.1, 1198)** 28 **(Against all Defendants)**

50. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

1 51. Labor Code section 1194, subdivision (a) provides: “Notwithstanding any agreement to
2 work for a lesser wage, any employee receiving less than the legal minimum wage... is entitled to
3 recover in a civil action the unpaid balance of the full amount of this minimum wage... including
4 interest thereon, reasonable attorney’s fees, and costs of suit.”

5 52. Labor Code section 1194.2 states: “In any action under Section 1193.6 or Section 1194 to
6 recover wages because of the payment of a wage less than the minimum wage fixed by an order of the
7 commission, an employee shall be entitled to recover liquidated damages in an amount equal to the
8 wages unlawfully unpaid and interest thereon. Nothing in this subdivision shall be construed to
9 authorize the recovery of liquidated damages for failure to pay overtime compensation.”

10 53. Labor Code section 1197 states: “The minimum wage for employees fixed by the
11 commission is the minimum wage to be paid to employees, and the payment of a wage less than
12 minimum wage so fixed is unlawful.”

13 54. Pursuant to Labor Code section 1198, it is unlawful to employ persons for longer than the
14 hours set by the Industrial Welfare Commission or under conditions prohibited by the IWC Wage
15 Order(s).

16 55. Labor Code section 218 provides, in pertinent part, that “[n]othing in this article
17 [California Labor Code, Division 2, Part 1, Chapter 1 – Payment of Wages, Article 1] shall limit the
18 right of any wage claimant to sue directly or through an assignee for any wages or penalty due to them
19 under this article.”

20 56. At all relevant times, California Labor Code sections 1194, 1197, and 1197.1 provide for
21 payment of not less than a minimum wage to employees, and the payment of a lesser wage than the
22 minimum so fixed is unlawful.

23 57. Pursuant to the IWC Wage Order(s), Defendants are required to pay Class Members for
24 all hours worked, meaning the time during which an employee is subject to the control of an employer,
25 including all the time the employee is suffered or permitted to work, whether or not required to do so.

26 58. As set forth herein, Defendants willfully breached their obligation and failed to pay
27 Plaintiffs, Class Members, and the Minimum Wages Subclass all minimum and regular wages for all
28 hours worked all in violation of the Labor Code and the applicable Wage Order.

59. Defendants also subjected Plaintiffs and other Class Members to an unlawful rounding policy. This policy was not neutral in application or on its face, and over time resulted in a loss of wages to Plaintiffs and other Class Members. As a result of this rounding policy, Defendants failed to pay Plaintiffs and other Class Members all minimum and regular wages for time spent working.

60. As a result of the unlawful acts of Defendants, Plaintiffs, and the Class and Minimum Wage Subclass they seek to represent, have been deprived of minimum and regular wages and/or other compensation in amounts to be determined at trial, and are entitled to recovery of such amounts, plus interest thereon, liquidated damages in an amount equal to the wages unlawfully unpaid, attorneys' fees, and costs to the fullest extent permitted by law.

61. Plaintiffs and the Class they seek to represent request relief as described below.

SECOND CAUSE OF ACTION
FAILURE TO PAY OVERTIME WAGES
(California Labor Code §§ 510 and 1198)
(Against all Defendants)

62. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

63. Labor Code section 510 provides in pertinent part: "Eight hours of labor constitutes a day's work. Any work in excess of 8 hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee."

64. Pursuant to the IWC Wage Order(s), an employer may not pay non-exempt employees less than the applicable overtime rate for all overtime hours worked.

65. As set forth herein, Defendants willfully breached their obligations to pay Plaintiffs, Class Members, and Overtime Wages Subclass Members all overtime wages for all overtime worked all in violation of Labor Code sections 510 and 1198, and the applicable Wage Order.

66. Additionally, for some shifts that would have required payment of overtime due to hours

1 actually worked, Defendants rounded to their benefit and thus failed to pay all overtime wages otherwise
2 due.

3 67. As a result of the unlawful acts of Defendants, Plaintiffs, and the Class and Overtime
4 Wages Subclass they seek to represent, have been deprived of overtime wages and/or other
5 compensation in amounts to be determined at trial, and are entitled to recovery of such amounts, plus
6 interest thereon, attorneys' fees, and costs.

7 68. Plaintiffs and the Class they seek to represent request relief as described below.

8 **THIRD CAUSE OF ACTION**
9 **FAILURE TO PROVIDE SICK PAY**
10 **(California Labor Code §§ 233, 234, 246, 246.5, *et seq.*)**
11 **(Against all Defendants)**

12 69. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

13 70. Labor Code section 246 grants the right to employees to paid sick days. Specifically, Cal.
Labor Code section 246(b) states that:

14 (1) An employee shall accrue paid sick days at the rate of not less than one hour
15 per every 30 hours worked, beginning at the commencement of employment or
16 the operative date of this article, whichever is later, subject to the use and accrual
limitations set forth in this section.

17 (2) An employee who is exempt from overtime requirements as an administrative,
18 executive, or professional employee under a wage order of the Industrial Welfare
19 Commission is deemed to work 40 hours per workweek for the purposes of this
section, unless the employee's normal workweek is less than 40 hours, in which
case the employee shall accrue paid sick days based upon that normal workweek.

20 (3) An employer may use a different accrual method, other than providing one
21 hour per every 30 hours worked, provided that the accrual is on a regular basis so
22 that an employee has no less than 24 hours of accrued sick leave or paid time off
by the 120th calendar day of employment or each calendar year, or in each 12-
23 month period, and no less than 40 hours of accrued sick leave or paid time off by
the 200th calendar day of employment or each calendar year, or in each 12-month
period.

24 (4) An employer may satisfy the accrual requirements of this section by providing
25 not less than 24 hours or 3 days of paid sick leave that is available to the
employee to use by the completion of the employee's 120th calendar day of
26 employment, and no less than 40 hours or 5 days of paid sick leave that is
available to the employee to use by the completion of the employee's 200th
27 calendar day of employment.

28 ///

1 71. Labor Code section 246(i) further requires that an employer provide employees written
2 notice setting forth the amount of paid sick leave available either on an employee's wage statement
3 pursuant to Section 226 or in a separate writing on the designated pay date.

4 72. As described herein Defendants wholly failed to provide sick pay as required by Cal.
5 Lab. Code section 246. Defendants also did not provide Plaintiffs and other Class Members the proper
6 written notice containing the correct amount of paid sick leave.

7 73. As a result of the unlawful acts of Defendants, Plaintiffs, and the Class and Sick Pay
8 Subclass they seek to represent, have suffered and continue to suffer substantial injuries, losses and
9 actual damages related to Defendants' violations, including lost wages, lost interest on such wages, and
10 expense and attorney's fees in seeking to compel Defendants to fully perform their obligations.

11 74. Plaintiffs and the Class they seek to represent request relief as described below.

12 **FOURTH CAUSE OF ACTION**
13 **FAILURE TO PROVIDE MEAL PERIODS**
14 **(California Labor Code §§ 226.7, 512)**
 (Against all Defendants)

15 75. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

16 76. At all relevant times, Plaintiffs and all other members of the Class were employees of
17 Defendants covered by Labor Code sections 226.7 and 512, and the applicable Wage Order.

18 77. Labor Code section 226.7 provides as follows:

19 (b) An employer shall not require any employee to work during any meal or
20 rest... period mandated pursuant to... an applicable... order of the Industrial
Welfare Commission.

21 (c) If an employer fails to provide an employee a meal period or rest... period in
22 accordance with an applicable order of the Industrial Welfare Commission..., the
23 employer shall pay the employee one additional hour of pay at the employee's
regular rate of compensation for each work day that the meal period or rest...
period is not provided.

24 78. Labor Code section 512(a) provides as follows:

25 An employer shall not employ an employee for a work period of more than five
26 hours per day without providing the employee with a meal period of not less than
27 30 minutes, except that if the total work period per day of the employee is no
28 more than six hours, the meal period may be waived by mutual consent of both
the employer and employee. An employer shall not employ an employee for a
work period of more than 10 hours per day without providing the employee with a
second meal period of not less than 30 minutes, except that if the total hours

1 worked is no more than 12 hours, the second meal period may be waived by
2 mutual consent of the employer and the employee only if the first meal period was
not waived.

3 79. Section 11(A) of the applicable Wage Order provides, in pertinent part: “No employer
4 shall employ any person for a work period of more than five (5) hours without a meal period of not less
5 than 30 minutes...”

6 80. Section 11(B) of the applicable Wage Order provides, in pertinent part: “An employer
7 may not employ an employee for a work period of more than ten (10) hours per day without providing
8 the employee with a second meal period of not less than 30 minutes...”

9 81. As set forth herein, as a result of misclassifying Drivers as independent contractors,
10 Defendants failed to provide members of the Meal Period Subclass with compliant meal periods as
11 provided in Labor Code sections 226.7 and 512, and failed to pay them the additional pay at the
12 employee’s regular rate of compensation for each work day in lieu of providing off-duty meal period(s).

13 82. Defendants’ policies are non-compliant because they do not provide duty-free and
14 uninterrupted meal periods of at least thirty minutes. Defendants’ policies further failed to provide for
15 premium wages in lieu of lawful meal periods.

16 83. As a result of Defendants’ failure to comply with their obligations under Labor Code
17 sections 226.7 and 512, and the applicable Wage Order, Plaintiffs, and the Class and Meal Period
18 Subclass they seek to represent, have suffered damages in an amount, subject to proof, to the extent they
19 were not paid additional pay owed for the Defendants’ failure to provide meal periods as required by the
20 law.

21 84. Plaintiffs, and the Class and Meal Period Subclass they seek to represent, are entitled to
22 recover the full amount of their unpaid additional pay for Defendants’ failure to provide statutory meal
23 periods as required by law. Pursuant to Labor Code section 218.6, Plaintiff and other members of the
24 Meal Period Subclass are entitled to recover prejudgment interest on the amount of the additional pay
25 owed.

26 85. Plaintiffs and the Class they seek to represent request relief as described below.

27 ///

28 ///

**FIFTH CAUSE OF ACTION
FAILURE TO PROVIDE REST PERIODS
(California Labor Code § 226.7)
(Against all Defendants)**

86. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

87. At all relevant times, Plaintiffs and all other members of the Class were employees of Defendants covered by Labor Code section 226.7 and the applicable Wage Order.

88. Labor Code section 226.7 provides as follows:

(b) An employer shall not require any employee to work during any meal or rest... period mandated pursuant to... an applicable... order of the Industrial Welfare Commission.

(c) If an employer fails to provide an employee a meal period or rest... period in accordance with an applicable order of the Industrial Welfare Commission..., the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each work day that the meal period or rest... period is not provided.

89. Labor Code section 1198 states: "The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful."

90. Section 12(A) of the applicable Wage Order provides, in pertinent part:

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

91. Section 12(B) of the applicable wage order provides, in pertinent part: "If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided."

92. As set forth herein, as a result of misclassifying Drivers as independent contractors, Defendants failed to provide members of the Rest Period Subclass with compliant rest periods as provided in Labor Code section 226.7 and failed to pay them the additional pay at the employee's

1 regular rate of compensation for each work day in lieu of providing timely, off-duty rest period(s).
2 Defendants' policies are non-compliant because, among other reasons, they fail to state employees are
3 entitled to timely off-duty paid rest periods of at least ten minutes as required by law. Defendants'
4 policies further required their employees to remain on duty during part or all of the rest period.
5 Defendants' policies further failed to provide for premium wages in lieu of lawful rest periods.

6 93. As a result of Defendants' failure to comply with their obligations under Labor Code
7 section 226.7 and the applicable Wage Order, Plaintiffs, and the Class and Rest Period Subclass they
8 seek to represent, have suffered damages in an amount, subject to proof, to the extent they were not paid
9 additional pay owed for the Defendants' failure to provide rest periods as required by the law.

10 94. At all times, Defendants engaged Plaintiffs without having any policy to provide
11 compliant rest periods in the manner required by law, nor did the Defendants provide one hour of pay in
12 lieu of non-compliant rest periods.

13 95. Plaintiffs, and the Class and Rest Period Subclass they seek to represent, are entitled to
14 recover the full amount of their unpaid additional pay for Defendants' failure to provide statutory rest
15 periods as required by law. Pursuant to Labor Code section 218.6, Plaintiffs and other members of the
16 Rest Period Subclass are entitled to recover prejudgment interest on the amount of the additional pay
17 owed.

18 96. Plaintiffs and the Class they seek to represent request relief as described below.

19 **SIXTH CAUSE OF ACTION**
20 **FAILURE TO FURNISH TIMELY AND ACCURATE WAGE STATEMENTS**
21 **(California Labor Code §§ 226, 245-248.5)**
22 **(Against all Defendants)**

23 97. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

24 98. Labor Code section 226, subdivision (a) requires Defendants to itemize in wage
25 statements all deductions from payment of wages and to accurately report total hours worked by
26 Plaintiffs and Class Members. Defendants have knowingly and intentionally failed to comply with Labor
27 Code section 226, subdivision (a) on each and every wage statement that should have been provided to
28 Plaintiffs and Class Members.

99. Labor Code section 1174 requires Defendants to maintain and preserve, in a centralized

1 location, among other items, records showing the names and addresses of all employees employed,
2 payroll records showing the hours worked daily by, and the wages paid to, their employees. Defendants
3 have knowingly and intentionally failed to comply with Labor Code section 1174.

4 100. Section 7 of the applicable Wage Order requires Defendants to maintain time records
5 showing, including but not limited to, when the employee begins and ends each work period, meal
6 periods, and total daily hours worked in itemized wage statements, and must show all deductions from
7 payment of wages, and accurately report total hours worked by Plaintiffs and Class Members.

8 101. As set forth herein, as a result of misclassifying Drivers as independent contractors,
9 Defendants failed provide accurate itemized wage statements reflecting all of the required information,
10 including but not limited to gross wages earned, net wages earned, the name and address of the
11 employer, the total hours worked, all applicable rates of pay and the total number of hours worked at
12 each rate, all deductions, the last four digits of the social security number and/or the employee ID
13 number of the employee, and the inclusive dates of the pay period, all in violation of Labor Code section
14 226.

15 102. Plaintiffs and members of the Wage Statement Subclass suffered injuries as a result of
16 Defendants' intentional and knowing failure to provide to Plaintiffs and the Class Members accurate
17 wage statements and to maintain the writings required by Labor Code section 226(a).

18 103. As a result of the unlawful acts of Defendants, Plaintiff, and the Class and Wage
19 Statement Subclass they seek to represent, have suffered and continue to suffer substantial injuries,
20 losses and actual damages related to Defendants' violations, including lost wages, lost interest on such
21 wages, and expense and attorney's fees in seeking to compel Defendants to fully perform their
22 obligations.

23 104. Plaintiffs and the Class they seek to represent request relief as described below.

24 **SEVENTH CAUSE OF ACTION**
25 **FAILURE TO REIMBURSE INCURRED NECESSARY BUSINESS EXPENSES**
26 **(California Labor Code §§ 2800, 2802, *et seq.*)**
(Against all Defendants)

27 105. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

28 106. California Labor Code section 2802 requires employers to indemnify their employees for

1 expenses and losses incurred while discharging their duties or in obedience to the directions of their
2 employer.

3 107. California Labor Code section 2804 mandates that this statutory right cannot be waived.

4 108. As set forth herein, as a result of misclassifying Drivers as independent contractors,
5 Defendants failed to properly reimburse and indemnify Plaintiffs and members of the Expense
6 Reimbursement Subclass for all necessary expenditures or losses incurred by the Plaintiffs and members
7 of the Expense Reimbursement Subclass in direct consequence of the discharge of their duties.

8 109. Plaintiffs and members of the Expense Reimbursement Subclass incurred losses in
9 obedience to the directions of Defendants. This included cargo insurance, commercial insurance, fuel,
10 maintenance, DMV fees, personal cell phone use, and other payments. Defendants maintained no policy
11 of reimbursement of such expenses and refused to reimburse said expenses even though the employer
12 knew of, and expected, that these expenses would be incurred, for the benefit of the company.

13 110. As a direct result of Defendants' violation of California Labor Code section 2802,
14 Plaintiffs, and the Class and Reimbursement Subclass they seek to represent, suffered unpaid expenses,
15 the use and enjoyment of monies owed, lost interest on monies owed, and attorneys' fees in an amount
16 to be proven at the time of trial.

17 111. Defendants derive an unjust and inequitable economic benefit in failing to comply with
18 the law regarding indemnification and reimbursement of employees. For Defendants' violations of
19 California Labor Code section 2802, Plaintiffs are entitled to and hereby seek back-owed reimbursement
20 of expenses, interest, statutory and equitable attorneys' fees, costs, and applicable penalties in an amount
21 to be proven at trial.

22 112. Plaintiffs and the Class they seek to represent request relief as described below.

23 **EIGHTH CAUSE OF ACTION**
24 **FAILURE TO PAY ALL WAGES DUE DURING EMPLOYMENT**
25 **(California Labor Code §§ 204, 210)**
(Against all Defendants)

26 113. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

27 114. Labor Code section 204 requires all wages earned for labor in excess of the normal work
28 period shall be paid no later than the payday for the next regular payroll period. Alternatively, Labor

1 Code section 204 provides that the requirements of this section are deemed satisfied by the payment of
2 wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar
3 days following the close of the payroll period. Defendants failed to pay Plaintiffs and Class Members all
4 wages due to them within the time period specified by Section 204.

5 115. As a result of misclassifying Drivers as independent contractors, Defendants failed to
6 timely pay all wages owed to Plaintiffs, and the Class they seek to represent, including minimum and
7 regular wages, and overtime wages when applicable, when they performed work for Defendants,
8 including when they worked through meal breaks. As such, they were not paid all wages owed during
9 employment.

10 116. Therefore, Plaintiffs and Class Members are entitled to penalties pursuant to Labor Code
11 section 210 as follows: (1) for Defendants' initial violation, \$100 for each failure to pay each Class
12 Member; and (2) for each of Defendants' subsequent violations, or any willful or intentional violation,
13 \$200 for each failure to pay each Class Member, plus 25 percent of the amount unlawfully withheld

14 117. Plaintiffs and the Class they seek to represent request relief as described below.

15 **NINTH CAUSE OF ACTION**
16 **FAILURE TO PAY ALL WAGES DUE UPON TERMINATION**
17 **(California Labor Code §§ 201-203)**
(Against all Defendants)

18 118. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

19 119. Labor Code sections 201 and 202 require Defendants to pay employees all wages due no
20 later than 72 hours after resignation from employment, or immediately in the case of discharge by the
21 employer. Labor Code section 203 provides that if an employer willfully fails to timely pay such wages,
22 then the employer must, as a penalty, continue to pay the subject employees' wages until the back wages
23 are paid in full or an action is commenced. The penalty cannot exceed 30 days of wages.

24 120. As a result of misclassifying Drivers as independent contractors, Defendants willfully
25 failed to timely pay wages to employees who were voluntarily and/or involuntarily terminated from their
26 employment within the time requirements set forth in Cal. Labor Code sections 201 to 202. Plaintiffs are
27 informed and believe that Defendants' pay practices are continuing such that current employees are not
28 being timely paid wages as they work in violation of law.

1 121. More than 30 days have passed since members of the Waiting Time Penalties Subclass
2 have left Defendants' employ.

3 122. As set forth herein, Plaintiffs and the proposed Waiting Time Penalties Subclass are
4 entitled to compensation for unpaid minimum, regular, overtime, and sick pay, and premium wages for
5 non-compliant meal and rest periods but to date have not received such compensation.

6 123. As a consequence of Defendants' willful conduct in not paying wages owed, certain
7 members of the Class are entitled to 30 days' wages as a penalty under Labor Code section 203 for
8 failure to pay legal wages, with interest and attorneys' fees and costs.

9 124. Plaintiffs and the Class they seek to represent request relief as described below.

10 **TENTH CAUSE OF ACTION**
11 **UNLAWFUL WAGE DEDUCTIONS**
12 **(California Labor Code §§ 221 and 224)**
13 **(Against all Defendants)**

14 125. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

15 126. California Labor Code sections 221 and 224 provide that an employer may only lawfully
16 withhold amounts from an employee's wages when (1) required or empowered to do so by state or federal
17 law; (2) when a deduction is expressly authorized in writing by the employee to cover insurance premiums,
18 benefit plan contributions, or other deductions not amounting to a rebate on the employee's wages; or (3)
19 when a deduction to cover health, welfare or pension contributions is expressly authorized by a wage or
20 collective bargaining agreement.

21 127. As set forth herein, Defendants made unlawful deductions from Plaintiffs', Class
22 Members', and Wage Deduction Subclass Members' paychecks during the Class Period, including but
23 not limited to, wage deductions entitled "INSEL," "OF FEE," "Insurance Processing Fee," "Wesco
24 OccAcc," and "CMS Setup Fee" in violation of Labor Code sections 221-224.

25 128. Pursuant to California Labor Code sections 218, 218.5, and 218.6, Plaintiffs, and the Class
26 and Wage Deduction Subclass they seek to represent, are entitled to payment of unpaid wages or
27 compensation, including interest thereon, as well as reasonable attorney's fees, and costs of suit.

28 129. Plaintiffs and the Class they seek to represent request relief as described below.

///

ELEVENTH CAUSE OF ACTION
VIOLATION OF CALIFORNIA'S UNFAIR COMPETITION LAW
(California Labor Code §§ 17200, *et seq.*)
(Against all Defendants)

130. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

131. The failure to pay minimum, regular, overtime wages, sick pay, meal and rest period premiums, and reimburse expenses, as well as unlawful wage deductions, caused by Defendants' systematic and routine conduct constituted unlawful, deceptive, and unfair business acts and/or practices within the meaning of Business and Professions Code sections 17200, *et seq.*, including but not limited to a violation of the applicable State of California Industrial Welfare Commission Wage Orders, regulations and statutes, or is a practice which is otherwise unfair, deceptive, and unlawful.

132. This cause of action is brought under Business and Professions Code sections 17203 and 17204, commonly called the Unfair Competition Law. Under this cause of action and pursuant to Business and Professions Code section 17208, Plaintiffs and members of the proposed UCL Subclass seek restitution of premium wages and other pay owed, where such wages were due during the Class Period, according to proof.

133. This cause of action is brought as a cumulative remedy as provided in Business and Professions Code section 17205, and is intended as an alternative remedy for restitution for Plaintiffs, the "Minimum Wages Subclass," the "Overtime Wages Subclass," the "Sick Pay Subclass," the "Meal Period Subclass," the "Rest Period Subclass," the "Expense Reimbursement Subclass," and the "Wage Deduction Subclass" for any portion of time commencing within three (3) years before filing this complaint, and as the primary remedy for Plaintiffs, and aforementioned Subclasses for any portion of time during the *fourth year* before filing this Complaint, as this period of time exceeds the general three-year statute of limitations on statutory wage claims, and is a basis for restitution for all wage claims on an equitable basis and subject to court adjudication.

134. As a result of Defendants' unlawful and unfair business practice of failing to pay minimum, regular, overtime wages for all applicable hours worked, failing to provide paid sick leave, failing to pay premium wages for non-compliant meal and rest periods, failing to provide all meal and rest periods, failing to reimburse expenses, and unlawfully deducting wages as a matter of policy, Plaintiffs and each member of the proposed "Minimum Wages Subclass," the "Overtime Wages

Subclass,” the “Sick Pay Subclass,” the “Meal Period Subclass,” the “Rest Period Subclass,” the “Expense Reimbursement Subclass,” and the “Wage Deduction Subclass” have suffered damages and are entitled to restitution in an amount according to proof for a time period of four years prior to the filing of this Complaint and until such time as (1) Defendants cease their unlawful business practices, (2) the commencement of trial, and/or (3) a date otherwise determined by the Court pursuant to the laws of California.

135. Plaintiffs, on behalf of themselves and the proposed UCL Subclass, request the violations of each Defendant be enjoined, and other equitable relief provided, as this court deems proper, including an order requiring Defendants to make tax contributions on the accrued wages in the form of FICA, Social Security, Medicare, Unemployment Insurance, or other appropriate payments. Defendants’ conduct, business acts, and practices undermined competition and were done in order to avoid costs other lawful employers comply with in order to avoid payment of full compensation, wages, and statutory penalties owed.

136. Plaintiffs and the Class they seek to represent request relief as described below.

TWELFTH CAUSE OF ACTION
VIOLATION OF THE PRIVATE ATTORNEYS GENERAL ACT OF 2004
(California Labor Code §§ 2698, *et seq.*)
(Against all Defendants)

137. Plaintiffs re-allege and incorporate all preceding paragraphs as if fully set forth herein.

138. Plaintiffs, by virtue of their employment with Defendants, and Defendants’ failure to properly classify Plaintiffs and other aggrieved employees as independent contractors, and Defendants failure to (a) pay Plaintiffs and other aggrieved employees for time worked, (b) provide Plaintiffs and other aggrieved employees with timely and duty-free meal and rest periods, (c) provide Plaintiffs and other aggrieved employees with sick pay; (d) provide Plaintiffs and other aggrieved employees with accurately itemized wage statements; (e) provide Plaintiffs and other aggrieved employees with all wages due within time periods specified in Labor Code section 204; and (f) reimburse Plaintiffs and other aggrieved employees for necessary expenditures and losses occurred in violation of Labor Code section 2802, are aggrieved employees with standing to bring an action under the PAGA.

139. Plaintiffs have satisfied all prerequisites to serve as representatives of the general public

1 to enforce California's labor laws, including, without limitation, the notice requirement identified in
2 Labor Code sections 2699.3(a) (**Exhibits "A" and "B"**). Since Plaintiffs received no notice from the
3 LWDA that it intends to investigate Plaintiffs' allegations within 65 calendar days from the postmarked
4 date of Plaintiffs' notices, Plaintiffs, as representatives of the people of the State of California, will seek
5 any and all penalties otherwise capable of being collected by the Labor Commission and/or the
6 Department of Labor Standards Enforcement ("DLSE"). This representative action is proper, because
7 Labor Code section 2699.5 provides that penalties under the PAGA apply to any alleged violation of
8 sections of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 233, 234, 246, 246.5, *et*
9 *seq.*, 510, 512, 1174, 1198, and 2802, *et seq.*

10 140. Plaintiffs are informed and believe that Defendants have violated and continue to violate
11 provisions of the California Labor Code related to Defendants' failure to (1) correctly classify Plaintiffs
12 and other aggrieved employees as independent contractors, and Defendants' failure to pay Plaintiffs and
13 other aggrieved employees for all time worked, (2) provide Plaintiffs and other aggrieved employees
14 with timely and uninterrupted, duty-free meal and rest periods, (3) provide Plaintiffs and other aggrieved
15 employees sick pay; (4) provide Plaintiffs and other aggrieved employees with accurately itemized wage
16 statements; (5) provide Plaintiffs and other aggrieved employees with all wages due within time periods
17 specified in Labor Code section 204; (6) timely pay all wages due to former aggrieved employees at
18 termination of employment, and (7) reimburse Plaintiffs and other aggrieved employees for necessary
19 business expenses incurred. As of the date of this Complaint, the LWDA has not advised whether it
20 intends to pursue this matter. Therefore, by operation of law, Plaintiffs are entitled to commence this
21 cause of action in the California Superior Court as a representative action under the PAGA on behalf of
22 the state of California.

23 141. Plaintiffs, as personal representatives of the general public, will and does seek to recover
24 any and all penalties for each and every violation shown to exist or to have occurred during the one-year
25 period before Plaintiffs filed Notices with the LWDA of Plaintiffs' intent to bring this action, in an
26 amount according to proof, as to those penalties that are otherwise only available to public agency
27 enforcement actions. Funds recovered will be distributed in accordance with the PAGA, with at least
28 75% of the penalties recovered being reimbursed to the State of California through the LWDA.

1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiffs, on behalf of themselves, Class Members, and all other aggrieved
3 employees Plaintiffs seek to represent, prays for relief as follows:

4 **ON THE FIRST CAUSE OF ACTION**

- 5 1. For all minimum and regular wages owed to Plaintiffs and each Class Member for all hours
6 worked;
- 7 2. For other compensatory damages and/or statutory damages and statutory penalties resulting from
8 improper compensation according to proof;
- 9 3. For statutory attorney fees according to proof;
- 10 4. For statutory interest according to proof; and
- 11 5. For reasonable attorneys' fees and costs pursuant to the California Labor Code.

12 **ON THE SECOND CAUSE OF ACTION**

- 13 1. For all overtime wages owed to Plaintiffs and each Class Member for all hours worked;
- 14 2. For other compensatory damages and/or statutory damages and statutory penalties resulting from
15 improper compensation according to proof;
- 16 3. For statutory attorney fees according to proof;
- 17 4. For statutory interest according to proof; and
- 18 5. For reasonable attorneys' fees and costs pursuant to the California Labor Code.

19 **ON THE THIRD CAUSE OF ACTION**

- 20 1. For unpaid sick pay owed to Plaintiffs and each Class Member according to proof;
- 21 2. For waiting time penalties according to proof;
- 22 3. For statutory attorney fees according to proof;
- 23 4. For statutory interest according to proof; and
- 24 5. For reasonable attorneys' fees and costs pursuant to the Labor Code.

25 **ON THE FOURTH CAUSE OF ACTION**

- 26 1. For one hour of wages due to Plaintiffs and each Class Member for each work period of more
27 than five (5) hours when they did not receive an uninterrupted thirty (30) minute meal period;
- 28 2. For waiting time penalties according to proof;

1 3. For statutory costs according to proof; and

2 4. For statutory interest according to proof.

3 **ON THE FIFTH CAUSE OF ACTION**

4 1. For one hour of wages due to Plaintiffs and each Class Member for each work period of more
5 than three and one-half (3 ½) hours when they did not receive an uninterrupted ten (10) minute
6 rest period for each four (4) hours or major fraction thereof worked;

7 2. For waiting penalties according to proof;

8 3. For statutory costs according to proof; and

9 4. For statutory interest according to proof

10 **ON THE SIXTH CAUSE OF ACTION**

11 1. For statutory compensation for any harm caused;

12 2. For compensatory damages and interest thereon for actual harm caused; and

13 3. For statutory penalties under Labor Code section 226(e) according to proof;

14 4. For statutory interest according to proof; and

15 5. For reasonable attorneys' fees and costs pursuant to the Labor Code.

16 **ON THE SEVENTH CAUSE OF ACTION**

17 1. For reimbursement of incurred necessary business expenses under Labor Code section 2802;

18 2. For statutory interest according to proof; and

19 3. For reasonable attorney's fees and costs pursuant to the Labor Code.

20 **ON THE EIGHTH CAUSE OF ACTION**

21 1. For statutory penalties incurred under Labor Code section 210 per underpaid employee for
22 all wages not timely paid during employment;

23 2. For statutory interest according to proof; and

24 3. For reasonable attorneys' fees and costs pursuant to the Labor Code.

25 **ON THE NINTH CAUSE OF ACTION**

26 1. For statutory penalties, including thirty (30) days' wages at the correct hourly rate for all
27 wages not timely paid upon termination;

28 2. For penalty enhancement for willful conduct;

3. For statutory interest according to proof; and
4. For reasonable attorney's fees and costs pursuant to the Labor Code.

ON THE TENTH CAUSE OF ACTION

1. For reimbursement of wage deductions that are owed to Plaintiffs and each Class Member;
2. For interest on any compensatory damages;
3. For any statutory penalties according to proof;
4. For injunctive relief to ensure compliance with this section, pursuant to California Labor Code section 226(h); and
5. For reasonable attorneys' fees and costs pursuant to the Labor Code.

ON THE ELEVENTH CAUSE OF ACTION

1. For the equitable, injunctive and declaratory relief;
2. For liquidated damages pursuant to Labor Code section 1194.2; and
3. For restitutionary disgorgement pursuant to the UCL.

ON THE TWELFTH CAUSE OF ACTION

1. That this action be maintained as a PAGA representative action, and that Plaintiffs and their counsel be provided with all enforcement capability as if the action were brought by the California Division of Labor Standards Enforcement;
2. For recovery of civil penalties pursuant to Labor Code section 2699(a) or, in the alternative, section 2699(f)(2); and
3. For reasonable attorneys' fees and costs pursuant to the Labor Code.

ON CAUSES OF ACTION ONE THROUGH ELEVEN

1. An order that this action may proceed and be maintained as a class action;
2. General, special and consequential damages, to the extent allowed by law;
3. Costs of suit;
4. For attorneys' fees pursuant to Code of Civil Procedure section 1021.5;
5. Prejudgment interest at the maximum legal rate; and

///

///

6. Such other relief as the Court may deem just and proper.

COHELAN KHOURY & SINGER

Dated: March 17, 2026

By: Maggie Realin
Maggie Realin

Maggie Realin

THE MARKHAM LAW FIRM

David R. Markham

Lisa Brevard

UNITED EMPLOYEES LAW GROUP

Walter L. Haines

Attorneys for Plaintiff CHRISTIAN SANCHEZ

SIRMABEKIAN LAW FIRM, PC

Dated: March 17, 2026

By: Sarkis Sirmabekian

Sarkis Sirmabekian

Attorneys for Plaintiffs ATU AKINLABI WATSON and
TYRON WESLEY MCCARTHER

EXHIBIT 2

From: no-reply@formassembly.com
To: [Matthew Atlas](#)
Subject: [External] Thank you for your Proposed Settlement Submission
Date: Wednesday, March 18, 2026 9:48:53 AM

03/18/2026 09:47:35 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 03/18/2026 09:47:35 AM your Proposed Settlement was successfully processed for case number LWDA-CM-945515-23

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://urldefense.proofpoint.com/v2/url?u=http-3A__labor.ca.gov_Private-5FAttorneys-5FGeneral-5FAct.htm&d=DwIFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_Cdp gnVfiiMM&r=CkmVEddukKLexsqU9o1LOYeca1vZAEC-MO6PZ1f0-Jc&m=KR6i3OZjjgzeSZBEKsvb6wLBhK44v14kp9nfoci98QZRreiqbYA1y739D0kgusGr&s=FWz tvS4oeqnd5PwUT-lwaOgSYtCAkvRovMnUPaH27hA&e=

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.



Private Attorneys General Act (PAGA) – Filing

Proposed Settlement of PAGA case

PAGA Number (LWDA-CM-) : *

Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXX-XX".

[Search for PAGA Case number](#)

The timing of the deposit of settlement checks is governed by the provisions of the State Administrative Manual. This ministerial, administrative act of depositing a settlement check mandated by state procedures should not be construed as nor does it constitute an unconditional, voluntary and/or absolute acceptance of settlement proceeds or approval of the terms of any settlement agreement or judgment related to that check.

Your Information (Person Who is Filing)

Your First Name *	Your Last Name *	Your Email Address *
Matthew	Atlas	matlas@ckslaw.com
Your Street Name, Number and Suite/Apt *		Your Mobile Phone Number
Cohelan Khoury & Singer,		
Your City *	Your Work Phone Number	
San Diego		
Your State *		
California		
Your Zip/Postal Code *		
92101		

Court and Hearing Information

Court *	Court Case Number *	Hearing Date *	Hearing Time *
Alameda County Superior Court	23-CV-035138	04/14/2026	14:30
Hearing Location *	Number of aggrieved employees *	Net Amount to Aggrieved Employees *	Gross settlement amount *
1221 Oak Street, Oakland,	255	13125.00	1050000.00
Gross penalty *	Penalties to LWDA *	Date of proposed settlement *	
52500.00	39375.00	04/14/2026	

Other PAGA Notices

[Search for PAGA Case number](#)

- ☒ I have searched LWDA's database for other PAGA claims filed against the employer(s) named in my NEW PAGA Claim Notice.
- ☐ There are no other PAGA claims which may be affected by this proposed settlement.
- ☒ The proposed settlement may affect other PAGA claims.

PAGA Notices

LWDA case number(s) of other PAGA Notices: LWDA-CM :

973726-23

Name of Plaintiff

ATU AKINLABI WATSON

[Add Additional Notices](#)

☐ A Notice of Related Cases has been filed in all related actions.

☒ Plaintiff has provided copies of proposed settlement and moving papers to plaintiffs with claims that are affected by this proposed settlement agreement.

☒ Plaintiff has submitted to LWDA the court complaint(s) on which this settlement is based.

Proposed Settlement and Other Documents

Proposed Settlement (must be .pdf or .xlsx) *

[Choose File](#) 1. NOM.pdf

Other Attachment (if any, must be .pdf or .xlsx)

[Choose File](#) 2. PA.pdf

Other Attachment (if any, must be .pdf or .xlsx)

[Choose File](#) 3. Khoury Dec.pdf

[Remove](#)

Other Attachment (if any, must be .pdf or .xlsx)

[Choose File](#) 4. Realin Dec.pdf

[Remove](#)

Other Attachment (if any, must be .pdf or .xlsx)

[Choose File](#) 5. Markham Dec.pdf

[Remove](#)

Other Attachment (if any, must be .pdf or .xlsx)

[Choose File](#) 6. Haines Dec.pdf

[Remove](#)

Other Attachment (if any, must be .pdf or .xlsx)

[Choose File](#) 7. Sirmabekhian Dec.pdf

[Remove](#)

Other Attachment (if any, must be .pdf or .xlsx)

[Choose File](#) 8. Moore Dec.pdf

[Remove](#)

Other Attachment (if any, must be .pdf or .xlsx)

[Choose File](#) 9. Order.pdf

[Remove](#)

[Add Another Attachment](#)

LWDA requests that settling parties provide copies of supporting documents, including memorandum of points and authorities and declaration of counsel filed with the court, to assist LWDA in evaluating proposed settlement agreements.

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☒ I understand that, if I file, I must comply with the redaction rules consistent with this notice.

Should you have questions regarding this online form, please contact PAGAInfo@dir.ca.gov

Copyright © 2025 State of California

[Previous Page](#)

[Submit](#)