NORTHERN CALIFORNIA

118 WEST OAK STREET
LODI, CALIFORNIA 95240
[BY APPT. ONLY – NO SERVICE ACCEPTED]

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LOS ANGELES, CALIFORNIA 90012
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January 20, 2026

SUBMITTED ELECTRONICALLY

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, California 94612

SENT VIA CERTIFIED MAIL

DCS2 Asset Recovery, LLC
500 W. 2nd St., Suite 1900
Austin, TX 78701

Re: Carl Gustavsson and Zachary Kachmar

To whom it may concern:

This firm represents Carl Gustavsson ("Gustavsson") and Zachary Kachmar ("Kachmar") in connection with claims arising from their respective former employment with DCS2 Asset Recovery, LLC ("DCS2").[1] In accordance with California Labor Code section 2699.3, this letter shall serve as Claimants' written notice to the Labor and Workforce Development Agency ("LWDA") and DCS2 regarding the following violations, and facts and theories supporting those violations, on Claimants' behalf and, as a proxy for the LWDA, on behalf of current and other former California employees of DCS2.

DCS2 is a company that specializes in locating and recovering stolen vehicles. Gustavsson was employed by DCS2 in California from January 2024 through June 9, 2025 as an investigator. He was correctly classified as an hourly, nonexempt employee. In addition to his hourly pay, Gustavsson received nondiscretionary bonuses and commissions. (Exhibit 1.)

Kachmar was employed by DCS2 from December 2023 through January 2024. He, too, was employed as an investigator, was correctly classified as an hourly,

[1] Gustavsson and Kachmar are jointly referred to as "Claimants".

nonexempt employee, and also received hourly pay as well as nondiscretionary bonuses and commissions. (Exhibit 2.) Kachmar sometimes worked in excess of eight hours in a day and/or forty hours in a workweek, earning overtime wages.

However, DCS2 failed to pay Kachmar his earned overtime wages at the correct rate. Although Kachmar earned nondiscretionary bonuses and commissions, *supra,* DCS2 did not incorporate the value of these wages into Kachmar's regular rate of pay when calculating overtime wages earned. Instead, DCS2 simply took Kachmar's base, hourly rate and used that as the regular rate of pay for overtime purposes, resulting in an underpayment of wages. (Exhibit 2, *supra.*) Thus, DCS2 violated Labor Code section 510.

Furthermore, DCS2 failed to pay sick hours at Claimants' regular rate of pay. When they took paid time off or paid sick hours, Claimants were not paid such wages at their regular rate of pay, inclusive of the value of earned nondiscretionary bonuses and commissions, *supra.* Instead, as with overtime, DCS2 ignored the value of those payments and did not incorporate them into the regular rate of pay. (Exhibit 3.) Thus, DCS2 violated Labor Code section 246.

Both Kachmar and Gustavsson were denied compliant rest and meal periods. Both employees typically worked a shift of at least eight hours, entitling them to two ten-minute rest periods and a thirty-minute meal period. Neither employee was ever affirmatively relieved of all duty to take a ten-minute rest period, and they were both frequently unable to take rest breaks given the volume of work. Similarly, neither Claimant was ever affirmatively relieved of duty to take thirty-minute meal periods. To the extent Claimants were able to take them, rest periods were frequently interrupted by work calls and other tasks. On one occasion, Kachmar notified his supervisor, Roland Tracy, that he was unable to take an afternoon rest period, and asked if he could take one at that time of day (4:00 p.m.); Mr. Tracy refused this request. Neither employee was paid an hour's pay at his regular rate of pay for these rest period or meal period violations. For his part, Kachmar was also unable to provide himself with thirty-minute meal periods on occasion, yet he was still not paid an hour's pay at his regular rate of pay for these violations. Kachmar is informed and believes that his time records were falsified to reflect that he did take meal periods for all of his work shifts.[2] Thus, DCS2 violated Labor Code sections 226.7 and 512.

Because of the foregoing violations, the wage statements furnished to Claimants did not accurately show gross wages earned, total hours worked, net wages earned, and

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[2] As Kachmar typically worked at least from 9:00 a.m. – 5:30 p.m., these falsifications resulted in further violations of Labor Code section 510. Further, by failing to pay any wages for this 0.5 hour of daily work, DCS2 failed to pay the minimum wage in violation of Labor Code sections 1182.12 and 1197.

all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each rate, in violation of Labor Code section 226(a).

Because of the foregoing meal period violations, DCS2 also failed to maintain records accurately showing the hours worked by Claimants. Thus, DCS2 violated Labor Code section 1174(d).

At no point since their respective separation of employment have Gustavsson or Kachmar been paid all wages due and owing, *supra.* Thus, DCS2 violated Labor Code sections 201 and 202.

The foregoing violations, and each of them, were committed against current and other former employees of DCS2 in California, and within the last year.

If the LWDA believes that it needs additional information to determine whether to investigate these claims, please contact me and I will provide that information to the extent it is available to me or my client.

If the LWDA does not intend to investigate these violations, Claimants intend to file a civil complaint against DCS2 pursuant to the Labor Code Private Attorneys General Act of 2004 (Labor Code, § 2698 *et seq.*), on her behalf and, as a proxy for the LWDA, on behalf of all aggrieved current and former employees. Thank you for your attention in this matter.

Sincerely,

MAYALL HURLEY P.C.

By ______________________
JOHN P. BRISCOE

Enclosures

Exhibit 1

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Earnings Statement

Pay period: Off-Cycle Payroll
Mar 1, 2025 - Mar 31, 2025 Pay Day: Apr 2, 2025 Carl Gustavsson's bank account (... [redacted] $3,225.62

Company

DCS2 Asset Recovery
15504 Storm Dr
Austin, TX 78734
855-327-2946

Employee

Carl Gustavsson

Employee Gross Earnings

Description	Rate	Hours	Current	Year To Date
Regular Hours | Hourly				$7,737.45
Paid Holidays				$264.00
Paid Time Off				$82.50
Bonus			$750.00	$2,333.00
Commission			$3,800.00	$16,150.00
Additional Earnings			$0.00	$760.14
Totals		**0.0**	**$4,550.00**	**$27,327.09**

Employee Taxes Withheld

Employee Tax	Current	Year To Date
Federal Income Tax	[redacted]	
Social Security		
Medicare		
CA State Income Tax		
CA SDI		

Employer Tax

Company Tax	Current	Year To Date
Social Security	[redacted]	
Medicare		
FUTA		
CA SUI		
CA ETT		

Employee Deductions

Description	Type	Current	Year To Date
Guideline Traditional 401(k)	401(k)	[redacted]	

Employer Contributions

Description	Type	Current	Year To Date
Guideline Traditional 401(k)	401(k)	[redacted]	

Summary

Description	Current	Year To Date
Gross Earnings	$4,550.00	$27,327.09
Pre-Tax Deductions/Contributions	[redacted]	
Taxes		
Post-Tax Deductions/Contributions		
Net Pay	$3,225.62	$20,627.25
Total Reimbursements	$0.00	$0.00
Check Amount	$3,225.62	$20,627.25
Total Hours Worked	0.0	484.94

Unpaid Time Off Policy

Description	Hours
Hours used this period	0.00
Remaining Time Off	Unlimited

Sick Policy

Description	Hours
Hours used this period	0.00
Hours accrued this period	0.00
Remaining Sick Balance	10.02

Paid Time Off Policy

Description	Hours
Hours used this period	0.00
Hours accrued this period	0.00
Remaining Paid Time Off Balance	41.00

Exhibit 2

12:54 LTE

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Earnings Statement

Pay period: Dec 28, 2023 - Jan 11, 2024 Pay Day: Jan 8, 2024
Zach's Money (. . [redacted] $2,164.70

Company
DCS2 Asset Recovery
15504 Storm Dr
Austin, TX 78734
855-327-2946

Employee
Zachary Kachmar

Employee Gross Earnings

Description	Rate	Hours	Current	Year To Date
Regular Hours | Hourly	$16.00	37.24	$595.84	$595.84
Outstanding Paid Time Off Pay	$16.00	4.0	$64.00	$64.00
Paid Holidays	$16.00	8.0	$128.00	$128.00
Bonus			$500.00	$500.00
Commission			$700.00	$700.00
Severance			$640.00	$640.00
Totals		**49.24**	**$2,627.84**	**$2,627.84**

Employee Taxes Withheld

Employee Tax	Current	Year To Date
Federal Income Tax	[redacted]	
Social Security		
Medicare		
CA State Income Tax		
CA SDI		

Employer Tax

Company Tax	Current	Year To Date
Social Security	[redacted]	
Medicare		
FUTA		
CA SUI		
CA ETT		

Employee Deductions

Description	Type	Current	Year To Date
None	–	[redacted]	

Employer Contributions

Description	Type	Current	Year To Date
None	–	[redacted]	

Summary

Description	Current	Year To Date
Gross Earnings	$2,627.84	$2,627.84
Pre-Tax Deductions/Contributions	[redacted]	
Taxes		
Post-Tax Deductions/Contributions		
Net Pay	$2,164.70	$2,164.70
Total Reimbursements	$0.00	$0.00
Check Amount	$2,164.70	$2,164.70
Total Hours Worked	37.24	49.24

Sick Policy

Description	Hours
Hours used this period	0.00
Hours accrued this period	+0.67
Remaining Sick Balance	1.67

Paid Time Off Policy

Description	Hours
Hours used this period	0.00
Hours accrued this period	-2.00
Remaining Paid Time Off Balance	0.00

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Exhibit 3

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Earnings Statement

Pay period: Mar 28, 2025 - Apr 11, 2025 Pay Day: Apr 15, 2025
Carl Gustavsson's bank account (. . . [redacted]: $1,063.08

Company

DCS2 Asset Recovery
15504 Storm Dr
Austin, TX 78734
855-327-2946

Employee

Carl Gustavsson

Employee Gross Earnings

Description	Rate	Hours	Current	Year To Date
Regular Hours | Hourly	$16.50	73.384	$1,210.84	$8,948.29
Paid Holidays				$264.00
Paid Time Off	$16.50	5.0	$82.50	$165.00
Bonus			$0.00	$2,333.00
Commission			$0.00	$16,150.00
Additional Earnings			$0.00	$760.14
Totals		**78.384**	**$1,293.34**	**$28,620.43**

Employee Taxes Withheld

Employee Tax	Current	Year To Date
Federal Income Tax	[redacted]	
Social Security		
Medicare		
CA State Income Tax		
CA SDI		

Employer Tax

Company Tax	Current	Year To Date
Social Security	[redacted]	
Medicare		
FUTA		
CA SUI		
CA ETT		

Employee Deductions

Description	Type	Current	Year To Date
Guideline Traditional 401(k)	401(k)	[redacted]	

Employer Contributions

Description	Type	Current	Year To Date
Guideline Traditional 401(k)	401(k)	[redacted]	

Summary

Description	Current	Year To Date
Gross Earnings	$1,293.34	$28,620.43
Pre-Tax Deductions/Contributions	[redacted]	
Taxes		
Post-Tax Deductions/Contributions		
Net Pay	$1,063.08	$21,690.33
Total Reimbursements	$0.00	$0.00
Check Amount	$1,063.08	$21,690.33
Total Hours Worked	73.384	558.32

Unpaid Time Off Policy

Description	Hours
Hours used this period	0.00
Remaining Time Off	Unlimited

Sick Policy

Description	Hours
Hours used this period	0.00
Hours accrued this period	+1.67
Remaining Sick Balance	11.69

Paid Time Off Policy

Description	Hours
Paid Time Off Request (4/2/2025)	-5.00
Hours accrued this period	+3.67
Remaining Paid Time Off Balance	46.67