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SUPERIOR COURT OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

PETE CRUZ and JOSE HERNANDEZ,
individually and on behalf of all other
similarly situated employees,

Plaintiffs,

vs.

QUANTUMSCAPE, an entity of unknown
form; QUANTUMSCAPE CORPORATION,
a Delaware Corporation; QUANTUMSCAPE
BATTERY, INC., a Delaware Corporation;
and DOES 1 to 100, inclusive,

Defendants.

Case No. 23CV427117
Related to Case No.: 24CV439603

*Assigned for All Purposes to Hon. Theodore C.
Zayner, Dept. 19*

CLASS ACTION

**PLAINTIFFS' NOTICE OF MOTION AND
MOTION FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA SETTLEMENT**

Date: July 15, 2026
Time: 1:30
Dept.: 19
Judge: Hon. Theodore C. Zayner

Filed: December 4, 2023
FAC Filed: February 7, 2024
SAC Filed: December 9, 2025
Trial Date: None Set

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1 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

2 PLEASE TAKE NOTICE that on July 15, 2026, at 1:30 p.m., or as soon thereafter as the matter
3 may be heard in Department 19 of the above-entitled Court, Plaintiffs Pete Cruz and Jose Hernandez,
4 individually and on behalf of all other similarly situated individuals, will move for entry of an Order for
5 the following:

- 6 1. Preliminarily certifying the proposed class herein for purposes of settlement;
- 7 2. Preliminarily appointing Plaintiff Jose Hernandez as Class Representative for purposes of
8 settlement;
- 9 3. Preliminarily appointing Shimoda & Rodriguez Law, PC, as class counsel for purposes of
10 settlement;
- 11 4. Preliminarily approving the proposed class action and Private Attorneys General Act
12 settlement, in the amount of \$735,000, which is incorporated herein by reference;
- 13 5. Preliminarily approving the appointment of ILYM Group, Inc., as the Settlement
14 Administrator and for payment to ILYM Group, Inc. for administering said class action
15 settlement in an amount not to exceed \$12,500;
- 16 6. Preliminarily approving the settlement of claims under the Private Attorneys General Act for
17 the total amount of \$218,750.00, 75% of which will be paid to the Labor and Workforce
18 Development Agency and 25% of which will be paid to Aggrieved Employees;
- 19 7. Approving as to form and content the Notice of Settlement, which provides Class Members
20 information regarding the Settlement, their ability to opt out of, or object to, the Settlement
21 and which provides instruction on how to dispute an individual's settlement allocation under
22 the proposed Settlement;
- 23 8. Approving the proposed procedures to notify the class and determining that they comply with
24 Class Members' due process rights and directing the Notice of Settlement to be sent by first
25 class mail to Class Members;
- 26 9. Directing Defendants to report employment information as set forth in the Agreement to the
27 Settlement Administrator to administer the settlement proceeds;
- 28

10. Scheduling a fairness hearing on the question of whether the proposed Settlement should be finally approved as fair, reasonable, and adequate;

11. Directing that any amount from settlement checks that were not cashed by the check cashing deadline be donated to Legal Aid At Work under the doctrine of *cy pres*; and

12. Preliminarily approving and adopting the Proposed Order and its implementation schedule, which is filed herewith and incorporated by reference.

This motion is being made pursuant to Code of Civil Procedure section 382, Labor Code section 2699(l)¹, and California Rules of Court 3.769 and 3.764, on the grounds that the proposed class action and Private Attorneys General Act settlement is fair, reasonable, and adequate as to all Class Members and should be approved by the Court. This motion will be based on the notice of motion, memorandum of points and authorities, the declaration of Justin P. Rodriguez, the declaration of Jose Hernandez, the declaration of Enoch J. Kim, exhibits, the record and files of this case, and any further oral or documentary evidence introduced at the hearing of this motion.

Pursuant to Santa Clara County Superior Court Local Rule 8(D), tentative rulings are generally available by 2:00 p.m., and no later than 3:00 p.m., on the court day preceding the scheduled hearing. If the Court has not directed oral argument, a party contesting a tentative ruling must give notice of its intention to appear to the other side and the Court no later than 4:00 P.M. on the court day preceding the scheduled hearing. The tentative ruling will automatically become the order of the Court on the scheduled hearing date if the Court has not directed oral argument and if the contesting party fails to timely notice an objection to the other side and the Court. Tentative rulings will be posted on the court's website, <https://santaclara.courts.ca.gov> where further information may be found. If a party does not have access to the internet, the tentative ruling may be accessed by calling the department that issued the tentative ruling. Questions about these procedures may also be directed to the specific department where the matter is to be heard

Dated: July 8, 2026

Shimoda & Rodriguez Law, PC

By: _____



Justin P. Rodriguez

Galen T. Shimoda

Austin D. Sork

Attorneys for Plaintiff Jose Hernandez

¹ Although the PAGA was recently amended, the amendments specifically state they are applicable to cases filed after June 19, 2024. See Cal. Lab. Code § 2699(v)(1). Because PAGA notices in this case predate this, all references to the PAGA in this Motion will be based on the statutory numbering applicable prior to the July 1, 2024, amendment.

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CLASS ACTION

**MEMORANDUM OF POINTS &
AUTHORITIES IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY APPROVAL
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I. INTRODUCTION AND OPENING SUMMARY OF ARGUMENT

Plaintiffs Pete Cruz (“Plaintiff Cruz”) and Jose Hernandez (“Plaintiff Hernandez”) (Plaintiff Cruz and Plaintiff Hernandez collectively referred to as “Plaintiffs”) seek preliminary approval of a non-reversionary wage and hour class action and Private Attorney’s General Act (“PAGA”) settlement in the gross amount of \$735,000. *See generally* Exh. A to Declaration of Justin P. Rodriguez (“Decl. Rodriguez”) (Joint Stipulation Regarding Class Action and PAGA Settlement and Release [“Agreement”]). In the operative Complaint Plaintiffs allege, on behalf of themselves and similarly situated employees, that Defendants QuantumScape Corporation, and QuantumScape Battery, Inc., (collectively referred to as “Defendants”) (Plaintiffs and Defendants sometimes collectively referred to as the “Parties”) violated California law by failing to pay minimum wages, failing to pay wages and overtime wages, failing to provide meal and rest periods, failing to pay vacation wages, failing to pay sick leave at the regular rate of pay, failing to reimburse necessary business expenses, failing to provide accurate wage statements, failing to keep required payroll records, failure to timely pay wages, and failing to timely pay final wages. Plaintiffs have also alleged Defendants are liable for civil penalties under the PAGA based on these violations. *See generally* Exh. B to Decl. Rodriguez (Plaintiffs’ Operative Complaint). There are approximately 52 Class Members and 462 Aggrieved Employees.

Defendants have denied all of Plaintiffs’ allegations in their entirety and any liability or wrongdoing of any kind. *See* Exh. A to Decl. Rodriguez, ¶¶ 3.2, 5.12; Decl. Rodriguez, ¶ 6. Defendants have also denied that this case is appropriate for class certification other than for purposes of settlement. *See id.* However, subject to Court approval, the Parties have been able to compromise and settle all asserted claims as a result of extensive investigations, informal discovery, and extended negotiations. The Agreement should be approved as fair, reasonable, and adequate as it was entered into in good faith to resolve heavily contested claims, guaranteeing a reasonable recovery for Class Members.

It is well within the discretion of this Court to grant preliminary approval of the Agreement as it satisfies all applicable criteria under California law. Accordingly, Plaintiffs are requesting that the Court: (1) certify the proposed settlement class on a preliminary and conditional basis; (2) grant preliminary and conditional approval of the proposed Agreement; (3) approve the form and content of

the Notice of Settlement and the method for providing notice to Class Members as set forth in the Agreement; and (4) adopt the implementation schedule contained in the proposed order.

II. PROCEDURAL AND LITIGATION HISTORY

Plaintiff Cruz exhausted administrative remedies under the PAGA by providing notice to the Labor and Workforce Development Agency (“LWDA”) on December 4, 2023. *See* Declaration of Enoch J. Kim (“Decl. Kim”), ¶ 3; Exh. 1 to Decl. Kim (Plaintiff Cruz’s PAGA Ltr.). On December 4, 2023, Plaintiff Cruz also filed a wage and hour class action complaint, alleging claims for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal-Period Liability Under Labor Code § 226.7; (4) Rest-Break Liability Under Labor Code § 226.7; (5) Failure to Pay Vacation Wages; (6) Failure to Comply with Labor Code § 245 *et seq.* and 246; (7) Reimbursement of Necessary Expenditures Under Labor Code § 2802; (8) Violation of Labor Code § 226(a); (9) Failure to Keep Required Payroll Records Under Labor Code §§ 1174 and 1174.5; (10) Penalties Pursuant to Labor Code § 203; and (11) Violation of Business & Professions Code § 17200 *et seq.* *See* Decl. Kim, ¶ 3. Plaintiff Cruz filed a First Amended Complaint adding a PAGA cause of action on February 7, 2024. *See id.* On October 29, 2024, the class claims were dismissed without prejudice. *See id.* at ¶ 6.

Plaintiff Hernandez exhausted administrative remedies under the PAGA by providing notice to the LWDA on January 10, 2024. *See* Exh. C to Decl. Rodriguez (Plaintiff Hernandez’s PAGA Ltr.); Decl. Rodriguez, ¶ 3. Due to an arbitration agreement signed during his employment authorizing class arbitrations, Plaintiff Hernandez initiated arbitration on March 1, 2024, asserting class claims for (1) Failure to Pay Overtime Wages; (2) Untimely Payment of Wages; (3) Meal Period Violations; (4) Rest Period Violations; (5) Wage Statement Violations; (6) Waiting Time Penalties; and (7) Unfair Competition. *See* Decl. Rodriguez, ¶ 3. Plaintiff Hernandez also filed a PAGA only complaint in Santa Clara Superior Court on May 22, 2024. *See id.* at ¶¶ 2-3.

To facilitate a more efficient settlement review and approval process, the Parties agreed to Plaintiffs filing a Second Amended Complaint (“SAC”) in this case to effectively consolidate all wage and hour individual, class, and PAGA claims, causes of action, and allegations from the three lawsuits into a single proceeding. *See id.* at ¶¶ 2, 4. The operative SAC was filed in this case on December 9,

2025. *See* Exh. B to Decl. Rodriguez. There is no date set for a motion for certification or trial. *See* Decl. Rodriguez, ¶ 5. Defendants have denied all of Plaintiffs’ allegations in their entirety and any liability or wrongdoing of any kind. *See* Decl. Rodriguez, ¶ 6.

III. INVESTIGATION AND DISCOVERY CONDUCTED

Plaintiffs thoroughly investigated issues affecting certification, the merits of the class and PAGA claims, and potential damages for such claims. *See id.* at ¶¶ 3, 6-11; Declaration of Jose Hernandez (“Decl. Hernandez”), ¶¶ 5-6; Decl. Kim, ¶ 20. Plaintiffs worked during the time all of Defendants’ policies and practices at issue in the Complaint were in effect and provided information regarding these policies and practices, enabling pre-filing investigations to take place. *See generally*, Exh. B to Decl. Rodriguez; Decl. Rodriguez, ¶¶ 3, 7-8; Decl. Hernandez, ¶¶ 2, 5-6. The Parties engaged in informal discovery and exchange of documents, including a representative sampling of employee data, such as timecards, paystubs, payroll data, and relevant policies for the entirety of the statute of limitations applicable to the asserted claims. The discovery covered all aspects of the asserted claims, including certification issues, merits issues, damages, the scope and configuration of Class Members and Aggrieved Employees, the content and implementation of the wage and hour policies at issue, and issues relating to manageability concerns at trial, among other relevant areas. *See* Decl. Rodriguez, ¶¶ 8, 10. The information allowed Plaintiffs to determine the extent and frequency of any violations in accordance with Plaintiffs’ contentions and create an accurate damages model to assess the reasonableness of any settlement. *See id.*

IV. NEGOTIATION AND PROPOSED SETTLEMENT

a. Plaintiffs and Defendants Engaged in Extensive Arm’s Length Negotiations

The final settlement occurred only after extended, arm’s length negotiations. Over the course of litigation across three separate lawsuits, Plaintiffs have been investigating the claims and discussing with Defendants’ counsel the merits of the claims and issues present in this case. *See id.* at ¶¶ 2-3, 6-8, 10; Decl. Kim, ¶¶ 3-9. The Parties exchanged substantial amounts of information and legal analysis in connection with these discussions. *See* Decl. Rodriguez, ¶¶ 8, 10. It was only after these extended discussions, which included a full day mediation and mediator’s proposal, that the Parties were able to resolve all claims. *See id.* at ¶ 9.

1 **b. The Terms of the Agreement**

2 1. The scope of the class claims are limited to those individuals who signed arbitration
3 agreements similar to Plaintiff Hernandez authorizing class arbitrations. *See id.* at ¶ 10. Class
4 Members include all hourly, non-exempt employees who: a) only ever signed arbitration agreements
5 without a class waiver; b) did not sign any release, separation, or settlement agreements waiving the
6 claims alleged in the Actions (inclusive of any waiver of rights to participate in any class or
7 representative PAGA settlement) and (c) worked for Defendant(s) in the State of California at any point
8 between March 1, 2020 through July 6, 2025. *See* Exh. A to Decl. Rodriguez, ¶ 1.4. Aggrieved
9 Employees include all hourly, non-exempt employees who did not sign separation agreements with an
10 individual or non-representative PAGA claims waiver and did not sign valid releases of individual
11 PAGA claims and worked for Defendant(s) in the State of California at any point between December 4,
12 2022 through July 6, 2025. *See id.* at ¶ 1.2.

13 2. Defendants will pay the Gross Settlement Amount of \$735,000.00, which is exclusive of
14 the employer's share of payroll taxes. *See id.* at ¶ 5.1. No portion of the Gross Settlement Amount will
15 revert to Defendant. *See id.* at ¶ 5.6. Aggrieved Employees will still be paid their share of the PAGA
16 Payment regardless of whether they opt out of being Class Members. *See id.* at ¶¶ 7.5.1, 7.8.3

17 3. Up to \$10,000 will be paid to Plaintiff Hernandez as Enhancement Payment. This
18 amount will be in addition to any amount Plaintiff Hernandez may be entitled to under the terms of the
19 Agreement. *See id.* at ¶ 5.4.

20 4. The Parties agree that, for purposes of settlement only, Shimoda & Rodriguez Law, PC,
21 and Plaintiff Hernandez are adequate representatives for Class Members. The Parties also agree that,
22 for purposes of settlement only, Plaintiffs' Counsel and Plaintiffs are adequate representatives for
23 Aggrieved Employees. *See id.* at ¶ 5.13.

24 5. Subject to Court approval, the Parties have selected ILYM Group, Inc. to act as the
25 Settlement Administrator, who has provided a maximum cost estimate of \$8,950. *See* Exh. D to Decl.
26 Rodriguez, ¶¶ 9-10 (ILYM Group, Inc., Settlement Administration Bid); Exh. A to Decl. Rodriguez, ¶
27 1.37; Decl. Rodriguez, ¶ 20.

6. The Parties agree that \$218,750.00 of the Gross Settlement Amount shall be allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Amount will be paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees. *See* Exh. A to Decl. Rodriguez, ¶ 5.5. Given the risk to proving the claims on the merits, the derivative nature of the penalties, the efforts by Defendants to maintain compliant policies and take corrective action, the presence of what may likely be deemed good faith disputes, and the Court's discretion to reduce any penalty award, the \$218,750.00 PAGA Amount represents a meaningful settlement aimed at deterring non-compliance given the facts of this case. *See* Decl. Rodriguez, ¶¶ 10-11; *see also Nordstrom Com. Cases*, 186 Cal.App.4th 576, 589 (2010) (approving \$0 allocation to the resolution of PAGA claims based on their being disputed and being part of a class settlement which was evaluated based on the terms of the agreement overall); *Junkersfeld v. Med. Staffing Sols., Inc.*, 2022 WL 2318173, at *8 n.2 (E.D. Cal. 2022) (collecting cases with PAGA settlement values ranging from .037%-1%); *Jennings v. Open Door Marketing, LLC*, 2018 WL 4773057, *9 (N.D. Cal. 2018) (approving settlement of PAGA claims at 0.6% of total estimated value due to risk of no recovery); *Ruch v. AM Retail Grp., Inc.*, 2016 WL 5462451, *7 (N.D. Cal. 2016) (approving \$10,000 PAGA settlement allocation where total PAGA penalty exposure was approximately \$5.2 million, or 0.2% of total estimated value); *Davis v. Cox Commc'ns California, LLC*, 2017 WL 1496407, *1 (S.D. Cal. 2017) (preliminarily approving \$4,000 PAGA allocation in \$275,000 settlement); *Moore v. Fitness Int'l, LLC*, 2014 WL 12571448, *5 (S.D. Cal. 2014) (approving \$2,500 PAGA allocation when attorneys' fees award alone amounted to \$200,000); *Jack v. Hartford Fire Ins. Co.*, 2011 WL 4899942, *6 (S.D. Cal. 2011) (approving \$3,000 PAGA allocation in \$1,200,000 settlement); *Singer v. Becton Dickinson & Co.*, 2010 WL 2196104, *2 (S.D. Cal. 2010); *Hopson v. Hanesbrands Inc.*, 2009 WL 928133, *1, *9 (N.D. Cal. 2009) (approving \$1,500 PAGA allocation in \$1,026,000 settlement); *Syed v. M-I, L.L.C.*, 2017 WL 714367, *13 (E.D. Cal. 2017) (approving \$100,000 PAGA allocation in \$3,950,000 gross settlement amount allocated to California class even though PAGA exposure was calculated at \$53,600,000, or 0.2% of total estimated potential value); *Garcia v. Gordon Trucking, Inc.*, 2012 WL 5364575, *6-*7 (E.D. Cal. 2012) (approving \$10,000 PAGA allocation in a \$3,700,000 settlement); *Franco v. Ruiz Food Prod., Inc.*, 2012 WL 5941801, *14 (E.D. Cal. 2012) (\$10,000 PAGA allocation from \$2,500,000 settlement fund);

1 *Chu v. Wells Fargo Investments, LLC*, 2011 WL 672645, *1 (N.D. Cal. 2011) (\$10,000 PAGA
2 allocation from \$6,900,000 settlement fund).

3 7. The Parties agree that up to one-third (1/3) of the Gross Settlement Amount) will be paid
4 for Plaintiffs' attorneys' fees incurred in the litigation of this case. Defendants will not oppose any
5 application for attorneys' fees so long as it is within this threshold. *See id.* at ¶ 5.2. Additionally, the
6 Parties agree that Plaintiffs will also be entitled to the actual litigation costs as approved by the Court in
7 an amount not to exceed \$32,500.00. *See id.* The proposed notice to be sent to Class Members will
8 state this information. *See* Exh. F to Decl. Rodriguez (Proposed Notice of Settlement).

9 8. Any amounts allocated under the Agreement for Settlement Administrator Costs, any
10 Enhancement Payments, and attorney's fees and costs that are not ultimately awarded by the Court will
11 remain part of the Net Settlement Amount and be paid out to Participating Class Members on a pro rata
12 basis as set forth in the Agreement. *See* Exh. A to Decl. Rodriguez, ¶¶ 5.1-5.5, 5.8. These amounts
13 will be paid out from the Gross Settlement Amount, not in addition to the Gross Settlement Amount.
14 *See id.*

15 9. Class Members who fail to timely opt-out of this settlement will waive all Released
16 Class Claims as set forth in the Agreement. *See id.* at ¶¶ 1.26, 1.33, 6.1. Aggrieved Employees will
17 waive all Released PAGA Claims as set forth in the Agreement regardless of whether they opt out of
18 being a Class Member. *See id.* at ¶¶ 1.34, 6.2, 7.5.1.

19 10. For any portion of the Net Settlement Amount or PAGA Payment allocated to
20 Participating Class Members and/or Aggrieved Employees that is not claimed by them by cashing their
21 respective settlement checks within 180 calendar days of issuance, that remaining amount shall be
22 donated to Legal Aid At Work under the doctrine of *cy pres*. *See id.* at ¶ 5.6. Because the Agreement
23 provides for the distribution of all funds such that there is no residue, the provisions of California Civil
24 Procedure Code section 384 are inapplicable. *See In re Microsoft I-V Cases*, 135 Cal.App.4th 706, 718,
25 720 (2006). The designated beneficiary clearly promotes the law consistent with the objectives and
26 purposes underlying the lawsuit as it is a non-profit aimed at assisting employees with wage and hour
27 claims who cannot afford legal representation, including providing representation for employees in
28 wage claims before the California Labor Commissioner. *See* Decl. Rodriguez, ¶¶ 23-26.

1 **c. Allocation of Settlement Funds**

2 Payment to Participating Class Members and Aggrieved Employees will not require the
3 submission of a claim form. A Net Settlement Amount will be determined by subtracting from the
4 Gross Settlement Amount any attorneys' fees and costs, any Enhancement Payment, Settlement
5 Administrator Costs, and PAGA Amount that are approved and/or awarded by the Court. Each Class
6 Member's share will be determined by dividing their total weeks worked within the Class Period by the
7 total weeks worked by all Class Members within the Class Period. That fraction will then be multiplied
8 by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement
9 Amount. 20% of the payment to Participating Class Members will be characterized as W-2 wages and
10 80% will be characterized as 1099 income for tax reporting purposes. *See* Exh. A to Decl. Rodriguez,
11 ¶¶ 5.8-5.9.2. Each Aggrieved Employee's share of the PAGA Amount will be determined by dividing
12 their total pay periods within the PAGA Period by the total pay periods by all Aggrieved Employees
13 within the PAGA Period. That fraction will then be multiplied by the 25% portion of the PAGA
14 Amount to arrive at the Aggrieved Employee's individual share. *See id.* at ¶¶ 1.22, 5.8. The payment to
15 Aggrieved Employee's will be characterized as 1099 income for tax reporting purposes. *See id.* at ¶
16 5.9.3.

17 **V. THE PROPOSED PROCEDURES TO NOTIFY CLASS MEMBERS SATISFY DUE**
18 **PROCESS AS THEY PROVIDE THE BEST NOTICE PRACTICABLE UNDER THE**
19 **CIRCUMSTANCES**

20 It is not required that Class Members be given actual notice of a class settlement; instead, the
21 best practicable notice under the circumstances is all that is required. *See Silber v. Mabon*, 18 F.3d
22 1449, 1453 (9th Cir. 1994); *Briseno v. ConAgra Foods, Inc.*, 844 F.3d 1121, 1129 (9th Cir. 2017);
23 *Walsh v. CorePower Yoga LLC*, 2017 WL 4390168, *5 (N.D. Cal. 2017); *Wright v. Linkus Enters.*, 259
24 F.R.D. 468, 474-75 (E.D. Cal. 2009). In *Silber v. Mabon*, 18 F.3d 1449 (9th Cir. 1994), the Court
25 rejected a class member's argument that he had not received due process because he did not receive
26 notice until after the opt out period, finding that, so long as the notice process utilized is the best
27 practicable under the circumstances, due process is satisfied even if there is no actual receipt of the
28 notice. *See Silber*, 18 F.3d at 1453-1454. A similar finding was made in *Briseno v. Conagra Foods,*
Inc., 844 F.3d 1121 (9th Cir. 2017). With regard to any potential for undeliverable notice mailings, the

1 Court in *Rannis v. Recchia*, 380 F.App’x 646 (9th Cir. 2010) found that class members who did not
2 receive actual notice due to their mailings being deemed undeliverable were still properly held to be
3 part of the class settlement because they received the best notice practicable under the circumstances.
4 *See Rannis v. Recchia*, 380 F.App’x at 650-651. In *Noel v. Thrifty Payless, Inc.*, 7 Cal.5th 955, 980-
5 984 (2019), the California Supreme Court noted that California has adopted a similar approach
6 regarding providing notice to class members.

7 Under the proposed notice procedures, Class Members will have sixty (60) days from the date
8 of mailing to review and respond to the Notice of Settlement, which will also be available online. *See*
9 Exh. A to Decl. Rodriguez, ¶¶ 1.20, 7.2. The Notice of Settlement contain all information necessary for
10 Class Members to assess the litigation, the settlement, and whether they want to participate, object, or
11 opt-out. *See* Exh. F to Decl. Rodriguez. National change of address database searches, skip-traces, and
12 surveying of current employees will be utilized as set out in the Agreement to provide the best practical
13 means of ensuring Class Members receive the notice mailing. *See id.* at ¶¶ 7.3-7.4. Any individual
14 whose initial mailing was deemed undeliverable will have additional time to respond. *See id.* at ¶ 7.4.
15 Additional time to respond will also be provided to cure any deficiencies in opt-outs, objections, or
16 disputes. *See id.* ¶ 7.5.4. This notice method is regularly utilized in wage and hour class actions and
17 similar to the one approved in *Rannis*. Thus, the proposed procedures for notifying Class Members
18 satisfy due process and should be approved in this case.

19 **VI. THE AGREEMENT WARRANTS PRELIMINARY APPROVAL AS IT IS FAIR,**
20 **REASONABLE, AND ADEQUATE AS TO ALL CLASS MEMBERS BASED ON THE**
21 **FACTS OF THIS CASE**

22 A class action may not be dismissed, compromised, or settled without Court approval and the
23 decision to approve or reject a settlement is committed to the Court’s sound discretion. *See* Cal. Rules
24 of Court, Rule 3.769; Fed. R. Civ. Proc., Rule 23(e)¹; *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th
25 224, 234-35 (2001); *see also* Cal. Lab. Code § 2699(1)(2). However, “[d]ue regard should be given to
26 what is otherwise a private consensual agreement between the parties. The inquiry ‘must be limited to
27 the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or

28 ¹The California Supreme Court has authorized California’s trial courts to rely on these federal resources to decide class certification issues. *See Green v. Obledo*, 29 Cal.3d 126, 145-46 (1981).

1 overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole,
2 is fair, reasonable and adequate to all concerned.” See *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794,
3 1801 (1996); see also *Cellphone Termination Fee Cases*, 180 Cal.App.4th 1110, 1118 (2009); *In re*
4 *Microsoft I-V Cases*, 135 Cal.App.4th 706, 723 (2006); *Nordstrom Com. Cases*, 186 Cal.App.4th 576,
5 581 (2010). The law favors settlement of lawsuits, particularly class actions and other complex cases
6 where substantial resources can be conserved by avoiding the time, expense, and rigors of formal
7 litigation. See *Cellphone Termination Fee Cases*, 180 Cal.App.4th 1110, 1117-1118 (2009); *In re*
8 *Microsoft I-V Cases*, 135 Cal.App.4th 706, 723 n.14 (2006); *Nordstrom Com. Cases*, 186 Cal.App.4th
9 576, 581 (2010); see also *Neary v. Regents of Univ. of Cal.*, 3 Cal.4th 273, 277-81 (1992).

10 **a. The Terms of The Settlement Are Fair and Within the Range of Reasonableness**

11 The purpose of the Court’s preliminary evaluation of a proposed class action settlement is to
12 determine only whether it is within the range of possible approval such that notice to the class of its
13 terms and conditions and the scheduling of a formal fairness hearing is warranted. See *Wershba*, 91
14 Cal.App.4th at 234-35. If the Court finds a proposed settlement falls within “the range of
15 reasonableness,” it should grant preliminary approval of the class action settlement. See, e.g., *North*
16 *County Contr. ’s Assn., Inc. v. Touchstone Ins. Svcs.*, 27 Cal.App.4th 1085, 1089-90 (1994); *Kullar v.*
17 *Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 133 (2008). Factors to consider in determining whether
18 the settlement is fair, reasonable, and adequate include the strength of the Plaintiff’s case, the risk,
19 expense, complexity and likely duration of further litigation, the risk of maintaining class action status
20 through trial, the amount offered in settlement, the extent of discovery completed and the stage of the
21 proceedings, the experience and views of counsel, the presence of a governmental participant, and the
22 reaction of the class members to the proposed settlement. See *Dunk v. Ford Motor Co.*, 48 Cal.App.4th
23 1794, 1801 (1996). However, this Court should begin its analysis with a presumption that the proposed
24 settlement is fair. “A presumption of fairness exists where: (1) the settlement is reached through arm’s
25 length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act
26 intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is
27 small.” *Id.* at 1802.

1 **i. The Agreement is a Result of Extensive, Non-Collusive Arm’s Length**
2 **Negotiations Between the Parties**

3 Settlement of this case was reached only after substantial litigation and extensive arm’s length
4 negotiations over three separate cases, which included a full day mediation and mediator’s proposal.
5 *See Decl. Rodriguez, ¶ 9.* At all times, the negotiations were adversarial, although still professional in
6 nature. *See id.*

7 **ii. The Extent of Investigation and Discovery Completed Provided Ample**
8 **Information to Enter Into an Informed and Reasonable Settlement**

9 The Parties were in possession of all necessary information during the negotiations. The Parties
10 engaged in substantial informal discovery, which included all necessary components for evaluating the
11 class claims and creating an accurate damages model. *See id.* at ¶¶ 7, 9-11; Decl. Kim, ¶ 20. Plaintiffs
12 were in possession of this information prior to calculating any damages in this case. *See id.* As a
13 result, Plaintiffs were able to make a reasonable estimation of Defendants’ potential liability. *See id.*
14 For these reasons, the settlement now before the Court was reached at a stage where “the parties
15 certainly have a clear view of the strengths and weaknesses of their cases” sufficient to support the
16 settlement. *See Kang v. Credit Bureau Connection, Inc.*, 2023 WL 6811994, *5 (E.D. Cal. 2023);
17 *Monterrubio v. Best Buy Stores, L.P.*, 291 F.R.D. 443, 454 (E.D. Cal. 2013).

18 **iii. Plaintiffs’ Counsel are Experienced in Similar Litigation**

19 Plaintiffs’ counsel have considerable experience in complex litigation such as class and PAGA
20 actions. *See Decl. Rodriguez, ¶¶ 13-18; Decl. Kim, ¶¶ 15-19.* Thus, Plaintiffs’ counsel are qualified to
21 evaluate the class and PAGA claims, the value of settlement versus moving forward with litigation, and
22 viability of possible affirmative defenses. Plaintiffs’ counsel believe that the Agreement is fair,
23 reasonable, and adequate in light of the risks associated with the claims, the uncertainties of complex
24 litigation, and the secured benefit to Class Members and Aggrieved Employees. *See Decl. Rodriguez,*
25 *¶¶ 10-11; Decl. Kim, ¶ 20.*

1 **iv. The Settlement is Fair, Reasonable, and Adequate Based on the Strength of**
2 **Plaintiffs' Case and the Risks and Costs of Further Litigation**

3 The class claims and the ability to obtain and maintain certification all the way through trial
4 were heavily disputed by Defendants. *See* Decl. Rodriguez, ¶¶ 6, 10. Based on the records and facts of
5 this case, Plaintiffs have secured a gross recovery of approximately 4.8% of the maximum value of the
6 class and PAGA claims in this matter and between 16.4% and 66.7% of the more realistic range of
7 recovery for the class and PAGA claims. *See* Decl. Rodriguez, ¶¶ 10-11. The net recovery for Class
8 Members represents approximately 10.3% of the maximum value of the class claims in this matter and
9 between 28.7% and 45.6% of the more realistic range of recovery for the class claims. The average net
10 award for Class Members is approximately \$4,182.69, which equates to approximately \$41.21 per
11 workweek. *See id.*

12 This settlement is a reasonable compromise of the class and PAGA claims, and is within the
13 percentile ranges of the total available damages that have been approved in other class settlements. *See*
14 *Wershba*, 91 Cal.App.4th at 246, 250; *Rebney v. Wells Fargo Bank*, 220 Cal.App.3d 1117, 1139
15 (1990); *Officers for Justice v. Civil Serv. Comm'n*, 688 F.2d 615, 628 (9th Cir. 1982); *see also In re*
16 *Omnivision Technologies, Inc.*, 559 F.Supp.2d 1036, 1042 (2007) (noting that certainty of recovery in
17 settlement of 6% of maximum potential recovery after reduction for attorney's fees was higher than
18 median percentage for recoveries in shareholder class action settlements, averaging 2.2%-3% from
19 2000 through 2002); *Bravo v. Gale Triangle, Inc.*, 2017 WL 708766, *2, *10 (C.D. Cal. 2017)
20 (approving a settlement where the net recovery to class members was approximately 7.5% of the
21 projected maximum recovery amount [\$210,500/\$2,750,000]); *Avila v. Cold Spring Granite Co.*, 2018
22 WL 400315, *2, *6 (E.D. Cal. 2018) (approving a settlement with a gross recovery of 11% of the
23 projected maximum damages available [\$500,000/\$4,441,633.60]) and a net recovery of approximately
24 6.7% of the projected maximum recovery [\$297,332.98/\$4,441,633.60]); *Bellinghausen v. Tractor*
25 *Supply Co.*, 306 F.R.D. 245, 256 (N.D. Cal. 2015) (approving a settlement where the gross recovery
26 was approximately 8.5% of the projected maximum recovery [\$1,000,000/\$11,565,677]); *Schiller v.*
27 *David's Bridal, Inc.*, 2012 WL 2117001, *13 (E.D. Cal. June 11, 2012) ("Class Members will receive
28 an average of approximately \$198.70, with the highest payment to a Class Member being \$695.78 . . .

1 Overall, the Court finds that the results achieved are good, which is highlighted by the fact that there
2 was no objection to the settlement amount or the attorneys' fees requested"), *report and*
3 *recommendation adopted*, 2012 WL 13040405 (E.D. Cal. 2012); *Gardner v. GC Servs., LP*, 2012 WL
4 1119534, *7 (S.D. Cal. 2012) ("the results achieved in this case were very favorable. Class members
5 are provided with immediate monetary relief, with an average award of around several hundred dollars
6 and a minimum award of \$50").

7 **v. The Proposed Settlement is a Reasonable Compromise of Claims**

8 In *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116 (2008), the Court required additional
9 information be presented in class action settlements "to ensure that the recovery represents a reasonable
10 compromise, given the magnitude and apparent merit of the claims being released, discounted by the
11 risks and expenses of attempting to establish and collect on those claims by pursuing the
12 litigation" *Id.* at 129. *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal.App.4th 399
13 (2010), clarified that *Kullar* does not require an illusory prediction of the outer reaches of exposure
14 without taking into account the actual risks of litigation such as dispositive motions and trial. *Kullar*
15 also does not require an explicit statement of the maximum amount to be recovered if a plaintiff
16 prevailed on all the claims, provided there is a record that allows "an understanding of the amount that
17 is in controversy and the realistic range of outcomes of the litigation." *Id.* at 409.

18 Plaintiffs have thoroughly set forth the realistic range of outcomes in this litigation as well as
19 the data points relied upon in reaching these ranges. *See* Decl. Rodriguez ¶¶ 10-11. The record
20 demonstrates that the compromises made by Plaintiffs were reasonable and have resulted in a
21 settlement with recovery percentage well within the range of what has been found to be sufficient in
22 several other cases. *See, supra*, Section VI.a.iv; *see also Linney v. Cellular Alaska P'ship*, 151 F.3d
23 1234, 1242 (9th Cir. 1998) ("The fact that a proposed settlement may only amount to a fraction of the
24 potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate
25 and should be disapproved"); *City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 455 (2d Cir. 1974) ("In
26 fact there is no reason, at least in theory, why a satisfactory settlement could not amount to a hundredth
27 or even a thousandth part of a single percent of the potential recovery").
28

1 **b. Provisional Certification of the Class is Appropriate**

2 Class certification is appropriate when (1) the class is ascertainable and (2) there is “a well-
3 defined community of interest in the questions of law and fact involved affecting the parties to be
4 represented.” *Dunk*, 48 Cal.App.4th at 1806. The “community of interest” element “embodies three
5 factors: (1) common questions of law or fact predominate; (2) class representatives with claims or
6 defenses typical of the class; and (3) class representatives who can adequately represent the class.” *Id.*
7 Here, the Parties agree that, for the purposes of settlement, these prerequisites are met. *See* Exh. A to
8 Decl. Rodriguez, ¶ 5.12.

9 **i. The Proposed Settlement Class is Ascertainable and Sufficiently Numerous**

10 The proposed settlement class is ascertainable because all putative Class Members can be
11 readily identified through employee personnel and payroll files. *See Noel v. Thrifty Payless, Inc.*, 7
12 Cal.5th 955, 980 (2019); *Rose v. City of Hayward*, 126 Cal.App.3d 926, 932 (1981); *Lee v. Dynamex,*
13 *Inc.*, 166 Cal.App.4th 1325, 1334 (2008). The numerosity requirement is met because there are fifty-
14 two (52) individuals who fall within the definition of Class Member, which makes joinder of all
15 members impracticable. *See Gay v. Waiters’ & Dairy Lunchmen’s Union*, 489 F.Supp. 282 (N.D. Cal.
16 1980), *aff’d* 694 F.2d 531 (9th Cir. 1982); *Hebbard v. Calgrove*, 28 Cal.App.3d 1017, 1030 (1972)
17 (noting no set minimum to meet the numerosity prerequisite, but a class as few as twenty-eight (28)
18 members is acceptable). Thus, these requirements are satisfied.

19 **ii. The Commonality, Predominance, and Typicality Requirements are Met**

20 The commonality requirement is met when there are questions of law or fact regarding the class
21 as a whole. *See Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1019 (9th Cir. 1998). Commonality requires
22 only that some common legal or factual questions exist; a plaintiff need not show that all issues in the
23 litigation are identical. *See Richmond v. Dart Ind., Inc.*, 29 Cal.3d 462, 473 (1981); *City of San Jose v.*
24 *Superior Court*, 12 Cal.3d 447, 460 (1974). Common questions of law or fact must also predominate
25 over individual questions and class-wide treatment of a dispute must be superior to individual
26 litigation.² *See Richmond*, 29 Cal.3d at 469. Predominance requires a putative class be sufficiently
27

28 ²When assessing predominance and superiority, a court may consider that the class will be certified for settlement purposes only and that manageability of trial is therefore irrelevant. *See Amchem Products v. Windsor*, 521 U.S. 591 (1997).

1 cohesive to warrant adjudication by representation. *See Hanlon*, 150 F.3d at 1022. The typicality
2 requirement is met when claims of the named representative are typical of those of the class, though
3 “they need not be substantially identical.” *Id.* at 1020; *Classen v. Weller*, 145 Cal.App.3d 27, 46-47
4 (1983).

5 The common questions of law and fact in this case stem from the contentions that Defendants 1)
6 failed to compensate Class Members for off-the-clock work; 2) Defendants failed to pay vacation
7 wages and premium wages, including overtime, meal and rest period premiums, and sick leave; 3)
8 Defendants unlawfully rounded Class Members hours worked; 4) Defendants failed to authorize and
9 permit all meal and rest periods because Class Members were required to work on-duty meal and rest
10 periods and/or had their breaks regularly interrupted, were not given timely meal periods, were only
11 given meal periods of less than thirty minutes, were not given second meal periods and/or third rest
12 periods when working more than ten (10) hours; and 5) Defendants failed to reimburse Class Members
13 for all cell phone, mileage, and home internet expenses incurred in carrying out their necessary job
14 functions. *See* Exh. B to Decl. Rodriguez. The waiting time penalties, wage statement violations,
15 unfair competition, and PAGA claims are derivative of these violations. *See id.* Plaintiff Hernandez
16 and the Class Members seek the same remedies under state law. Under these specific circumstances,
17 the commonality and predominance requirements are satisfied. Regarding the typicality requirement,
18 Plaintiff Hernandez contends he suffered from the same unlawful policies, treatment, and
19 circumstances as Class Members did, will request the same remedies, and will rely on the same
20 methods of proof to establish liability and damages. *See id.* Thus, the typicality requirement is also
21 satisfied for settlement purposes.

22 **iii. The Adequacy Requirement is Met**

23 The adequacy of representation requirement is met if the named representative and counsel have
24 no interests adverse to those of the putative class members and are committed to vigorously prosecuting
25 the case on behalf of the class. *See Hanlon*, 150 F.3d at 1020; *McGhee v. Bank of America*, 60
26 Cal.App.3d 442, 450-51 (1976). Those standards are met here. Under the proposed Agreement,
27 Plaintiff Hernandez and the putative Class Members will receive a pro rata share of the settlement
28 based on the number of workweeks they worked for Defendants. *See* Exh. A to Decl. Rodriguez.

1 Finally, any settlement class member who wishes to opt-out of the settlement may do so, and he or she
2 may also dispute the number of workweeks stated in the Notice of Settlement.

3 There is no conflict of interest between Plaintiff Hernandez and Class Members. Plaintiff
4 Hernandez and his counsel have vigorously pursued the claims made on behalf of the class. The claims
5 were thoroughly investigated in the course of informal discovery and at mediation. Moreover, Plaintiff
6 Hernandez's counsel have experience defending and bringing wage and hour claims. Because they
7 have vigorously pursued Class Members' claims, the adequacy requirement is met. *See generally* Decl.
8 Rodriguez.

9 **VII. ATTORNEYS FEES AND COSTS, ENHANCEMENT PAYMENT TO THE CLASS**
10 **REPRESENTATIVE, AND SETTLEMENT ADMINISTRATOR COSTS TO BE**
11 **REQUESTED IN CONNECTION WITH FINAL APPROVAL**

12 Should the Court grant preliminary approval, Plaintiff Hernandez will seek an award of
13 attorney's fees and costs, an Enhancement Payment for Plaintiff Hernandez, and Settlement
14 Administrator Costs as set out in the Agreement as part of the final approval briefing. Plaintiffs believe
15 an award of attorney's fees under the common fund doctrine is appropriate as there is a sufficiently
16 identifiable class of beneficiaries (*e.g.* Class Members and Aggrieved Employees), the benefits received
17 can be accurately traced to the settlement Plaintiffs and Plaintiffs' Counsel were able to negotiate on
18 their behalf, and the fee can be shifted with exactitude to those benefiting as the fee request is a
19 specific, lump-sum percentage of the fund. *See Laffitte v. Robert Half Internat., Inc.*, 1 Cal.5th 480,
20 506 (2016); *Paul, Johnson, Alston & Hunt v. Gaulty*, 886 F.2d 268, 271 (9th Cir. 1989); *Boeing Co. v.*
21 *Van Gemert*, 444 U.S. 472, 477-478 (1980) ("A lawyer who recovers a common fund for the benefit of
22 persons other than . . . her client is entitled to a reasonable attorney's fee from the fund as a whole"). In
23 this case, the Agreement allocates one-third (1/3) of the Gross Settlement Amount as the maximum
24 potential fee award. *See* Exh. A to Decl. Rodriguez, ¶ 5.2. This is well within the range of fee awards
25 percentages approved in common fund cases. *See, e.g., Martin v. AmeriPride Servs., Inc.*, 2011 WL
26 2313604, *8 (S.D. Cal. 2011) (collecting cases and noting fee awards may range between 30%-40%
27 where the gross settlement amount is less than \$10 million); *Singer v. Becton Dickinson & Co.*, 2010
28 WL 2196104, *8 (S.D. Cal. 2010) (collecting cases wherein the fee awards ranged from 33.33% to
40% of the gross settlement amount, including *Ingalls v. Hallmark Mktg. Corp.*, 08cv4342 VBF (Ex),

Doc. No. 77, ¶ 6 (C.D. Cal. Oct. 16, 2009) [awarding 33.33% fee on a \$5.6 million wage and hour class action], *Birch v. Office Depot, Inc.*, Case No. 06cv1690 DMS (WMC), Doc. No. 48, ¶ 13 (S.D. Cal. Sept. 28, 2007) [awarding a 40% fee on a \$16 million wage and hour class action], and *Rippee v. Boston Mkt. Corp.*, Case No. 05cv1359 BTM (JMA), Doc. No. 70, at 7–8 (S.D. Cal. Oct. 10, 2006) [awarding a 40% fee on a \$3.75 million wage and hour class action]).

Similarly, the amounts allocated for any Enhancement Payment and Settlement Administrator Costs are also within ranges that have been approved in similar cases. *See Cellphone Termination Fee Cases*, 186 Cal.App.4th at 1393 (approving \$10,000 awards to each of the four (4) named plaintiffs); *West v. Circle K Stores, Inc.*, 2006 WL 8458679, *2–3, *7–*8 (E.D. Cal. 2006) (awarding \$15,000 to each of the named representatives who spent 100 hours and 80 hours, respectively, prosecuting the case on behalf of class members)³; *Dent v. ITC Serv. Grp., Inc.*, 2013 WL 5437331, *4, *7, *9 (D. Nev. 2013) (awarding a \$15,000 representative enhancement out of a \$150,000 settlement for approximately 530 class members); *Patel v. Nike Retail Services, Inc.*, 2019 WL 2029061, *1, *4 (N.D. Cal. 2019) (\$5,261 for settlement administrator’s fees was not excessive where PAGA group consisted of 40 employees). Any allocated amounts for attorney’s fees and costs, any Enhancement Payment, and/or Settlement Administrator Costs that are not ultimately awarded by the Court will be distributed to Class Members pro rata. *See* Exh. A to Decl. Rodriguez, ¶¶ 5.2–5.4, 5.8.

The final approval briefing will include information and analysis regarding the appropriateness of the fee percentage sought, a lodestar cross check of the requested fee, a declaration from Plaintiff Hernandez regarding his time spent on the case as well as any risks and burdens incurred as the Class Representative, itemized costs from Plaintiffs’ Counsel, and a declaration from the Settlement Administrator detailing the work performed and Settlement Administrator Costs incurred. *See* Decl. Rodriguez ¶ 19. The Notice of Settlement will state the amounts to provide Class Members the ability to comment thereon, providing evidence of whether the requested amounts are reasonable. *See* Exh. F

³ In *West*, information necessary to assess enhancement payments relative to average payments received by class members was stated in connection with preliminary approval proceedings. There were 1,752 class members in the vacation subclass and 14,000 class members in the meal period subclass, totaling 15,752 class members in all. Thus, in a \$5,000,000 gross settlement, the *West* Court approved the \$15,000 enhancements where the average gross award for class members was \$317.42. *Compare West v. Circle K Stores, Inc.*, 2006 WL 1652598, *3 (E.D. Cal. 2006) with *West v. Circle K Stores, Inc.*, 2006 WL 8458679, *2–3, *7–*8 (E.D. Cal. 2006).

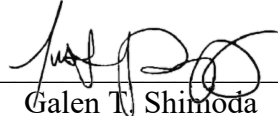
1 to Decl. Rodriguez, at pg. 2, § II.A; *see also In re Heritage Bond Litig.*, 2005 WL 1594403, *21 (C.D.
2 Cal. 2005) (“The absence of objections or disapproval by class members to Class Counsel’s fee request
3 further supports finding the fee request reasonable”).

4 **VIII. CONCLUSION**

5 For all of the foregoing reasons, the Court should preliminarily and conditionally certify the
6 class for settlement purposes; grant preliminary and conditional approval of the proposed settlement;
7 approve the proposed notification procedures, including the Notice of Settlement, and proposed
8 deadlines relating thereto; and schedule the final approval hearing. A copy of Plaintiffs’ proposed
9 order is being filed concurrently herewith.

12 **Shimoda & Rodriguez Law, PC**

14 Dated: July 8, 2026

13 By: 
15 Galen T. Shimoda
16 Justin P. Rodriguez
17 Austin D. Sork
18 Attorneys for Plaintiff Hernandez
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Attorneys for Plaintiff JOSE HERNANDEZ

[Additional Counsel on the Following Page]

SUPERIOR COURT OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

PETE CRUZ and JOSE HERNANDEZ,
individually and on behalf of all other
similarly situated employees,

Plaintiffs,

vs.

QUANTUMSCAPE, an entity of unknown
form; QUANTUMSCAPE CORPORATION,
a Delaware Corporation; QUANTUMSCAPE
BATTERY, INC., a Delaware Corporation;
and DOES 1 to 100, inclusive,

Defendants.

Case No. 23CV427117

Related to Case No.: 24CV439603

*Assigned for All Purposes to Hon. Theodore C.
Zayner, Dept. 19*

CLASS ACTION

**DECLARATION OF JUSTIN P. RODRIGUEZ
IN SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: July 15, 2026

Time: 1:30

Dept.: 19

Judge: Hon. Theodore C. Zayner

Filed: December 4, 2023

FAC Filed: February 7, 2024

SAC Filed: December 9, 2025

Trial Date: None Set

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Attorneys for Plaintiff PETE CRUZ

1 I, Justin P. Rodriguez, declare:

2 1. I am an attorney at law duly admitted to practice before all the courts of the State of
3 California and an attorney of record for Plaintiff Jose Hernandez (“Plaintiff Hernandez”) herein. I am
4 making this declaration on behalf of the named Plaintiff Hernandez, Plaintiff Pete Cruz (“Plaintiff
5 Cruz”) (Plaintiff Cruz and Plaintiff Hernandez collectively referred to as “Plaintiffs”), the putative class
6 members, and in support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA
7 Settlement (“Motion”).

8 2. A true and correct copy of the Joint Stipulation Regarding Class Action and PAGA
9 Settlement and Release (“Agreement”) in this matter is attached to my declaration as Exhibit A. The
10 Agreement represents a global compromise of the wage and hour class action and Private Attorney’s
11 General Act (“PAGA”) claims brought against Defendants QuantumScape Corporation and
12 QuantumScape Battery, Inc., (collectively referred to as “Defendants”) in the matters of *Cruz v.*
13 *QuantumScape, et al.*, Santa Clara Superior Court, Case No. 23CV427117 (“*Cruz Action*”); *Hernandez*
14 *v. QuantumScape Battery, Inc.*, Santa Clara Superior Court, Case No. 24CV439603 (“*Hernandez*
15 *PAGA Action*”); and *Hernandez v. QuantumScape Battery, Inc.*, JAMS Arbitration, Reference No.
16 5100001940 (“*Hernandez Arbitration*”) (*Cruz Action*, *Hernandez PAGA Action*, and *Hernandez*
17 *Arbitration* collectively referred to as the “Actions”).

18 3. We began investigating the claims with Plaintiff Hernandez on October 5, 2023, which
19 included interviewing Plaintiff Hernandez, reviewing his documents, and seeking out potential
20 witnesses to corroborate the claims. From our initial investigations of the claims and documents, we
21 believed the claims had merit and could be maintained as a class and PAGA action. Plaintiff
22 Hernandez filed a notice with the Labor and Workforce Development Agency (“LWDA”) on January
23 10, 2024, alleging claims for civil penalties due to the failure to pay overtime wages, the failure to
24 provide meal and rest periods, the failure to provide accurate wage statements, the failure to pay final
25 wages, the failure to provide sick leave, the failure to timely pay wages, and the violation of Labor
26 Code §§ 558 & 558.1. A true and correct copy of the notice filed with the LWDA is attached to my
27 declaration as Exhibit C. The *Hernandez PAGA Action* was filed on May 22, 2024. Due to an
28 arbitration agreement signed during his employment that authorized class arbitrations, Plaintiff

Hernandez also initiated the *Hernandez* Arbitration on March 1, 2024, alleging class claims for (1) Failure to Pay Overtime Wages; (2) Untimely Payment of Wages; (3) Meal Period Violations; (4) Rest Period Violations; (5) Wage Statement Violations; (6) Waiting Time Penalties; and (7) Unfair Competition.

4. To facilitate a more efficient settlement review and approval process, the Parties agreed to Plaintiffs filing a Second Amended Complaint (“SAC”) in the *Cruz* Action to effectively consolidate all wage and hour individual, class, and PAGA claims, causes of action, and allegations from the Actions into a single proceeding. The SAC was filed in the *Cruz* Action on December 9, 2025. A true and correct copy of the operative SAC is attached to my declaration as Exhibit B.

5. Currently, there are no dates set for a motion to certify the class or for trial in any of the Actions.

6. Defendants are represented in this matter by Saber Law Group. From the beginning, Defendants have contested the merits of this case, the suitability of the case for class action and/or representative treatment, the manageability of the case at trial, and Plaintiffs’ ability to prove a violation in each pay period for each employee among other defenses and contentions they made challenging the propriety of claims. Defendants further contended, even assuming there was a finding supporting the imposition of PAGA penalties, that the Court would likely exercise its discretion to substantially reduce any such penalties owed based on evidence of good faith attempts to comply with California Labor Code obligations by Defendants. Notwithstanding the agreement to settle this matter, Defendants believe the practices Plaintiffs are contending are unlawful either do not exist or, to the extent they do exist, fully comply with all state and federal employment laws with respect to Plaintiffs and Class Members. Also, Defendants have contended that this matter is not appropriate for class certification outside of this proposed class settlement.

7. Based on the expected testimony from Plaintiffs and Class Members, a review of Defendants’ policies and procedures and other documents relating to the alleged claims, the number of Class Members and their total workweeks within the Class Period, the number of Aggrieved Employees and their total pay periods within the PAGA Period, a representative sample of Class Members’ time and payroll data, the scope of the potential damages in light of the claims alleged, the uncertainty in the

1 law with regard to certification, and the negotiations that have taken place, I am convinced that the
2 proposed settlement is in the best interest of Class Members and the Aggrieved Employees. The length
3 and risk of continued litigation and trial, as well as other normal perils of complex litigation that impact
4 the value of the claims, were also considered and weighed in reaching the Agreement. In addition, I
5 carefully considered the prospects of class certification and maintaining class certification through trial
6 notwithstanding the numerous challenges raised by Defendants. I further considered the fact that
7 penalties under the PAGA could be substantially cut at the discretion of the Court even if Plaintiffs were
8 successful on proving those claims and there was risk that a Court could find no willfulness in the failure
9 to pay wages at separation or the existence of a good faith dispute, which could eliminate the value of
10 several claims entirely. Overall, I believe it is more beneficial to secure a guaranteed benefit to the class
11 now rather than to proceed with litigation and potentially obtain zero funds for the class due to legal or
12 factual issues in the case.

13 8. Plaintiffs' Counsel, with the assistance of Plaintiffs, have reviewed a substantial number
14 of documents and informal discovery during the investigation of the claims. The informal discovery and
15 exchange of documents included, but was not limited to, representative sampling of employee time
16 records, paystubs, and payroll summaries for both Class Members and Aggrieved Employees, relevant
17 handbooks, bulletins, and memoranda containing Defendants' policies for the entirety of the statute of
18 limitations applicable to the alleged claims. Review of this data included comparing the time records
19 and payroll data and Defendants' wage and hour policies pay period by pay period, which evolved over
20 the course of the Class Period. Plaintiffs' Counsel utilized an expert to assist in analyzing the sample
21 data, assessing the extent of Labor Code violations within the sample group and making extrapolations
22 to Class Members and Aggrieved Employees as a whole. Plaintiffs' Counsel also independently
23 reviewed and analyzed the sample data to assess the extent and frequency of the violations based on the
24 alleged theories of liability. I believe the informal discovery and analysis thereof enabled Plaintiffs to
25 create an accurate damages model. Plaintiffs assisted in all aspects of this litigation including providing
26 factual information relating to Class Members' and Aggrieved Employees' employment conditions.

27 9. Throughout the litigation our office had numerous communications with Defendants'
28 Counsel discussing our respective positions. The Parties engaged in mediation on April 7, 2025, using

1 an experienced mediator, Mark LeHocky. It was only after extensive investigation and arm's length
2 negotiations that the Parties were able to reach a global settlement, which only occurred after a full-day
3 mediation and a mediator's proposal. Thereafter, the Parties continued to negotiate to finalize the terms
4 of the long form Agreement now before the Court for review. The negotiations were, at all times,
5 contentious, adversarial, and at arms-length, though still professional in nature.

6 10. Based on the informal discovery and data sample produced for mediation, there are
7 approximately 52 Class Members and 462 Aggrieved Employees. Extrapolating from the sample
8 group, there were approximately 5,278 weeks worked by Class Members during the Class Period and
9 21,829 pay periods worked by Aggrieved Employees during PAGA Period. The multiplier used to
10 extrapolate the Class Member sample results to the class as a whole was 6.2x, which was determined
11 by dividing the total number of Class Member shifts by the number of shifts worked by Class Members
12 within the sample group. Class Members had an average hourly rate of \$38.93. Due to the existence of
13 arbitration agreements, the scope of the class claims were limited to individuals who signed arbitration
14 agreements with language similar to what was included in Plaintiff Hernandez's arbitration agreement,
15 *i.e.* language authorizing class arbitration. This is why there are fewer Class Members than Aggrieved
16 Employees. This is also why only Plaintiff Hernandez is a Class Representative under the Agreement.
17 Plaintiff Cruz did not sign an arbitration agreement with the language authorizing class arbitration. The
18 following represents the maximum recovery as well as the more realistic range of recovery for each of
19 the asserted claims:¹

- 20 a) Minimum Wages: This claim is based on allegations that Defendants failed to pay Class
21 Members at least the minimum wage for all hours worked due to Defendants requiring
22 employees to work off-the-clock before their shifts, when they were clocked out during
23 meal periods, and after their shifts. Plaintiffs contended the unpaid time also resulted
24 from Defendants rounding employees' actual hours worked. The maximum damages for
25 this claim are approximately \$43,633, which is entirely based on liquidated damages for
26 unpaid minimum wages because the substantive wage loss is accounted for in the off-
27 the-clock analysis below. *See* Cal. Lab. Code § 1194.2. The amount was calculated by
28

¹ Plaintiffs' have rounded the calculations within the sample group calculations to the nearest whole number.

1 multiplying the average total unpaid time worked per shift (10 minutes) by the number
2 of shifts worked each year within the Class Period then multiplying that number by the
3 minimum wage rate in effect for that same year:

Year	Shifts	Unpaid Hours	Min. Wage	Wages Owed	Extrapolated to Class
2024	159	27	\$16.00	\$432	\$2,678
2023	440	73	\$15.50	\$1,132	\$7,015
2022	769	128	\$15.00	\$1,920	\$11,904
2021	966	161	\$14.00	\$2,254	\$13,975
2020	601	100	\$13.00	\$1,300	\$8,060
TOTAL:					\$43,632

8 This amount does not take into account any potential risks with respect to certifying the
9 claim, proving the merits, or proving damages. First, Defendants disputed the existence
10 and extent of any off-the-clock work, claiming that it was directly against their written
11 policies and procedures. Defendants argued it maintained, and strictly enforced, policies
12 against working off-the-clock, accurately recording hours worked, and that overtime was
13 regularly paid, undermining any contention that there was any practice or policy
14 promoting off-the-clock work. Second, Defendants contended it never had any time
15 rounding policy or practices. To the extent there were time records that appeared to
16 show rounding, Defendants contended this was a result of employees using pre-
17 populated time entries rather than actual hours worked. These arguments presented a
18 substantial challenge to both certification and the merits of the claim. The written policy
19 prohibiting off-the-clock work would require Plaintiffs to demonstrate, on a class wide
20 basis, that Defendants effectively maintained “a policy to violate the policy” against off-
21 the-clock work and that Defendants knew or should have known the off-the-clock work
22 was occurring despite the policies and payment of overtime. *See Brinker Rest. Corp. v.*
23 *Superior Ct.*, 53 Cal.4th 1004, 1051-1052 (2012). Finally, the presence of a good faith
24 dispute would eliminate liability for liquidated damages for unpaid minimum wages.
25 *See Cal. Lab. Code § 1194.2(b); Ridgeway v. Walmart Inc*, 946 F.3d 1066, 1089-1090
26 (9th Cir. 2020). Taking all these factors into account, I believe it is likely a good faith
27 dispute would be found and there would be no recovery for this claim.
28

b) Unpaid Wages, Including Overtime and Straight Time From Off-The-Clock Work: The off-the-clock theory of overtime liability is based on the same factual allegations that formed the basis for the minimum wage claims, which are stated above. The maximum damages for this claim are \$174,049.00. The average total unpaid time worked per shift was approximately 10 minutes. Based on the timecard data, approximately 95.3% of this additional time would have been overtime. The amount was calculated by multiplying the average total unpaid time worked per shift (10 minutes) by the number of shifts worked each year within the Class Period to get the total unpaid hours, then multiplying 95.3% of that number by the average overtime rate of pay and multiplying 4.7% of that number by the average base rate of pay:

Year	Unpaid Hours	Base Rate	OT Rate	Wages Owed	Extrapolated to Class
2024	27	\$52.16	\$78.24	\$2,079	\$12,892
2023	73	\$46.74	\$70.11	\$5,038	\$31,235
2022	128	\$37.87	\$56.81	\$7,157	\$44,374
2021	161	\$36.63	\$54.95	\$8,708	\$53,987
2020	100	\$34.53	\$51.80	\$5,098	\$31,610
TOTAL:					\$174,098

This amount does not take into account any potential risks with respect to certifying the claim, proving the merits, or proving damages. Because this theory of liability is based on the same facts supporting the minimum wage claim, it is subject to the same risks identified above. Taking all these factors into account, I believe a more likely range of recovery for this claim is between \$69,619.60 to \$130,536.75 (a 25% to 60% reduction based on risk);

c) Unpaid Wages (Regular Rate Of Pay): This claim is based allegations that Defendants failed to incorporate the value of incentive-based compensation such as commissions, bonuses, and shift differentials when paying premium wages such as overtime, meal and rest period premiums, sick leave, and vacation pay. Because the meal and rest period violations based on the regular rate of pay overlap with, and are a subset of, the general violations for failure to authorize/permit theory of liability, they are not given separate value under the regular rate theory of liability. With respect to sick and vacation pay, we did not find instances where non-discretionary payments were also made in the same

1 pay period where final wages for vacation/PTO were paid. Defendants maintained a
2 PTO program as well as a sick leave program and both were used to pay for sick leave
3 wages under the Healthy Workplace Healthy Family Act of 2014. However, less than
4 0.5% of Class Member pay periods were affected, contributing little to no value for this
5 theory of liability. With respect to unpaid overtime due to regular rate of pay calculation
6 errors, approximately 60% of Class Members experienced at least one instance where
7 they worked overtime and earned non-discretionary remuneration covering the same
8 period. Approximately 3% of all Class Member pay periods were affected. The
9 maximum damages for this claim are \$10,751, which was calculated by taking the
10 difference between overtime premiums paid in a given pay period versus the amount of
11 overtime premiums that should have been paid in the same pay period based on the total
12 hours worked, base compensation earned, and additional non-discretionary
13 compensation earned in the same period. However, this amount does not take into
14 account the risks associated with the claim. For example, Defendants contended that the
15 only non-discretionary payment made to Class Members in addition to their base hourly
16 rate were shift differentials, which were calculated on all wages, including overtime.
17 Defendants maintained all other payments were discretionary in nature, were not based
18 on employee performance or efficiency, and were not paid according to any contract.
19 Therefore, Defendants contended, they were properly excluded from regular rate
20 calculations. Taking all these factors into account, I believe a more likely range of
21 recovery for this claim is between \$8,063.25 to \$9,138.35 (a 15% to 25% reduction
22 based on risk);

- 23 d) Meal Periods: This claim is based on allegations that Defendants failed to authorize and
24 permit meal periods because they were required to carry walkie talkies and keep phones
25 on during their breaks, were not able to take timely meal periods, and failed to receive
26 additional meal periods when working over 10 hours. Based on the sample, there was a
27 unique violation rate of approximately 82.6%, *i.e.* 82.6% of shifts either had 1) a
28 recorded first meal break after the end of the fifth hour for shifts over five hours, 2) a

1 first meal break less than 30 minutes for shifts over five hours, 3) no first meal break for
2 shifts over five hours, or 4) no second meal break for shifts over ten hours. Based on the
3 average hourly rates in effect in the year those unique violations occurred, the maximum
4 amount of damages for this claim is \$523,590. This amount does not take into account
5 any potential risks with respect to certifying the claim, proving the merits, or proving
6 damages. Defendants contended that it maintained facially compliant meal and rest
7 period policies and directed its payroll provider to automatically pay premiums
8 whenever time records indicated a late, short, or missed first and/or second meal period.
9 Defendants also contended that Class Members signed valid meal period waivers for
10 shifts of less than six hours and second meal period waivers for shifts between ten to
11 twelve hours. While Plaintiffs can utilize the rebuttable presumption of meal period
12 violations based on the time records under *Donohue v. AMN Servs., LLC*, 11 Cal.5th 58,
13 78 (2021), if Defendants' time keeping policies and records were found to rebut the
14 presumption of meal period violations, this would substantially reduce the scope of
15 Plaintiffs' meal period claim. For example, if the Court found the meal period waivers
16 to be valid, then the unique violation rate would drop to 3.8%. Taking these factors into
17 account, I believe a more realistic range of recovery for this claim is between \$209,436
18 to \$314,154 (reduction of 40% to 60% based on risk);

- 19 e) Rest Breaks: This claim was based on the same allegations as the meal period claim.
20 However, Plaintiffs contended that Class Members were not provided with lawful rest
21 periods approximately 100% of the time in shifts exceeding 3.5 hours. Based on the
22 average hourly rates in effect in the year those violations occurred, the maximum
23 amount of damages for this claim is \$708,639. This amount does not take into account
24 any potential risks with respect to certifying the claim, proving the merits, or proving
25 damages. Because this claim is based on the same factual basis as the meal period
26 claims, it is also subject to the same risks as detailed above. However, there is no
27 requirement that an employer keep records of rest periods, so this claim does not benefit
28 from any presumptive violation based on time records under the law like meal period

claims do. This presented an even greater risk for Plaintiffs' rest period claims than is present for the meal period claims. Taking these factors into account, I believe a more realistic range of recovery for this claim would be between \$177,159.75 to \$283,455.60 (60% to 75% reduction based on risk);

f) Reimbursement: This claim was based on Plaintiffs' contention that Class Members were required to use their personal cellphones, accrue personal vehicle mileage and fuel costs for work purposes, and home internet charges to perform their duties. Based on the expected testimony, Plaintiffs assumed an aggregate average of \$25 per month per employee in unreimbursed expenses. Based on the sample group, this equated to a maximum of \$32,700 in damages. This amount does not take into account any potential risks with respect to certifying the claim, proving the merits, or proving damages. Defendants contended that the use of any applications on a personal device or using cell phones to communicate with supervisory employees and/or clients was, at most, a personal choice of convenience by Class Members. Similarly, Defendants contended that use of personal vehicles was not required and there was no evidence of Class Members traveling to pick up parts or other similar trips required by Defendants. Defendants also contended that any cell phone expenses were adequately reimbursed in the monthly stipend provided to employees. Based on these risks, I believe a more realistic range of recovery for this claim would be between \$13,080 to \$16,350 (50% to 60% reduction based on risk);

g) Wage Statement Violations: This claim is derivative of the claims alleged above. overtime, minimum wage, prevailing wage, meal and rest period claims. There were approximately 22 Class Members who worked a total of 596 pay periods within the one-year statute of limitations. Thus, the maximum exposure for this claim is \$58,500.00 (22 employees x \$50 for the initial violation and 574 remaining violations x \$100 = \$58,500). This amount does not take into account any potential risks with respect to certifying the claim, proving the merits, or proving damages. Because this claim is derivative of Plaintiffs' other claims, the same risks identified above for the claims apply

here as well, substantially affecting the potential value of this claim. Furthermore, under *Naranjo v. Spectrum Sec. Servs., Inc.*, 15 Cal.5th 1056 (2024), employers now have a good faith dispute defense against wage statement claims. Given the factual and legal disputes presented in this fact, I believe there is a substantial risk that a Court would find a good faith dispute exists. Thus, I believe it is more realistic that there would be no recovery for this claim;

h) Waiting Time Penalties: This claim is derivative of the overtime, minimum wage, prevailing wage, meal and rest period claims. There were approximately 40 former employees and the average daily hours worked was 10.8 hours. Based on the average rate of pay, the daily rate of pay was approximately \$474.96 ($[\$38.93 \times 8] + [\$58.40 \times 10.8]$). Using the full 30-day waiting time penalty, the waiting time penalty was approximately \$14,248.80 per Class Member, which equates to a maximum of \$569,952 for the 40 former employees. This amount does not take into account any potential risks with respect to certifying the claim, proving the merits, or proving damages. Because it is derivative of Plaintiffs' claims asserted above, it carries all the same risks. Similar to claims for liquidated damages for minimum wages and wage statement violations, waiting time penalties are subject to a good faith dispute defense. *See Diaz v. Grill Concepts Servs., Inc.*, 23 Cal.App.5th 859, 868 (2018). For the same reasons as stated above, there is a substantial risk that a good faith dispute would be found and the value associated with this claim would be eliminated entirely;

i) PAGA: This claim is derivative of the Labor Code violations identified above and would be subject to all the same risks as the underlying claims it is based on. We did not find any prior Labor Commissioner or Court decisions stating Defendants' practices and/or policies were improper. As such, a "subsequent violation" may not be found for penalty calculation purposes, and the penalty exposure analysis herein is based on an "initial violation" valuation being adopted by any fact finder if this matter went to trial. *See Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1207-1209 (2008). There was a separate, independent sample analysis performed for employees falling with the

Aggrieved Employee definition. Based on the findings from the Aggrieved Employee data sample and the pay periods at issue for the PAGA claim, the maximum exposure for this claim is \$13,270,550, which was calculated per violation as follows:

- *Minimum Wages*: 100% of pay periods affected x \$100 default penalty per Labor Code § 2699(f) = \$2,182,900;
- *Overtime*: 100% of pay periods affected x \$50 penalty per Labor Code § 558 = \$1,091,450;
- *Meal Periods*: 81.9% of pay periods affected (17,878) x \$50 penalty per Labor Code § 558 = \$893,900;
- *Rest Periods*: 99.9% of pay periods affected (21,807) x \$100 default penalty per Labor Code § 2699(f) = \$2,180,700;
- *Wage Statements*: 100% of pay periods affected x \$100 default penalty per Labor Code § 2699(f) = \$2,182,900;
- *Waiting Time Penalties*: 109 former employees x \$100 default penalty per Labor Code § 2699(f) = \$10,900;
- *Reimbursement*: 100% of pay periods affected x \$100 default penalty per Labor Code § 2699(f) = \$2,182,900;
- *Failure to Pay Sick Leave Wages*: 0.3% of pay periods affected (655) x \$100 default penalty per Labor Code § 2699(f) = \$6,550;
- *Failure to Pay Vacation Wages*: 0.3% of pay periods affected (655) x \$100 default penalty per Labor Code § 2699(f) = \$6,550;
- *Untimely Payment of Wages*: 100% of pay periods affected x \$100 penalty per Labor Code § 210(a)(1) = \$2,182,900; and
- *Failure to Maintain Accurate Records*: 100% of 462 employees affected x \$500 penalty per Labor Code § 1174.5.

These amounts do not take into account any of the risks in proving the merits of the underlying claims that the PAGA damages are based on. The identified risks would likely substantially reduce and/or eliminate several of the claims as it is unlikely that

1 civil penalties would be imposed for claims where no liability was found (*e.g.* wage
2 statement violations, waiting time penalties, etc.). Additionally, several of the civil
3 penalty claims are for the same, singular conduct (*e.g.* off-the-clock minimum wage,
4 overtime, and untimely payment of wages as well as the failure to pay sick leave and
5 vacation wages), making it unlikely that the full civil penalty available would be
6 imposed should Plaintiffs prevail at trial. Applying the same risk reductions discussed
7 above regarding the class claims for minimum wages, overtime and unpaid straight
8 time,² meal and rest periods, wage statement violations, waiting time penalties, and
9 reimbursement, the more likely range of recovery for the PAGA claims based on the
10 merits is between \$3,447,635 to \$5,317,833. In addition to the risks on the merits, I
11 believe the Court may exercise its discretion to reduce PAGA penalties in this case
12 because a majority of the civil penalties sought would be in addition to amounts owed
13 for substantive violations, some of the violations are due to technical non-compliance
14 with the Labor Code, Defendants produced wage and hour policies and other documents
15 related to attempts at complying with the California Labor Code that a Court may find
16 demonstrates a good faith attempt at compliance, and there were several instances where
17 the actual substantive loss experienced by Aggrieved Employees was substantially less
18 per pay period than the potential maximum penalty that could be imposed (*e.g.* \$25 per
19 month in substantive loss for reimbursement where the civil penalty per biweekly pay
20 period is \$100). Courts are statutorily authorized to use discretion to reduce penalties
21 and the range of discretion used varies substantially. *See Thurman v. Bayshore Transit*
22 *Mgmt., Inc.*, 203 Cal.App.4th 1112, 1135 (2012) (30% reduction); *Fleming v. Covidien*
23 *Inc.*, 2011 WL 7563047, *3–4 (C.D. Cal. 2011) (82% reduction); *Magadia v. Wal-Mart*
24 *Associates, Inc.*, 384 F.Supp.3d 1058, 1104 (N.D. Cal. 2019) (80% reduction); *Hamilton*
25 *v. Juul Labs, Inc.*, 2021 WL 5331451, *9-*10 (N.D. Cal. 2021). After accounting for
26 the potential discretionary reduction of civil penalties by the Court, the more likely
27

28 ² The rate of reduction based on risk for this claim was also applied to the PAGA claim for untimely payment of wages, *e.g.* a 25% to 60% reduction.

1 range of potential recovery for the PAGA claim is further reduced to between
2 approximately \$620,574.30 (82% reduction from \$3,447,635) to \$3,722,483 (30%
3 reduction from \$5,317,833). I believe allocating \$218,750.00 to the resolution of PAGA
4 claims in this case is appropriate, especially in light of amounts that Courts have
5 approved as reasonable valuations in other cases. *See Nordstrom Com. Cases*, 186
6 Cal.App.4th 576, 589 (2010) (approving \$0 allocation to the resolution of PAGA claims
7 based on their being disputed and being part of a class settlement which was evaluated
8 based on the terms of the agreement overall); *Junkersfeld v. Med. Staffing Sols., Inc.*,
9 2022 WL 2318173, *8 n.2 (E.D. Cal. 2022) (collecting cases with PAGA settlement
10 values ranging from .037%-1%); *Jennings v. Open Door Marketing, LLC*, 2018 WL
11 4773057, *9 (N.D. Cal. 2018) (approving settlement of PAGA claims at 0.6% of total
12 estimated value due to risk of no recovery); *Ruch v. AM Retail Grp., Inc.*, 2016 WL
13 5462451, *7 (N.D. Cal. 2016) (approving \$10,000 PAGA settlement allocation where
14 total PAGA penalty exposure was approximately \$5.2 million, or 0.2% of total estimated
15 value); *Davis v. Cox Commc'ns California, LLC*, 2017 WL 1496407, *1 (S.D. Cal.
16 2017) (preliminarily approving \$4,000 PAGA allocation in \$275,000 settlement); *Moore*
17 *v. Fitness Int'l, LLC*, 2014 WL 12571448, *5 (S.D. Cal. 2014) (approving \$2,500 PAGA
18 allocation when attorneys' fees award alone amounted to \$200,000); *Jack v. Hartford*
19 *Fire Ins. Co.*, 2011 WL 4899942, *6 (S.D. Cal. 2011) (approving \$3,000 PAGA
20 allocation in \$1,200,000 settlement); *Singer v. Becton Dickinson & Co.*, 2010 WL
21 2196104, *2 (S.D. Cal. 2010); *Hopson v. Hanesbrands Inc.*, 2009 WL 928133, *1, *9
22 (N.D. Cal. 2009) (approving \$1,500 PAGA allocation in \$1,026,000 settlement); *Syed v.*
23 *M-I, L.L.C.*, 2017 WL 714367, *13 (E.D. Cal. 2017) (approving \$100,000 PAGA
24 allocation in \$3,950,000 gross settlement amount allocated to California class even
25 though PAGA exposure was calculated at \$53,600,000, or 0.2% of total estimated
26 potential value); *Garcia v. Gordon Trucking, Inc.*, 2012 WL 5364575, *6-*7 (E.D. Cal.
27 2012) (approving \$10,000 PAGA allocation in a \$3,700,000 settlement); *Franco v. Ruiz*
28 *Food Prod., Inc.*, 2012 WL 5941801, *14 (E.D. Cal. 2012) (\$10,000 PAGA allocation

1 from \$2,500,000 settlement fund); *Chu v. Wells Fargo Investments, LLC*, 2011 WL
2 672645, *1 (N.D. Cal. 2011) (\$10,000 PAGA allocation from \$6,900,000 settlement
3 fund).

4 11. In summary, the gross recovery of \$735,000 under the Agreement equals approximately
5 4.8% of the maximum value of the class and PAGA claims in this matter (\$15,392,363) and between
6 16.4% and 66.7% of the more realistic range of recovery for the class and PAGA claims (\$1,097,932.90
7 to \$4,476,117.45). After deducting the proposed allocations for attorneys' fees and costs, any
8 Enhancement Payment, Settlement Administrator Costs, and the PAGA Amount from the Gross
9 Settlement Amount, the net recovery for Class Members under the Agreement (\$217,500) represents
10 approximately 10.3% of the maximum value of the class claims in this matter (\$2,121,813). The net
11 recovery also represents between 28.7% and 45.6% of the more realistic range of recovery for the class
12 claims (\$477,358.60 to \$753,634.70). The average net award for Class Members is approximately
13 \$4,182.69, which is the equivalent of approximately \$41.21 per workweek. I believe the Agreement is
14 fair, reasonable, and adequate, representing a reasonable compromise of claims based on the legal and
15 factual disputes in this case. The ability to secure a guaranteed settlement now and ensure Class
16 Members receive some compensation, rather than proceed to further litigation and potentially recover
17 nothing, was a motivating factor in reaching this Agreement.

18 12. In agreeing to represent Plaintiff Hernandez and take on the case for all Class Members,
19 our office agreed to take this case on a contingency basis, meaning that we would take a percentage of
20 any settlement or judgment should we recover a monetary amount. We took a risk that we would not
21 recover any money in this matter if we were unsuccessful at trial. We also took on the risk that the case
22 may be subject to an unfavorable summary judgment ruling. However, we believe it is important to
23 make sure employees are able to find affordable representation in order to ensure that employers are
24 complying with all their legal obligations towards employees and paying employees all their hard-
25 earned wages.

26 13. I am a shareholder at Shimoda & Rodriguez Law, PC. My law firm is a boutique law
27 practice that focuses primarily on employment litigation, emphasizing wage and hour litigation. I
28 attended and graduated college from U.C. Davis, receiving a Bachelor of Arts in Philosophy and the

1 Departmental Citation for Academic Achievement in the Philosophy program. I was one of only two
2 recipients of this award out of the entire Philosophy Department. After U.C. Davis, I attended the
3 University of the Pacific, McGeorge School of Law, graduating in 2011 and receiving a Juris
4 Doctorate. I graduated in the top 20% of my class and was a member of the Traynor Honor Society at
5 McGeorge. Other academic achievements of mine include receiving a Witkin Award (top grade) in my
6 legal research and writing course, a Witkin Award in complex civil litigation, being a member of the
7 Dean's List from 2008 to 2011, being a Legislative Staff Writer for the *McGeorge Law Review* from
8 2009–2010, being an Associate Comment Editor for the *Pacific McGeorge Global Business &*
9 *Development Law Journal* from 2010–2011, and being selected as a Sacramento County Bar
10 Association Diversity Fellow in 2009. I was also a member of the Employment and Labor Law Society
11 and an officer for the Latino Law Students Association from 2009 to 2010.

12 14. I have been practicing law since 2011. From 2011 to 2016, I worked with the Shimoda
13 Law Corp. as an Associate. I became a Shareholder/Partner in the firm in 2017. Shimoda Law Corp.
14 became Shimoda & Rodriguez Law, PC, in 2022. Since 2017, I have received an AV Preeminent
15 rating from Martindale-Hubbell for my legal ability and ethical standards. From 2018 to 2024, I was
16 recognized as a Super Lawyer (Rising Star). From 2025 to present, I have been recognized as a Super
17 Lawyer. I have been a panel speaker and presented a number of seminars covering issues in wage and
18 hour litigation in general and complex class and PAGA litigation in particular. These engagements
19 include the following: (1) *Epic Systems*, PAGA, and the Future of Employment Arbitration in
20 California (Sacramento County Bar Assoc., Sept. 2018); (2) Class Actions and PAGA Claims (Assoc.
21 of Defense Counsel of Northern California & Nevada, Jul. 2020); (3) Mediation: The Experienced Trial
22 Lawyers Perspective (Sacramento County Bar Assoc., Sept. 2020); (4) How to Become a Pivotal Part
23 of Any Wage and Hour Practice Group (Sacramento County Bar Assoc., Mar. 2021); (5) Emerging
24 Trends and Issues Relating to Arbitration and PAGA Claims in a Post-*Viking River Cruises* World
25 (Sacramento County Bar Assoc., Nov. 2022). I was elected to the Sacramento County Bar Association
26 Labor and Employment Law Section's executive committee in 2019 and was the Chair of the executive
27 committee for 2022. I have also been a member of the Presiding Judge Civil Law Advisory Committee
28 for Sacramento County Superior Court since August 2020. My practice focuses on complex civil

litigation, including wage and hour class actions, PAGA claims, and Fair Labor Standards Act (“FLSA”) claims. I am actively involved in most all of the complex litigation handled by our firm. Class and/or PAGA actions I have litigated or am currently litigating, including the instant case, includes, but is not limited to, the following:

- *Aanerud v. Neumann Ltd., et al.*, Case No. 34-2014-00169324 (Sac. Sup. Ct.);
- *Adams-Angway v. Placer Title Company, et al.*, Case No. SCV0040845 (Placer Sup. Ct.);
- *Adewumi v. GHS Interactive Security, LLC*, Case No. 34-2017-00210768 (Sac. Sup. Ct.);
- *Arrington v. Capital Express Lines, Inc., et al.*, Case No. 34-2012-00134195 (Sac. Sup. Ct.);
- *Aslam v. American Custom Private Security, Inc.*, Case No. STK-CV-UOE-2018-0012080 (San Joaquin Sup. Ct.);
- *Aslam v. Cypress Security, LLC*, Case No. 34-2017-00220143 (Sac. Sup. Ct.);
- *Aslam v. Surveillance, Security, Inc.*, Case No. 34-2017-00220142 (Sac. Sup. Ct.);
- *Azzolino v. Brake Masters of Sacramento, LLC, et al.*, Case No. 34-2017-00218293 (Sac. Sup. Ct.);
- *Barkhausen v. Bank of Stockton*, Case No. STK-CV-UOE-2019-17145 (San Joaquin Sup. Ct.);
- *Benak v. MDStat Urgent Care, Inc.*, Case No. 34-2015-00188181 (Sac. Sup. Ct.);
- *Bigornia v. Quest Diagnostics Clinical Laboratories, Inc., et al.*, Case No. 34-2019-00271174 (Sac. Sup. Ct.);
- *Blig v. Medical Management International, Inc.*, Case No. 34-2017-00213906 (Sac. Sup. Ct.);
- *Caguioa, et al. v. Fortune Senior Enterprises, et al.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
- *Camacho, et al. v. Z Street, Inc., d.b.a. Tower Café, et al.*, Case No. 34-2014-00163880 (Sac. Sup. Ct.);
- *Castorena v. Flowmaster, Inc.*, Case No. CV18-2191 (Yolo Sup. Ct.);
- *Cannon v. Miller Event Management, Inc., et al.*, Case No. 34-2014-00168103 (Sac. Sup. Ct.);

- *Carr, et al. v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
- *Chace v. Daisy Holdings, LLC, dba Pine Creek Care Center, et al.*, Case No. 34-2017-00209613 (Sac. Sup. Ct.);
- *Clamens-Hollenback v. Atterro, Inc.*, Case No. 17-CV-305535 (Santa Clara Sup. Ct.);
- *Cress, et al. v. Mitsubishi Chemical Carbon Fiber and Composites, Inc.*, Case No. 34-2017-00222101 (Sac. Sup. Ct.);
- *De Arcos v. Amware Pallet Services, LLC*, Case No. CV-17-629 (Yolo Sup. Ct.);
- *Ferreyra v. Point Digital Finance, Inc., et al.*, Case No. 20CV373776 (Santa Clara Sup. Ct.);
- *Foye v. The Golden 1 Credit Union*, Case No. 34-2018-00235003 (Sac. Sup. Ct.);
- *Garcia v. A-L Financial Corp.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
- *Garcia v. Royal Plywood Company, LLC, et al.*, Case No. 34-2017-00221627 (Sac. Sup. Ct.);
- *Gomes v. Progressive Casualty Insurance Company*, Case No. 34-2018-00241979 (Sac. Sup. Ct.);
- *Gomez v. Mayflower Farms Incorporated, et al.*, Case No. CV24157 (Colusa Sup. Ct.);
- *Gilliam v. Matrix Energy Services, Inc.* Case No. RG 11592345 (Alameda Sup. Court);
- *Gonzalez v. Northcentral Pizza, LLC, et al.*, Case No. 34-2019-00252018 (Sac. Sup. Ct.);
- *Gordon, et al. v. Hospice Source, LLC, et al.*, Case No. 34-2019-00250022 (Sac. Sup. Ct.);
- *Gotts v. John L. Sullivan Chevrolet, Inc.*, Case No. 34-2018-00231576 (Sac. Sup. Ct.);
- *Hartwell v. Techforce Telecom, Inc.*, Case No. 39-2014-00307197 (San Joaquin Sup. Ct.);
- *Hellum v. AI Protective Services, LLC, et al.*, Case No. 34-2018-00234449 (Sac. Sup. Ct.);
- *Hercules v. Maximus Services, LLC, et al.*, Case No. 34-2019-00268385 (Sac. Sup. Ct.);
- *Hernandez v. Snyir, Inc.*, Case No. 34-2017-00207641 (Sac. Sup. Ct.);
- *Heinz v. Wright Tree Services*, Case No. 34-2012-00131949 (Sac. Sup. Ct.);
- *Hoover v. Mom365*, Case No. 2:17-cv-01328-TLN-CKD (E.D. Cal.);
- *Insixiengmay v. Hyatt Corporation, et al.*, Case No. 2:18-cv-02993-TLN-DB (E.D. Cal.);
- *Josol v. Dial Medical Corp.*, Case No. 34-2008-00010040 (Sac. Sup. Ct.);
- *McMahon v. Airco Mechanical, Inc.*, Case No. 34-2019-00259269 (Sac. Sup. Ct.);
- *Muhieddine v. KBA Docusys, Inc.*, Case No. 34-2014-00164720 (Sac. Sup. Ct.);

- *Nguyen v. Cardinal Health Pharmacy Services, LLC, et al.*, Case No. 2:19-cv-01939-KJM-EFB (E.D. Cal.);
- *Prasad v. D. G. Smith Enterprises, Inc.*, Case No. 34-2017-00215046 (Sac. Sup. Ct.);
- *Ralston v. JMJ Incorporated, Inc. et al.*, Case No. 34-2017-00217047 (Sac. Sup. Ct.);
- *Roberts v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
- *Robinson v. West of Chicago Restaurants, Inc., dba Chicago Fire*, Case No. 34-2010-00082201 (Sac Sup. Ct.);
- *Salas, et al. v. Joint Ventures, LLC, et al.*, Case No. 34-2018-00227493 (Sac. Sup. Ct.);
- *Salmon v. Ovation Fanfare, L.P., et al.*, Case No. 34-2018-00244749 (Sac. Sup. Ct.);
- *Scarano v. J.R. Putman, Inc.*, Case No. 34-2018-00244753 (Sac. Sup. Ct.);
- *Smith v. Greyhound Lines, Inc.*, Case No. 34-2017-00219188 (Sac. Sup. Ct.);
- *Sullivan v. National Response Corporation*, Case No. 34-2018-00244757 (Sac. Sup. Ct.);
- *Talent v. Leslie's Poolmart, Inc.*, Case No. 34-2012-00128539 (Sac. Sup. Ct.);
- *Thornton v. McConnell Jones Lanier & Murphy LLP*, Case No. No. 34-2017-00211553 (Sac. Sup. Ct.);
- *Watson v. Quarter At A Time, LLC*, Case No. 34-2017-00217570 (Sac. Sup. Ct.); and
- *Willis v. Premier Pools, Incorporated*, Case No. 34-2017-00211710 (Sac. Sup. Ct.).

15. The preceding list does not include those cases where, for various reasons, the case was filed as a class action and/or PAGA action, but did not maintain that status through the end of the case.

16. My partner, Galen T. Shimoda, Esq., worked with me on this matter and assisted with all aspects of the litigation of this case. Mr. Shimoda attended and graduated from the University of Utah in 2000 with a B.S. in Business Management and a B.A. in Asian Studies, with a minor in Japanese language. He then attended and graduated from the University of the Pacific, McGeorge School of Law and received his J.D. degree in 2003. He graduated from McGeorge in the top 5% of his class and was a member of the Order of the Coif and Traynor Honor Society. Since graduating from McGeorge, Mr. Shimoda has authored a number of employment law articles for journals and our firm regularly publishes articles on our firm's website. Mr. Shimoda has been a regular panel speaker for the CEB (Continuing Education of the Bar) Employment Review seminars from 2014 to the present. His

speaking engagements include the following: 1) Lorman Military Leave Law Speaker; 2) Restaurant Association Speaker at Annual Seminar (Los Angeles); 3) Federal Bar Association, Sacramento Chapter: 2015 Amendments to the Federal Rules of Civil Procedure (Mar. 30, 2016); 4) CEB – Employment Law Practice: 2016 Year in Review (Jan. 20, 2017); 5) CEB – Employment Law Practice: 2015 Year in Review (Jan. 22, 2016); 6) CEB – Employment Law Practice: Year in Review (2014) (Jan. 9, 2015); 7) CEB - Employment Law Practice: Year in Review (2013) (Jan. 10, 2014); 8) Sacramento County Bar Association - Class Actions from the Trenches: Real World Experiences from the Plaintiff and Defense Bar (Feb. 21, 2012); 9) Sacramento Employer Advisory Council – Wage and Hour Workshop: Going Beyond the Exemption Discussion (Apr. 7, 2016); 10) Sacramento Employer Advisory Council - Wage & Hour Panel and AB 1825 Training: Updates on California’s New Wage Laws and Manager Compliance Training (Apr. 25, 2017); 11) Sacramento County Bar Association, Labor and Employment Section – PAGA Representative Litigation: Emerging Trends and Issues (May 17, 2016); 12) Sacramento Business Journal Panel – Overtime Rules (Jun. 23, 2016); 13) Association of Defense Counsel of Norther California & Nevada - Employment Law Update – Do the Math: Calculation Exposure and Damages in Wage and Hour Cases (Aug. 12, 2016); 14) California Employment Lawyers Association - PAGA Today and PAGA Tomorrow: Moderate-Advanced Issues In PAGA Litigation (Oct. 20, 2017); 15) California Employment Lawyers Association Advanced Wage and Hour Seminar – Better Know a Venue Roundup (May 17, 2019). Mr. Shimoda has been AV rated by Martindale Hubbell since 2013, was recognized as a Super Lawyer (Rising Star) from approximately 2009 to 2013 and was recognized as a Super Lawyer from 2014 to present.

17. Mr. Shimoda has practiced law in California since being admitted to the State Bar in 2003, litigating wage and hour class actions and individual wage and hour litigation among other cases. Mr. Shimoda began practicing class action law on the defense side at the firm of Orrick, Herrington & Sutcliffe LLP. He then switched to plaintiff class action work in 2005. His class action experience is in wage and hour law. Mr. Shimoda has litigated several class action cases in California State and Federal Courts, including up to certification, settlement, preliminary and final approval, and disbursement of monies, and has been found to satisfy the adequacy requirements for class counsel.

1 Some of the class action and/or PAGA cases he is litigating and/or has litigated as lead or co-counsel
2 include the following:

- 3 • *Aanerud v. Neumann Ltd., et al.*, Case No. 34-2014-00169324 (Sac. Sup. Ct.);
- 4 • *Acosta v. Acosta Sales, LLC, et al.*, Case No. 2:11-CV-01796 (C.D. Cal.);
- 5 • *Atchley v. Blaggs Food Service, LLC*, 34-2017-0215930 (Sac. Sup. Ct.);
- 6 • *Adewumi v. GHS Interactive Security, LLC*, Case No. 34-2017-00210768 (Sac. Sup. Ct.);
- 7 • *Arnall v. North American Merchandising Service Inc.*, Case No. 06AS01439 (Sac. Sup. Ct.);
- 8 • *Arrington v. Capital Express Lines, Inc., et al.*, Case No. 34-2012-00134195 (Sac. Sup. Ct.);
- 9 • *Aslam v. Cypress Security, LLC*, Case No. 34-2017-00220143 (Sac. Sup. Ct.);
- 10 • *Aslam v. Surveillance, Security, Inc.*, Case No. 34-2017-00220142 (Sac. Sup. Ct.);
- 11 • *Azzolino v. Brake Masters of Sacramento, LLC, et al.*, Case No. 34-2017-00218293 (Sac.
12 Sup. Ct.);
- 13 • *Benak v. MDStat Urgent Care, Inc.*, No. 34-2015-00188181 (Sac. Sup. Ct.);
- 14 • *Blig v. Medical Management International, Inc.*, Case No. 34-2017-00213906 (Sac. Sup.
15 Ct.);
- 16 • *Caguioa, et al. v. Fortune Senior Enterprises, et al.*, Case No. 34-2014-00171831 (Sac. Sup.
17 Ct.);
- 18 • *Camacho, et al. v. Z Street, Inc., d.b.a. Tower Café, et al.*, Case No. 34-2014-00163880 (Sac.
19 Sup. Ct.);
- 20 • *Carlos v. Abel Mendoza, Inc., et al.*, Case No. 34-2016-00195806 (Sac. Sup. Ct.);
- 21 • *Cannon v. Miller Event Management, Inc., et al.*, Case No. 34-2014-00168103 (Sac. Sup.
22 Ct.);
- 23 • *Carr et al. v. CableCom, LLC*, Case No. 34-2017-00212739 (Sac. Sup. Ct.);
- 24 • *Chace v. Daisy Holdings, LLC, dba Pine Creek Care Center, et al.*, Case No. 34-2017-
25 00209613 (Sac. Sup. Ct.);
- 26 • *Clamens-Hollenback v. Atterro, Inc.*, Case No. 17-CV-305535 (Santa Clara Sup. Ct.);
- 27 • *Colbert v. American Home Craft Inc.*, Case No. 05AS05012 (Sac. Sup. Ct.);
- 28 • *De Arcos v. Amware Pallet Services, LLC*, Case No. CV-17-629 (Yolo Sup. Ct.)

- *Diosdado v. Nor-Cal Venture Group, Inc., et al.*, Case No. STK-CV-UOE-2020-0008242 (San Joaquin Sup. Ct.);
- *Dugue v. Sierra Forever Families, et al.*, Case No. 34-2017-00210770 (Sac. Sup. Ct.);
- *Fadhl v. Siemens Healthcare Diagnostics, Inc., et al.*, Case No. 34-2017-00209518 (Sac. Sup. Ct.);
- *Fujimoto v. Nabe-Ya, Inc., et al.*, Case No. 20CV01255 (Butte Sup. Ct.);
- *Garcia v. A-L Financial Corp.*, Case No. 34-2014-00171831 (Sac. Sup. Ct.);
- *Gerard v. Les Schwab Tires Center of California, Inc.*, Case No. 34-2007-30000003 (Sac. Sup. Ct.);
- *Gomez v. Mayflower Farms Incorporated, et al.*, Case No. CV24157 (Colusa Sup. Ct.);
- *Gilliam v. Matrix Energy Services, Inc.* Case No. RG 11592345 (Alameda Sup. Court);
- *Hartwell v. Techforce Telecom, Inc.*, Case No. 39-2014-00307197 (San Joaquin Sup. Ct.);
- *Hernandez et al. v. MP Nexlevel, LLC et al*, Case No. 3 :16-cv-03015-JCS (N.D. Cal.);
- *Hernandez v. Snyir, Inc.*, Case No. 34-2017-00207641 (Sac Sup. Ct.);
- *Heinz v. Wright Tree Services*, Case No. 34-2012-00131949 (Sac. Sup. Ct.);
- *Hoover v. Mom365*, Case No. 2:17-cv-01328-TLN-CKD (E.D. Cal.);
- *James v. Language World Services, Inc., et al.*, Case No. 34-2020-00279929 (Sac. Sup. Ct.);
- *Josol v. Dial Medical Corp.*, Case No. 34-2008-00010040 (Sac. Sup. Ct.);
- *Koretsky v. Furniture USA, Inc.*, Case No. 34-2014-00172142 (Sac. Sup. Ct.);
- *Muhieddine v. KBA Docusys, Inc.*, Case No. 34-2014-00164720 (Sac. Sup. Ct.);
- *Massey v. V3 Electric, Inc., et al.*, Case No. 34-2019-00263666 (Sac. Sup. Ct.);
- *Miller v. Caldwell Transportation Company, LLC, et al.*, Case No. 34-2018-00234954 (Sac. Sup. Ct.);
- *Miller v. Leaders in Community Alternatives*, Case No. FCSO47249 (Solano Sup. Ct.);
- *Pickens v. Elica Health Centers*, Case No. 34-2016-00200382 (Sac. Sup. Ct.);
- *Prasad v. D. G. Smith Enterprises, Inc.*, Case No. 34-2017-00215046 (Sac. Sup. Ct.);
- *Ralston v. JMJ Incorporated, Inc. et al.*, Case No. 34-2017-00217047 (Sac. Sup. Ct.);
- *Rickwalt v. Direct Reconditioning, LLC, et al.*, Case No. 34-2015-00175642 (Sac. Sup. Ct.);

- *Robinson v. West of Chicago Restaurants, Inc., dba Chicago Fire*, Case No. 34-2010-00082201 (Sac Sup. Ct.);
- *Rogers v. Les Scwhab Tires Center of California, Inc.*, Case No. 34-2009-00066320 (Sac. Sup. Ct.);
- *Schechter et al. v. Isys Solutions, Inc.*, Case No. RG10550517 (Alameda Sup. Ct.);
- *Smith v. Greyhound Lines, Inc.*, Case No. 34-2017-00219188 (Sac. Sup. Ct.);
- *Talent v. Leslie's Poolmart, Inc.*, Case No. 34-2012-00128539 (Sac. Sup. Ct.);
- *Thornton v. McConnell Jones Lanier & Murphy LLP*, Case No. No. 34-2017-00211553 (Sac. Sup. Ct.);
- *Valencia v. Lowbrau Bier Garten, LLC, et al.*, Case No. 34-2019-00258038 (Sac. Sup. Ct.);
- *Watson v. Quarter At A Time, LLC*, Case No. 34-2017-00217570 (Sac. Sup. Ct.);
- *Williams v. Civic Development Group*, Case No. 06AS00267 (Sac. Sup. Ct.); and
- *Willis v. Premier Pools, Incorporated*, Case No. 34-2017-00211710 (Sac. Sup. Ct.).

18. The preceding list of cases does not include those where, for a variety of reasons, the case was initially filed as a class and/or PAGA action, but did not maintain that status through the end of the case.

19. In connection with any final approval hearing, I will be seeking attorneys' fees and costs, an Enhancement Payment for Plaintiff Hernandez, and Settlement Administrator Costs as set forth in the Agreement. I will be requesting attorneys' fees and costs pursuant to the common fund doctrine as I believe it to be applicable to the present case pursuant to *Serrano v. Priest*, 20 Cal.3d 25, 34-35 (1977), *Laffitte v. Robert Half Internat. Inc.*, 1 Cal.5th 480 (2016), and *Paul, Johnson, Alston & Hunt v. Grawlty*, 886 F.2d 268, 271 (9th Cir. 1989). The facts and case law supporting the requested amounts will be set forth in the final approval motion, including information for the Court to perform a lodestar cross check of the requested attorney's fees, quantify the amount of time spent by Plaintiff Hernandez on this case and any further risks and/or burdens incurred as a result of acting as a Class Representative, an updated declaration in support of actual litigation costs and itemized cost spreadsheet, and declaration from the Settlement Administrator detailing the work performed and Settlement Administrator Costs incurred. The expected costs for my firm and D.Law, Inc., through

1 final approval are not expected to exceed \$32,500.00. Attached to this declaration as Exhibit E is a true
2 and correct copy of the costs my firm has incurred prior to the filing of this Motion and the expected
3 costs incurred through the final approval and fairness hearing. Any difference in the awarded fees and
4 costs, Enhancement Payment, and Settlement Administrator Costs and the amounts allocated for each
5 under the Agreement will be added back to the Net Settlement Amount and distributed pro rata to Class
6 Members. We have a joint prosecution agreement with D.Law, Inc., wherein any attorney fee award
7 will be split 50/50 between my firm and D.Law, Inc. Plaintiffs have been made aware of this fee share
8 arrangement and have consented in writing consistent with California Rule of Professional Conduct
9 1.5.1.

10 20. I have used several class action administrator companies in the wage and hour class
11 actions I have resolved in the past and believe ILYM Group, Inc. will provide the best service to
12 administer the proposed class settlement. ILYM Group, Inc. has provided a quote for the estimated
13 maximum cost of administering the class settlement of approximately \$8,950. A true and correct copy
14 the settlement administration bid provided by ILYM Group, Inc., is attached to my declaration as
15 Exhibit D. This is only an estimate, and final pricing may vary depending on the issues, if any, that arise
16 during the administration of the settlement. However, the difference between the actual, lesser costs and
17 \$12,500, will be paid to the Participating Class Members on a pro rata basis.

18 21. A copy of the Agreement and the entire Motion was submitted to the LWDA for review
19 at the same time the Motion was submitted to the Court pursuant to California Labor Code section
20 2699(1)(2). A true and correct copy of documents demonstrating the settlement documents were
21 provided to the LWDA and that the LWDA has confirmed receipt is attached to my declaration as
22 Exhibit G.

23 22. A true and correct copy of the proposed Notice of Settlement is attached to my
24 declaration as Exhibit F. The Notice of Settlement will direct Class Members to the Court's public
25 access web portal and provide instructions on how to search for the case to find electronic copies of all
26 filed documents in this case and other pertinent case information found on the Court's public access
27 web portal. I believe utilizing the public access web portal is a superior method for online/electronic
28 notice to Class Members for several reasons. First, the case information and relevant settlement

documents will remain available for much longer on the public access web portal than on an administrator's website. Generally, case web pages created by administrators are taken down shortly after any compliance hearing whereas the case information on the public access web portal will remain available for several years after any compliance hearing. Second, there are no added costs to Class Members in utilizing the public access web portal. To the extent a Class Member has the means to access an administrator web page (e.g. phone/computer & internet service), they will also be able to access the public access web portal. There is no charge on the public access web portal for searches utilizing case numbers and the Notice of Settlement will provide instructions for searching by case number. Third, utilizing the public access web portal will result in fewer costs associated with settlement administration, resulting in more funds to distribute to Class Members. Fourth, utilizing the public access web portal will give Class Members a greater ability to keep apprised of the case status heading into any final approval hearing(s) and/or compliance hearing(s). Finally, it will also help in effectuating notice of final judgment to Class Members. To the extent final approval is granted, we will file a notice of entry of judgement. For the reasons already stated above, the ease of access and longevity of records on the public access web portal will make it easier for Class Members to obtain and review the notice of judgment well into the future.

23. The designated *cy pres* beneficiary in this case is Legal Aid At Work. Only those funds that remain from uncashed settlement checks will be sent to the *cy pres* beneficiaries pursuant to section 5.6 of the Agreement.

24. Legal Aid at Work is a nonprofit legal organization dedicated to advancing and enforcing the rights of low-income workers throughout California. The organization provides free legal services, representation, and advocacy in areas including wage protection, discrimination, retaliation, family leave, unemployment, and workplace safety. Legal Aid at Work also engages in community education and policy work aimed at ensuring fair and lawful treatment of workers statewide.

25. I believe the services provided by Legal Aid at Work promote the law consistent with the objective of wage and hour class actions in general and in this case specifically.

26. I have spoken with every other attorney at my firm to determine whether they have any relationship with the *cy pres* beneficiary. They do not.

1 I declare under penalty of perjury under the laws of the State of California that the foregoing is
2 true and correct. Executed on July 8, 2026, in Sacramento, California.

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4 
5 _____
6 Justin P. Rodriguez
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EXHIBIT A

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Attorneys for Defendants QUANTUMSCAPE CORPORATION,
and QUANTUMSCAPE BATTERY, INC.

[Additional counsel listed on next page]

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

PETE CRUZ and JOSE HERNANDEZ,
individually and on behalf of all others similarly
situated,

Plaintiffs,

vs.

QUANTUMSCAPE, an entity of unknown
form; QUANTUMSCAPE CORPORATION, a
Delaware corporation; QUANTUMSCAPE
BATTERY, INC., a Delaware corporation; and
DOES 1 to 100, inclusive,

Defendants.

Case No.: 23CV427117
Related to Case No.: 24CV439603

*Assigned for All Purposes to the Hon. Theodore C.
Zayner, Dept. 19*

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND NOTICE OF
SETTLEMENT**

Filed: December 4, 2023
FAC Filed: February 7, 2024
SAC Filed: December 9, 2025
Trial Date: None Set

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1 This Class Action and Private Attorneys General Act (“PAGA”) Settlement Agreement (the
2 “Agreement”) is made and entered into by and between Plaintiffs Pete Cruz (“Cruz”) and Jose Hernandez
3 (“Hernandez”) (both collectively referred to as “Plaintiffs”), on behalf of themselves, on behalf of all others
4 similarly situated, and on behalf of all aggrieved employees, and Defendants QuantumScape Corporation
5 (“QSC”) and QuantumScape Battery, Inc. (“QSB”) (collectively, “Defendants”). This Agreement is subject
6 to the terms and conditions set forth below and the approval of the Court.

7 **1. DEFINITIONS**

8 The following terms, when used in this Agreement, have the following meanings:

9 1.1 “Actions” means and includes, *Cruz v. QuantumScape, et al.*, Santa Clara Superior Court,
10 Case No. 23CV427117 (“Cruz Action”); *Hernandez v. QuantumScape Battery, Inc.*, Santa Clara Superior
11 Court, Case No. 24CV439603 (“Hernandez PAGA Action”); and *Hernandez v. QuantumScape Battery,*
12 *Inc.*, JAMS Arbitration, Reference No. 5100001940 (“Hernandez Arbitration”).

13 1.2 “Aggrieved Employee(s)” or “PAGA Employee(s)” means all hourly, non-exempt
14 employees who did not sign separation agreements with an individual or non-representative PAGA claims
15 waiver and did not sign valid releases of individual PAGA claims and worked for Defendant(s) in the State
16 of California at any point between December 4, 2022 through July 6, 2025.

17 1.3 “Agreement” means this Class Action and PAGA Settlement Agreement.

18 1.4 “Class Member(s)” means all hourly, non-exempt employees who: a) only ever signed
19 arbitration agreements without a class waiver; b) did not sign any release, separation, or settlement
20 agreements waiving the claims alleged in the Actions (inclusive of any waiver of rights to participate
21 in any class or representative PAGA settlement); and (c) worked for Defendant(s) in the State of
22 California at any point between March 1, 2020 through July 6, 2025.

23 1.5 “Class Period” means March 1, 2020 through July 6, 2025.

24 1.6 “Class Representative” means Plaintiff Jose Hernandez.

25 1.7 “Class Representative’s Released Claims” means all claims arising from, that could have
26 been asserted, or that are related in any way to the Class Representative’s employment with Defendant(s),
27 under federal, state, or local laws, and/or ordinances, or tort or contract theories, whether known or
28 unknown, and whether anticipated or unanticipated, including without limitation statutory, constitutional,

contractual or common law claims for lost wages, unpaid wages, emotional distress, punitive damages, special damages, damages, unpaid costs, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, equitable relief or other similar relief or claims. This includes a general release of all obligations, debts, claims, liabilities, demands, and causes of action of every kind, nature, and description whatsoever, whether or not now known, suspected or claimed, which they ever had, now have, or may hereafter acquire against Defendants, including a waiver of rights under California Civil Code section 1542, which provides as follows:

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

This general release shall be from the beginning of time through the date this Agreement is executed by the Class Representative. Notwithstanding this Section and any other term or provision of this Agreement, the Parties understand and agree that the Class Representative's Released Claims exclude Plaintiff's individual claims asserted in the *Hernandez* Arbitration for Disability Discrimination in Violation of the FEHA/Failure to Accommodate and Failure to Engage in the Interactive Process, Failure to Prevent Discrimination, Wrongful Discharge in Violation of Public Policy, and Violation of the California Family Rights Act.

1.8 "Complaint" means the operative Second Amended Complaint filed on December 9, 2025 in the *Cruz* Action with the Court. The Parties understand and agree that the Complaint includes all wage and hour class and PAGA causes of action and allegations alleged in the *Cruz* Action, *Hernandez* PAGA Action, and *Hernandez* Arbitration such that the Agreement is intended to, and does, resolve all such claims alleged therein.

1.9 "Court" means the Santa Clara County Superior Court.

1.10 "Defendants" means QuantumScape Corporation and QuantumScape Battery, Inc.

1.11 "Defendants' Counsel" means Shirley C. Wang, Ren M. Kuan, and other attorneys of Saber Law Group.

1.12 "Enhancement Payment" means the amount approved by the Court to be paid to the Class Representative in recognition of his time and effort expended on behalf of Class Members for the benefit

of Class Members, which is in addition to any Individual Settlement Amount paid to the Class Representative as a Participating Class Member. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, the Class Representative will request Court approval of Enhancement Payment of up to Ten Thousand Dollars (\$10,000).

1.13 “Effective Date” means the Final Approval Date unless there is a timely objection lodged that has not later been withdrawn, in which case the Effective Date will be either (a) the 60th calendar day after a signed order approving this settlement has been filed provided no appellate proceeding has been filed; or (b) seventh (7th) calendar day after any appellate proceeding opposing the settlement has been finally dismissed with no material change to the terms of this settlement and there is no right to pursue further remedies or relief, whichever is later.

1.14 “Final Approval Date” means the date the Court signed and entered its order granting final approval of this Class Action and PAGA Settlement Agreement and Notice of Settlement.

1.15 “Gross Settlement Amount” or “GSA” is the sum of Seven Hundred and Thirty-Five Thousand Dollars and Zero Cents (\$735,000.00), which is the total amount Defendants agree to pay under the Agreement, except as provided in Paragraph 10.2 below and in addition to Defendants’ employer share of taxes owed on the wage portions of Individual Settlement Amounts to Participating Class Members.

1.16 “Individual Settlement Amount” means a Participating Class Member’s and/or Aggrieved Employee’s allocation of the Net Settlement Amount and Employee PAGA Amount respectively, as defined in Sections 1.18, 1.22, 5.5, and 5.8.

1.17 “LWDA” means the California Labor and Workforce Development Agency.

1.18 “Net Settlement Amount” is the portion of the Gross Settlement Amount available for distribution to Participating Class Members, as described in this Agreement, after deduction of Plaintiffs’ Counsel’s attorneys’ fees and litigation costs, Settlement Administrator Costs, the PAGA Amount, and Enhancement Payment to the Class Representative.

1.19 “Notice of Settlement” means the document substantially in the form attached hereto as **Exhibit 1.**

1.20 “Notice Period” means sixty (60) calendar days from the initial mailing of the Notice of Settlement to Class Members and/or Aggrieved Employees.

1.21 “PAGA” means Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).

1.22 “PAGA Amount” means the allocation of Two Hundred and Eighteen Thousand Seven Hundred and Fifty Dollars and Zero Cents (\$218,750.00) from the Gross Settlement Amount towards resolving claims under the Private Attorneys General Act of 2004, California Labor Code §§ 2698 *et seq.* Seventy-Five percent (75%) of the PAGA Amount, or \$164,062.50, will be paid to the LWDA (“the LWDA Payment”). Twenty-five percent (25%) of the PAGA Amount, or \$54,687.50, will be distributed to Aggrieved Employees on a pro rata basis as described below in Paragraph 5.8 (“Employee PAGA Amount”).

1.23 “PAGA Period” means December 4, 2022 through July 6, 2025.

1.24 “PAGA Representatives” means Plaintiffs Pete Cruz and Jose Hernandez.

1.25 “Parties” mean Defendants and Plaintiffs collectively.

1.26 “Participating Class Member” means any and all Class Members who have not submitted a valid timely request to opt-out of the Settlement.

1.27 “Plaintiffs” mean Plaintiffs Pete Cruz and Jose Hernandez.

1.28 “Plaintiffs’ Counsel” means Galen T. Shimoda, Justin P. Rodriguez, Renald Konini, and Austin Sork of Shimoda & Rodriguez Law, PC, as well as Roman Shkodnik, Emma Geesaman, Enoch J. Kim, and Arianna N. Razi of D.Law, Inc.

1.29 “Preliminary Approval Date” means the date the Court signed and entered its order granting preliminary approval of this Class and PAGA Settlement Agreement and Notice of Settlement.

1.30 “Qualified Settlement Fund” or “QSF” means an account within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established by the Settlement Administrator for the benefit of the Participating Class Members and/or Aggrieved Employees and from which the payments under this Agreement shall be made. Any amounts Defendants have agreed to pay under this Agreement shall remain the property of Defendants until the payments required under the Agreement are made.

1.31 “Qualifying Pay Periods” means and includes any pay periods in which Aggrieved Employees performed any work for Defendant(s) for at least one day during the PAGA Period. The calculation of an Aggrieved Employee’s pay periods and a determination as to whether an Aggrieved

Employee was actively employed in California in a particular pay period shall be construed from Defendants' records.

1.32 "Qualifying Workweeks" means and includes any workweeks in which Class Members performed any work for Defendant(s) for at least one day during the Class Period. The calculation of a Class Member's workweeks and a determination as to whether a Class Member was actively employed in California in a particular workweek shall be construed from Defendants' records.

1.33 "Released Class Claims" means any and all claims that are alleged in the Complaint, and any additional claims that reasonably could have been brought based on the facts alleged in the Complaint, through the Class Period. This release excludes the release of claims not permitted by law. This release will cover all Participating Class Members.

1.34 "Released PAGA Claims" means any and all claims that were alleged under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* in Plaintiffs' notice letters to the LWDA, and any additional wage and hour PAGA claims that reasonably could have been brought based on the facts alleged in Plaintiffs' notice letters to the LWDA during the PAGA Period. This release excludes the release of claims not permitted by law.

1.35 "Released Parties" means Defendants, and each of their respective former, current, and future parents, subsidiaries, affiliates, joint ventures, directors, officers, shareholders, members, agents, principals, heirs, representative, insurers and reinsurers, and their respective predecessors, successors, and assigns.

1.36 "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.

1.37 "Settlement Administrator" means and refers to ILYM Group, Inc., the third-party entity that will administer the Agreement as outlined in Paragraphs 4 and 7, or any other neutral, third-party administrator agreed to by the Parties and approved by the Court for the purposes of administering this Agreement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

1.38 “Settlement Administrator Costs” means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Agreement, and shall include all costs of administering the Agreement, including, but not limited to, all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices and other correspondence to Class Members and/or Aggrieved Employees; all costs and fees associated with communicating with Class Members and/or Aggrieved Employees, Plaintiffs’ Counsel, and Defendants’ Counsel; all costs and fees associated with computing, processing, reviewing, and paying the Individual Settlement Amounts, and resolving disputes; all costs and fees associated with calculating tax withholdings and payroll taxes, if any, making related payment to federal and state tax authorities, if any, and issuing tax forms relating to payments made under the Agreement; all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; all costs and fees associated with preparing any other notices, reports, or filings to be prepared in the course of administering Individual Settlement Amounts; and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement.

2. DESCRIPTION OF THE LITIGATION

2.1 On December 4, 2023, Plaintiff Pete Cruz commenced the *Cruz* Action by filing a class action complaint (Case No. 23CV427117) alleging various wage and hour claims against Defendants in the Santa Clara County Superior Court. On February 7, 2024, Cruz filed a First Amended Complaint, adding a twelfth cause of action for Private Attorneys General Act (“PAGA”) penalties pursuant to Labor Code sections 2698, *et seq.* (the “FAC”).

2.2 On March 1, 2024, Plaintiff Jose Hernandez commenced the *Hernandez* Arbitration by submitting a demand for class arbitration (JAMS Reference No. 5100001940) alleging various wage and hour claims against Defendant QSB with JAMS Arbitration.

2.3 On May 22, 2024, Hernandez commenced the *Hernandez* PAGA Action by filing a PAGA-Only complaint (Case No. 24CV439603) against Defendant QSB in the Santa Clara County Superior Court.

2.4 On September 17, 2024, Cruz’s and Defendants’ counsel filed a Joint Stipulation to Dismiss Class Claims, Submit Plaintiff’s Individual Claims (Including Non-Representative PAGA Claims) to

1 Arbitration, and Stay Representative PAGA Action and [Proposed] Order, asking the Court to: (1) order
2 Plaintiff to file a request for dismissal of his class claims; (2) order Plaintiff to submit his individual claims
3 (including his non-representative PAGA claims) to binding arbitration; (3) allow the Parties to engage in
4 an early mediation and toll Plaintiff's Individual Claims until thirty (30) days following the completion of
5 mediation; (4) stay Plaintiff's representative PAGA claims pending arbitration; and (5) take Defendants'
6 MTC Arbitration hearing off the calendar. Cruz's Request for Dismissal of Class Allegations Without
7 Prejudice was granted and entered into on October 29, 2024.

8 2.5 Prior to mediation, the Parties engaged in informal discovery. Defendants and Defendants'
9 Counsel provided Plaintiffs' Counsel with copies of all applicable versions of their policies and
10 procedures, employee handbooks, information on Class Members and Aggrieved Employees including,
11 but not limited to, number of workweeks, number of Class Members, number of pay periods, number of
12 Aggrieved Employees, rates of pays, as well as timecard data and pay stubs for a randomly selected sample
13 of Class Members and Aggrieved Employees.

14 2.6 On April 7, 2025, the Parties participated in an all-day, global mediation presided over by
15 mediator Mark LeHocky. At the conclusion of the mediation, the Parties were able to come to a
16 resolution through a mediator's proposal. At all times, the Parties' settlement negotiations have been
17 non-collusive, adversarial, and at arm's length.

18 2.7 Discussions between Plaintiffs and Plaintiffs' Counsel, between counsel for the Parties,
19 document productions, extensive legal analysis, the provision of information by Defendants to Plaintiffs
20 and the detailed analysis of the records, including expert analysis, have permitted each side to assess the
21 relative merits of the claims and the defenses to those claims.

22 2.8 As a condition of this settlement, and in order to release the Labor Code claims alleged in
23 the *Hernandez* Arbitration and the *Hernandez* PAGA Action, Cruz filed the Second Amended Complaint
24 on December 9, 2025 to consolidate all wage and hour class and PAGA claims in the Actions.

25 2.9 The Parties agreed that the Defendants and Defendants' Counsel need not file any
26 response to the operative Complaint.

27 2.10 The Court has not granted class certification.
28

1 2.11 The Parties, Plaintiffs' Counsel, and Defendants' Counsel represent that they are not aware
2 of any other pending matter or action asserting claims that will be extinguished or affected by the
3 Settlement.

4 **3. THE CONDITIONAL NATURE OF THIS AGREEMENT**

5 3.1 This Agreement and associated Exhibit 1 are made for the sole purpose of settling the
6 Actions. This Agreement and the settlement it evidences are made in compromise of disputed claims.
7 Because the Actions contain class action claims, this Agreement must receive preliminary and final
8 approval by the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a
9 conditional basis. If the Effective Date does not occur, or if the Court's approval of the settlement is
10 reversed or materially modified on appellate review, this Agreement shall be deemed null and void; it shall
11 be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and
12 the negotiation, terms and entry of the Agreement shall remain subject to the provisions of California
13 Evidence Code Sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of
14 evidence that may be applicable.

15 3.2 Defendants have denied all claims as to liability, damages, liquidated damages, penalties,
16 interest, fees, restitution, injunctive relief and all other forms of relief asserted in the Actions. Defendants
17 have agreed to resolve the Actions via this Agreement, but to the extent this Agreement is deemed void or
18 the Effective Date does not occur, Defendants do not waive, but rather expressly reserve, all rights to
19 challenge all such claims and allegations in the Actions upon all procedural and factual grounds, including,
20 without limitation, the ability to challenge class or collective treatment on any grounds, as well as to assert
21 any and all other potential defenses or privileges.

22 **4. SCOPE OF THE CLASS**

23 4.1 The scope of individuals encompassed under the Agreement and subject to all obligations
24 and duties required under the Agreement, shall include all Participating Class Members as defined in
25 Paragraphs 1.4 and 1.26 and all Aggrieved Employees as defined in Paragraph 1.2.

26 4.2 Only Participating Class Members and Aggrieved Employees are entitled to recover under
27 this Agreement.
28

1 4.3 Any person who believes that he or she is a Class Member or Aggrieved Employee and
2 wishes to participate in the Agreement, but did not receive a Notice of Settlement because his or her name
3 did not appear on the Class List (as defined in Paragraph 7.3) provided to the Settlement Administrator
4 prior to mailing, may submit a data request to the Settlement Administrator. The data request must contain
5 all of the following information: (a) the full name and, if applicable, Social Security Number of the
6 individual making the request; (b) the name used by such employee as of the time his or her employment
7 with Defendant(s) ended; (c) the individual's dates of employment with Defendant(s); and (d) a return
8 address to which a response may be sent. Every data request must be postmarked on or before the
9 conclusion of the Notice Period or otherwise submitted to the Settlement Administrator such that it is
10 received before the conclusion of the Notice Period. Upon receipt of any data requests, the Settlement
11 Administrator shall promptly or within two (2) business days transmit the data requests to Defendants'
12 Counsel and request that Defendants review their records.

13 4.4 If Defendants agree that the person listed in a data request is a Class Member and/or
14 Aggrieved Employee, the Settlement Administrator shall promptly mail a Notice of Settlement to the
15 person who submitted the data request, at the address designated for that purpose in the data request. All
16 provisions of this Agreement relating to the Notice of Settlement shall apply to Notice of Settlements sent
17 in response to data requests, and any person who submits a data request and is sent a Notice of Settlement
18 in response shall be treated by the Settlement Administrator as a Class Member and/or Aggrieved
19 Employee for all other purposes.

20 4.5 If Defendants contend that the person listed in a data request is not a Class Member and/or
21 Aggrieved Employee, Defendants' Counsel and Plaintiffs' Counsel shall attempt to resolve any such
22 dispute in good faith within seven (7) calendar days of Plaintiffs' Counsel being advised in writing of the
23 data request dispute. Defendants' records shall control unless the individual submitting the data request
24 provides persuasive evidence to doubt the accuracy of those records. Each data request dispute that
25 Defendants' Counsel and Plaintiffs' Counsel cannot timely resolve shall be resolved by the Settlement
26 Administrator. The Settlement Administrator must accept and weigh all the evidence provided in a good
27 faith attempt to resolve the dispute. The Settlement Administrator must resolve any dispute submitted to
28 it within seven (7) calendar days after Defendants' Counsel and Plaintiffs' Counsel submit the dispute to

the Settlement Administrator. The decision by the Settlement Administrator shall be final as between the parties, subject to Court review.

5. TERMS OF THE SETTLEMENT

The Parties agree as follows:

5.1 Gross Settlement Amount: In consideration and exchange for the releases described in Paragraph 6, Defendants shall pay the Gross Settlement Amount of Seven Hundred and Thirty-Five Thousand Dollars and Zero Cents (\$735,000.00). Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes owed on the wage portion of Individual Settlement Amounts, by transmitting the funds to the QSF to be established by the Settlement Administrator within thirty-one (31) calendar days of the Effective Date. The Gross Settlement Amount includes: (1) Individual Settlement Amounts to Participating Class Members (including Plaintiff Jose Hernandez) and Aggrieved Employees (including Plaintiffs Pete Cruz and Jose Hernandez), (2) Plaintiffs' Counsel's attorneys' fees; (3) Plaintiffs' Counsel's litigation costs and expenses according to proof; (4) an Enhancement Payment to the Class Representative or Plaintiff Jose Hernandez; (5) the LWDA Payment; and (6) Settlement Administrator Costs. Any monies necessary to satisfy Defendants' tax obligations (*e.g.* employer FICA, FUTA and SDI contributions on wage payments) on any monies distributed to Participating Class Members will be paid in addition to the Gross Settlement Amount.

5.2 Attorneys' Fees and Costs: Plaintiffs' Counsel will apply to the Court for attorney's fees of one-third (1/3) of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount. Defendants have agreed to not oppose Plaintiffs' Counsel's application for attorneys' fees so long as it does not exceed the one-third (1/3) threshold. Plaintiffs' Counsel will also be entitled to reimbursement for advanced litigation expenses not to exceed \$32,500.00, which shall be paid from the Gross Settlement Amount. Defendants have agreed to not oppose Plaintiffs' Counsel's request for reimbursement for advanced litigation expenses so long as they do not exceed the \$32,500.00 threshold. The Settlement Administrator will issue Plaintiffs' Counsel an IRS Form 1099 for the attorneys' fees and costs paid under this Agreement. In the event that the Court awards less than the requested attorney's fees and/or costs, the portion of the requested amounts not awarded to Plaintiffs' Counsel shall be added to the Net Settlement Amount to be distributed to Participating Class Members on a pro rata basis as described in Section 5.8.

1 5.3 Settlement Administrator Costs: The Settlement Administrator Costs shall be paid from the
2 Gross Settlement Amount and shall not exceed \$12,500.00. The difference between any actual costs and
3 the allocated \$12,500.00 shall be added to the Net Settlement Amount to be distributed to Participating
4 Class Members on a pro rata basis as described in Section 5.8.

5 5.4 Enhancement Payment: Plaintiffs' Counsel, on behalf of the Class Representative, shall
6 apply to the Court for an Enhancement Payment to the Class Representative in an amount not to exceed
7 Ten Thousand Dollars and Zero Cents (\$10,000.00) to compensate for the risks, time, and expense of
8 Hernandez's involvement in the Actions and securing the benefits of this Agreement for Class Members.
9 The Enhancement Payment is in addition to the Individual Settlement Amount the Class Representative
10 would otherwise be due under the Agreement as a Participating Class Member. Defendants have agreed
11 to not oppose Plaintiffs' Counsel's request for an Enhancement Payment to the Class Representative so
12 long as it does not exceed the amount stated herein. The Enhancement Payment will be designated as a
13 non-wage payment and reported on an IRS Form 1099-MISC. In the event that the Court awards less than
14 the Enhancement Payment amount requested, then any portion of the requested amount not awarded shall
15 be added to the Net Settlement Amount distributed to Participating Class Members on a pro rata basis as
16 described in Section 5.8.

17 5.5 PAGA Amount: Two Hundred and Eighteen Thousand Seven Hundred and Fifty Dollars
18 and Zero Cents (\$218,750.00) of the Gross Settlement Amount shall be allocated to resolving claims
19 under the PAGA. Seventy-Five percent (75%) of the PAGA Amount, or \$164,062.50, will be paid to the
20 LWDA ("the LWDA Payment"). Twenty-five percent (25%) of the PAGA Amount, or \$54,687.50, will
21 be distributed to Aggrieved Employees on a pro rata basis as described below in Paragraph 5.8 (the
22 "Employee PAGA Amount").

23 5.6 Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount or the
24 Employee PAGA Amount allocated to Participating Class Members and/or Aggrieved Employees that
25 were not claimed by cashing their respective settlement checks before the deadline to do so, that remaining
26 amount shall be donated to the Parties' selected *cy pres* recipient, Legal Aid At Work subject to the
27 requirements of California Code of Civil Procedure Section 384, subd. (b). No portion of the Gross
28 Settlement Amount will revert to Defendants for any reason.

1 5.7 No Additional Benefits Contributions: All Individual Settlement Amounts paid to
2 Participating Class Members and/or Aggrieved Employees shall be deemed to be income solely in the year
3 in which such amounts were actually received. It is expressly understood and agreed that the receipt of
4 such Individual Settlement Amounts will not entitle any Participating Class Member or Aggrieved
5 Employee to any new or additional compensation or benefits under any company bonus or other
6 compensation or benefit plan or agreement in place during the period covered by the Agreement, nor will
7 it entitle any Participating Class Member and/or Aggrieved Employee to any increased retirement, 401(k)
8 and/or 403(b) benefits or matching benefits, or deferred compensation benefits. It is the intent of this
9 Agreement that the Individual Settlement Amounts provided for in this Agreement are the sole payments
10 to be made by Defendants to the Participating Class Members and/or Aggrieved Employees in connection
11 with this Agreement (notwithstanding any contrary language or agreement in any benefit or compensation
12 plan document that might have been in effect during the period covered by this Agreement).

13 5.8 Pro Rata Distribution Formula: Payment to Participating Class Members and/or Aggrieved
14 Employees of their Individual Settlement Amount will not require the submission of a claim form. A Net
15 Settlement Amount will be determined by subtracting from the Gross Settlement Amount any amounts for
16 approved attorneys' fees and costs, any Enhancement Payment to the Class Representative, the Settlement
17 Administrator Costs, and the PAGA Amount. Each Class Member's share will be initially determined by
18 dividing their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of
19 all Class Members. That fraction will then be multiplied by the Net Settlement Amount to arrive at the
20 Class Member's individual share of the Net Settlement Amount. Any funds allocated to Class Members
21 under this formula who timely opt out of the Settlement will be redistributed to Participating Class
22 Members on a pro rata basis, *i.e.* each Participating Class Member's share will be determined by dividing
23 their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of all
24 Participating Class Members and that fraction will then be multiplied by the Net Settlement Amount to
25 arrive at the Participating Class Member's individual share of the Net Settlement Amount. Each Aggrieved
26 Employee's share of the Employee PAGA Amount will be determined by dividing their total Qualifying
27 Pay Periods within the PAGA Period by the total Qualifying Pay Periods by all Aggrieved Employees
28

1 within the PAGA Period. That fraction will then be multiplied by the Employee PAGA Amount (or
2 \$54,687.50) to arrive at the Aggrieved Employee's individual share.

3 5.9 Tax Allocation: The Parties recognize that the Individual Settlement Amounts to be paid to
4 Participating Class Members and/or Aggrieved Employees reflect a settlement of a dispute over claimed
5 penalties and wages. The Settlement Administrator shall calculate the employer's share of payroll taxes
6 on the amounts paid to Participating Class Members as wages as well as calculating all required
7 withholdings and deductions from said wage payments. The characterization of Individual Settlement
8 Amounts to Participating Class Members and Aggrieved Employees are as follows:

9 5.9.1 20% of each Participating Class Members' share of the Net Settlement Amount shall
10 be allocated for payment of disputed wages and shall be subject to required employer taxes. Participating
11 Class Members shall receive an IRS Form W-2 for reporting of this portion of their Individual Settlement
12 Amount.

13 5.9.2 80% of each Participating Class Members' share of the Net Settlement Amount shall
14 be allocated for disputed statutory penalties and interest, and no amount shall be deducted for any taxes.
15 This portion of the Individual Settlement Amount consists of other income, not wages, for which the
16 Participating Class Members shall receive IRS Forms 1099-MISC and 1099-INT and this payment shall
17 be divided equally among the 1099-MISC and 1099-INT designations.

18 5.9.3 The entirety (100%) of each Aggrieved Employee's share of Employee PAGA
19 Amount or \$54,687.50 shall be allocated for payment of disputed civil penalties, and no amount shall be
20 deducted for any taxes. This portion of the Individual Settlement Amount consists of other income, not
21 wages, for which the Aggrieved Employees shall receive an IRS Form 1099-MISC.

22 5.10 Participating Class Members and Aggrieved Employees shall be solely responsible for the
23 reporting and payment of their share of any federal, state and/or municipal income or other taxes on
24 payments made pursuant to this Agreement, and shall hold the Parties, Plaintiffs' Counsel, and Defendants'
25 Counsel free and harmless from any claims resulting from treatment of such payments as non-taxable,
26 including the treatment of such payments as not subject to withholding or deduction for payroll and
27 employment taxes. No party has made any representation to any of the other Parties as to the taxability of
28 any payments pursuant to this Agreement, including the payments to Participating Class Members, the

1 payments to Aggrieved Employees, the payments to Plaintiffs' Counsel, the payments to the Class
2 Representative, the payroll tax liability of Defendants, or the allocation of the Net Settlement Amount or
3 Employee PAGA Amount to wage and non-wage income as provided in this Section, or otherwise as to
4 tax implications of any provision of this Agreement.

5 5.11 No Additional Contribution by Defendants: Defendants' monetary obligation under this
6 Agreement is limited to the Gross Settlement Amount and any employer side payroll taxes owed on
7 amounts characterized as wages under this Agreement unless Section 10.2 is triggered and the Gross
8 Settlement Amount increased. All other costs and expenses arising out of or in connection with the
9 performance of this Agreement shall be paid from the Gross Settlement Amount, unless expressly provided
10 otherwise herein. However, in the event this agreement is deemed null and void as described in Section 3
11 because the Court, in its independent determination, finds that the Agreement does not meet the standards
12 for settlement approval, then Defendants and Plaintiffs shall be equally responsible for the costs of the
13 Settlement Administrator incurred between the date the Agreement was executed and the date of such
14 event.

15 5.12 Certification For Settlement Purposes: The Parties agree that, for purposes of settlement
16 only, certification of the class as defined in Section 1.4 and 4.1 is appropriate and the requisites for
17 establishing class certification have been met and are met.

18 5.13 Adequacy of Plaintiffs' Counsel and Class Representatives: The Parties agree that, for
19 purposes of settlement only, Shimoda & Rodriguez Law, PC, and Plaintiff Jose Hernandez are adequate
20 representatives for Class Members. The Parties also agree that, for purposes of settlement only Plaintiffs'
21 Counsel and Plaintiffs Pete Cruz and Jose Hernandez are adequate representatives for Aggrieved
22 Employees.

23 **6. RELEASE**

24 6.1 Release of Claims by Participating Class Members: Upon the date Defendants fully fund
25 the Gross Settlement Amount and all employer payroll taxes owed on the wage portion of the Individual
26 Settlement Amounts, all Participating Class Members will be deemed to fully, finally and forever release
27 the Released Class Claims as to all Released Parties.

6.2 Release of Claims by Aggrieved Employees: Upon the date Defendants fully fund the Gross Settlement Amount and all employer payroll taxes owed on the wage portion of the Individual Settlement Amounts, all Aggrieved Employees will be deemed to fully, finally and forever release the Released PAGA Claims as to all Released Parties.

6.3 Release by Class Representative: Upon the date Defendants fully fund the Gross Settlement Amount and all employer payroll taxes owed on the wage portion of the Individual Settlement Amounts, the Class Representative will be deemed to fully, finally and forever release the Class Representative's Released Claims as to all Released Parties.

7. SETTLEMENT ADMINISTRATION

7.1 Duties of Settlement Administrator: The Settlement Administrator shall be responsible for: 1) receiving Class Member and Aggrieved Employee contact information and confirming addresses are valid; 2) calculating estimated Individual Settlement Amounts and any and all taxes associated with the Individual Settlement Amounts, including employer taxes; 3) taking appropriate steps to trace and locate any individual Class Members and Aggrieved Employee whose address or contact information as provided to the Settlement Administrator is inaccurate or outdated and mailing the Notice of Settlement to Class Members and Aggrieved Employees; 4) providing notification to the appropriate state and federal officials of this Agreement as required under the law; 5) receiving, independently reviewing, and resolving any challenges (in consultation with Plaintiffs' Counsel and Defendants' Counsel) from Class Members or Aggrieved Employees, including any associated documentation, regarding their Qualified Workweek and/or Qualified Pay Period calculations; 6) receiving and serving on Plaintiffs' Counsel, Defendants' Counsel, and the Court, copies of any written objections, and/or any opt out statements; 7) establishing a toll free telephone line and responding to inquiries and requests for information or assistance from Class Members and/or Aggrieved Employees; 8) maintaining a QSF; 9) determining and paying the final amounts due to be paid under the Agreement after resolution of all challenges, disputes, opt-outs, awarded attorneys' fees and costs, Settlement Administrator Costs, PAGA Amount, taxes, any Enhancement Payment, and for funds that cannot be distributed due to the inability to locate Class Members or Aggrieved Employees; 10) determining the validity of any disputes or late opt-outs by previously unidentified Class Members or Aggrieved Employees; 11) paying any funds from uncashed checks to the *cypres* beneficiary; 12) reporting

1 to Plaintiffs' Counsel and Defendants' Counsel regarding the statistics of the administration, including (a)
2 the number of initial Notice of Settlements mailed; (b) the number of forwarded Notice of Settlements; (c)
3 the number of re-mailed Notice of Settlements; (d) the number of total undeliverable Notice of Settlements;
4 (e) the number of address traces performed for undeliverable Notice of Settlements; (f) the number of
5 Notice of Settlements undeliverable from traced addresses; (g) the number of total objections received; (h)
6 the number of opt-out requests received; (i) the number of disputes received; (j) the number of disputes
7 resolved; 13) providing a declaration to the Court regarding the final statistics of the administration and
8 compliance with all payment obligations under the Agreement; 14) completing all necessary tax reporting
9 on the QSF and payment of the Individual Settlement Amounts to Participating Class Members and
10 Aggrieved Employees; and 15) carrying out other related tasks as necessary to effectuate the terms of this
11 Agreement and any Order of the Court. All disputes relating to the Settlement Administrator's ability and
12 need to perform its duties shall be referred to the Court, if necessary, which will have continuing
13 jurisdiction over the terms and conditions of this Agreement, until all payments and obligations
14 contemplated by the Agreement have been fully executed.

15 7.2 Notice to Class Members and Aggrieved Employees: The Notice of Settlement will be in
16 English and Spanish. The Notice of Settlement will provide Class Members and Aggrieved Employees
17 with a summary of the terms and conditions of the Agreement, how to participate in the settlement, how to
18 object to the Agreement, how to dispute the individual's Qualifying Workweeks and/or Qualifying Pay
19 Periods, and how to opt-out from the Agreement. The Notice of Settlement will also inform Class Members
20 and Aggrieved Employees of the Gross Settlement Amount, Net Settlement Amount, proposed attorneys'
21 fees and costs allocations, any proposed Enhancement Payment, proposed Settlement Administrator Cost
22 allocations, proposed PAGA Amount allocations, the scope of the class, the nature and extent of the
23 released claims, dates set for a fairness hearing and hearing on Plaintiffs' Counsels' motion for attorneys'
24 fees and costs. The Notice of Settlement shall include information regarding Class Member's and
25 Aggrieved Employee's estimated Individual Settlement Amount. The Notice of Settlement will provide
26 information on how to access electronic copies online of the Notice of Settlement, any motions for approval
27 of the Agreement, any motions for approval of attorneys' fees and costs, and any other documents as the
28 Court directs.

1 7.3 Class Member Data and Mailing: No later than fourteen (14) calendar days after the
2 Preliminary Approval Date, Defendants shall provide the Settlement Administrator with the first and last
3 name, last known mailing address, last known telephone number, Social Security Number, hire dates, and
4 termination dates for each Class Member and Aggrieved Employee, and any other information the
5 Settlement Administrator needs to effectuate notice to Class Members and Aggrieved Employees as
6 outlined herein (the “Class List”). The Settlement Administrator shall review the data to determine the
7 number of Qualifying Workweeks for each Class Member and Qualifying Pay Periods for each Aggrieved
8 Employee. No later than fourteen (14) calendar days after receipt of such address information, the
9 Settlement Administrator will perform a national change of address (“NCOA”) search, update the addresses
10 per the results of the NCOA search, and then mail the Notice of Settlement, substantially in the form
11 attached as Exhibit 1, to each Class Member and Aggrieved Employee by first-class mail, postage prepaid.
12 The Settlement Administrator shall maintain all information received from Defendants confidential to
13 itself, and Defendants’ Counsel. However, Plaintiffs’ Counsel shall be able to review the breakdown of
14 Qualified Workweeks and Qualified Pay Periods and the estimated Individual Settlement Amounts for
15 Class Members and Aggrieved Employees prior to mailing for quality assurance provided the personal
16 identifying information is redacted and/or omitted.

17 7.4 Returned and/or Re-mailed Notice of Settlements: In the event that a Notice of Settlement
18 is returned to the Settlement Administrator as undeliverable on or before the conclusion of the Notice
19 Period, the Notice of Settlement shall be sent to the forwarding address affixed thereto within five (5)
20 calendar days. If no forwarding address is provided, then the Settlement Administrator shall promptly
21 attempt to determine a correct address using a skip-trace, computer or other search using the name, address
22 and/or Social Security number of the individual involved, and shall then perform a single re-mailing within
23 five (5) calendar days to any more recent address found as a result of the search. Following each search
24 that does not result in a corrected address, for those Class Members and/or Aggrieved Employees who
25 appear to be current employees of Defendants at the time of the Preliminary Approval Date, the Settlement
26 Administrator shall contact Defendants’ Counsel for assistance and Defendants shall cooperate in good
27 faith with the Settlement Administrator’s reasonable efforts to obtain valid mailing addresses for Class
28 Members and/or Aggrieved Employees to the extent they are active employees of Defendants. In the event

1 the Notice of Settlement is forwarded to a new address and/or re-mailed to a Class Member, the deadline
2 for the Class Member to submit any request to opt-out, a dispute, or an objection shall be the end of the
3 Notice Period or 10 days from the date of the re-mailing/forwarding to a new address, whichever is later.
4 In the event the procedures in this Section are followed and the Class Member does not timely and properly
5 request to opt-out, the Class Member shall be bound by all terms of the Agreement, including the releases
6 contained in Section 6.

7 7.5 Responses to Notice of Settlement:

8 7.5.1 *Opt-Outs:* The Notice of Settlement shall provide that Class Members who wish to
9 exclude themselves from the Agreement must submit a request to opt-out as provided in this Section. The
10 request to opt-out must (a) state the Class Member's full name and date of birth; (b) a statement that he or
11 she does not want to be a Class Member, does not want to participate in the settlement, and/or wants to be
12 excluded from the settlement; (c) identify the case name and number (*i.e. Cruz, et al. v. QuantumScape, et*
13 *al.*, Case No. 23CV427117); (d) be signed; and (e) be post-marked no later than the conclusion of the
14 Notice Period or the re-mailing timeline stated in Section 7.4. The Class Member must personally sign the
15 request to opt-out. No request to opt-out may be made on behalf of a group of Class Members. The date
16 of the postmark on the return-mailing envelope shall be the exclusive means used to determine whether a
17 request to opt-out has been timely submitted. Any Class Member who requests to opt-out of the Agreement
18 will not be entitled to any portion of the Net Settlement Amount nor will they have any right to object,
19 appeal or comment thereon. The name of any Class Member who submits a valid and timely opt out request
20 will be specifically identified in any proposed order granting final approval. Class Members who fail to
21 submit a valid and timely request to opt-out shall be bound by all terms of the Agreement and any order or
22 final judgment thereon. Regardless of whether an Aggrieved Employee opts out of being a Class Member,
23 they will still receive their share of the Employee PAGA Amount as Aggrieved Employees cannot opt out
24 of this Agreement as it relates to the PAGA Amount or Released PAGA Claims.

25 7.5.2 *Objection Procedures:* Any Class Member who does not opt-out, but who wishes
26 to object to this Agreement or otherwise to be heard concerning this Agreement, may submit a written
27 objection to the Settlement Administrator, who will promptly provide copies of the objection to Plaintiffs'
28 Counsel and Defendants' Counsel. The Notice of Settlement shall make clear that the Court can only

1 approve or deny the Agreement, not change the terms of the Agreement. The written objection should (a)
2 state the Class Member's full name and date of birth; (b) provide evidence that the individual is, in fact, a
3 Class Member; (c) state the reasons for the objection(s), including any supporting documentation; (d)
4 identify the case name and number (*i.e. Cruz, et al. v. QuantumScape, et al.*, Case No. 23CV427117); (e)
5 be signed; and (f) be post-marked no later than the conclusion of the Notice Period or the re-mailing
6 timeline stated in Section 7.4. Additionally, or in the alternative to sending a written objection to the
7 Settlement Administrator, any Class Member may appear at the final approval hearing to state their
8 objection, provided they notify the Court of their intention to do so via filing a notice of intent to appear at
9 the final approval hearing.

10 7.5.3 *Dispute Procedures:* Any Class Member and/or Aggrieved Employees who
11 disputes the number of Qualifying Workweeks or Qualifying Pay Periods, respectively, on the Notice of
12 Settlement shall contact the Settlement Administrator. The dispute must (a) identify the nature of the
13 dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be
14 post-marked no later than the conclusion of the Notice Period or the re-mailing timeline stated in Section
15 7.4. The Settlement Administrator shall promptly (in no event more than two business days) forward all
16 such disputes to Defendants' Counsel and request that Defendants review the dispute. Defendants' records
17 shall presumptively control unless the Class Member and/or Aggrieved Employee can produce
18 documentation evidencing other periods of employment worked. If Defendants agree with submitted
19 information, the Class Member and/or Aggrieved Employee shall be credited or subtracted Qualifying
20 Workweeks and/or Qualifying Pay Periods, respectively, in accordance with their submitted dispute and
21 that final number of Qualified Workweeks and/or Qualifying Pay Periods shall govern the calculation of
22 that Class Member's and/or Aggrieved Employee's Individual Settlement Amount. If Defendants disagree
23 with the submitted information, Defendants' Counsel will promptly advise Plaintiffs' Counsel of the
24 dispute, which includes turning over any documentation submitted by the Class Member as part of the
25 dispute. Defendants' Counsel and Plaintiffs' Counsel shall attempt in good faith to resolve any such dispute
26 within five (5) calendar days of Plaintiffs' Counsel being advised of the dispute. Each dispute that
27 Defendants' Counsel and Plaintiffs' Counsel cannot timely resolve shall be resolved by the Settlement
28 Administrator, subject to Court review.

1 7.5.4 *Deficient Opt-Outs, Objections, or Disputes:* In the event that a deficient opt-out,
2 objection, or dispute is received on or before the conclusion of the Notice Period, the Settlement
3 Administrator shall mail a letter to the Class Member within five (5) calendar days informing them of the
4 deficiency. If a deficiency letter is mailed to a Class Member, the deadline for the Class Member to cure
5 the deficiency shall be the end of the Notice Period or 10 calendar days from the date of the deficiency
6 letter, whichever is later.

7 7.6 Due Process Acknowledgement: Compliance with the procedures set forth in Sections 7.1
8 to 7.5.4 shall constitute due and sufficient notice to Class Members of the Actions and the Agreement and
9 shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Plaintiffs'
10 Counsel or Defendants' Counsel to provide notice of the proposed Agreement.

11 7.7 Settlement Administrator Declaration Regarding Notice Period: Within fourteen (14)
12 calendar days after the conclusion of the Notice Period, the Settlement Administrator shall provide
13 Plaintiffs' Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing
14 a complete and detailed report regarding the statistics and responses of settlement administration to date
15 and all the Settlement Administrators' obligations under Sections 5.8 to 5.9.3 and 7.1 to 7.5.4.

16 7.8 Settlement Administrator Payments to Participating Class Members, Aggrieved Employees,
17 Plaintiffs' Counsel and Plaintiffs: Within seven (7) calendar days after the Effective Date and the Court's
18 determination of the amount of attorneys' fees and costs payable to Plaintiffs' Counsel, the Enhancement
19 Payment payable to the Class Representative, the PAGA Amount, and Settlement Administrator Costs, the
20 Settlement Administrator shall calculate the final Net Settlement Amount, the final Individual Settlement
21 Amounts for Participating Class Members and/or Aggrieved Employees, any applicable taxes thereon, and
22 report the results of these calculations Plaintiffs' Counsel and Defendants' Counsel. Defendants shall wire
23 the Gross Settlement Amount and applicable taxes necessary to fund the Settlement as described in Section
24 5.1 to the Settlement Administrator within thirty-one (31) calendar days after the Effective Date to be held
25 in trust in a QSF. Within seven (7) calendar days after Defendants fund the settlement, the Settlement
26 Administrator shall deliver payment of Plaintiffs' Counsels' attorney's fees and costs, the Enhancement
27 Payment payable to the Class Representative, the LWDA Payment, Settlement Administrator Costs, and
28

1 payment to Participating Class Members and/or Aggrieved Employees as required under this Agreement
2 and approved by Court.

3 7.8.1 The Settlement Administrator shall wire the Court-approved attorneys' fees and
4 costs to Plaintiffs' Counsel unless another method is requested by Plaintiffs' Counsel. Plaintiffs' Counsel
5 shall provide the Settlement Administrator with the pertinent taxpayer identification number and payment
6 instructions after the Final Approval Date.

7 7.8.2 The Settlement Administrator shall send a check by mail for the Court-approved
8 Enhancement Payment to the Class Representative, care of Shimoda & Rodriguez Law, PC, unless another
9 method is requested by Shimoda & Rodriguez Law, PC.

10 7.8.3 Only Participating Class Members and Aggrieved Employees will receive their
11 Individual Settlement Amount.

12 7.8.4 The Settlement Administrator shall remit and report the applicable portions of the
13 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this
14 Agreement. Defendants agree to reasonably cooperate with the Settlement Administrator to the extent
15 necessary to determine the amount of the payroll tax payment required.

16 7.9 Settlement Check Expiration and Uncashed Checks: The Settlement Administrator shall
17 issue Individual Settlement Amounts to Participating Class Members and Aggrieved Employees in the
18 form of a check, which shall become null and void if not deposited within one hundred eighty (180)
19 calendar days of issuance. After one hundred eighty (180) calendar days of issuance, the checks shall be
20 voided and funds from all uncashed checks shall be transmitted in accordance with Section 5.6. The
21 Settlement Administrator shall deliver these funds within fourteen (14) calendar days after the check
22 cashing deadline.

23 7.10 Settlement Administrator Declaration Regarding Compliance and Settlement
24 Administration: Within twenty-one (21) calendar days after the last day for Participating Class Members
25 and Aggrieved Employees to cash their settlement checks, the Settlement Administrator shall provide
26 Plaintiffs' Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing
27 a complete and detailed report regarding the settlement administration documenting that all payments under
28

the Agreement have been made, that the Court's final approval order has been complied with, and that all the obligations of the Settlement Administrator have been completed.

8. PRELIMINARY SETTLEMENT ADMINISTRATION SCHEDULE

8.1 The schedule may be modified depending on whether and when the Court grants necessary approvals, orders notice to Class Members and Aggrieved Employees, and sets further hearings. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement as described above. In the event of such modification, the Parties shall cooperate to complete the settlement procedures as expeditiously as reasonably practicable. The preliminary schedule for notice, approval, and payment procedures carrying out the Agreement is as follows:

Last day for Defendants to provide Settlement Administrator with Class Member and Aggrieved Employee information (the "Class List")	Within 14 calendar days after the Preliminary Approval Date
Last day for Settlement Administrator to complete NCOA search, update Class Member and Aggrieved Employee mailing information, and mail Notice of Settlement	Within 14 calendar days after the Settlement Administrators' receipt of Class Members' and Aggrieved Employees' information from Defendants
Last day for Class Members to opt-out, submit disputes, submit objections, and submit data requests	60 calendar days after mailing of Notice of Settlement or within 10 days after Notice of Settlement is re-mailed, whichever is later
Last day for Settlement Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 14 calendar days after end of the Notice Period
Last day for Settlement Administrator to calculate the final Net Settlement Amount, the final Individual Settlement Amounts for Participating Class Members and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations to Plaintiffs' Counsel and Defendants' Counsel	Within 7 calendar days after the Effective Date

Last day for Defendants to fund settlement	Within 31 calendar days after the Effective Date
Last day for Settlement Administrator to deliver payment of Plaintiffs' Counsel's attorney's fees and costs, Enhancement Payment, the LWDA Payment, Settlement Administrator Costs, payment to Participating Class Members, and payment to Aggrieved Employees	Within 7 calendar days after Defendants have funded the settlement
Last day for Participating Class Members and Aggrieved Employees to cash settlement checks	180 calendar days after issuance of checks to Participating Class Members and Aggrieved Employees
Last day for Settlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiary	Within 14 calendar days after settlement check cashing deadline
Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

9. DUTIES OF THE PARTIES

9.1 Second Amended Complaint: The Parties shall stipulate to the filing of a Second Amended Complaint, which shall become the operative Complaint as referenced herein. Plaintiffs shall file the Second Amended Complaint, which will consolidate the Parties, class claims, PAGA claims, and allegations from the *Cruz* Action, *Hernandez* PAGA Action, and *Hernandez* Arbitration into the *Cruz* Action for settlement purposes only.

9.2 Preliminary Approval: The Parties will cooperate in obtaining, through an unopposed motion to be filed as soon as reasonably practicable, an order from the Court preliminarily approving this Agreement at the earliest possible date concurrently with the Court's certification of the Action as a class action for settlement purposes. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may

1 be requested by the Court relating to, or that are otherwise necessary to the approval and implementation
2 of this Agreement and shall otherwise use their respective best efforts to obtain certification for settlement
3 purposes, approval of, and implementation of this Agreement. The Parties will submit this Agreement to
4 the Court for preliminary approval of its terms and for approval of the steps to be taken to obtain its final
5 approval. Within two weeks of this Agreement being fully executed, Plaintiffs' Counsel shall provide a
6 draft of the Preliminary Approval Motion to Defendants' Counsel. Defendants' Counsel will provide
7 comments and/or proposed revisions within two weeks after receipt of the draft Preliminary Approval
8 Motion from Plaintiffs' Counsel. With regard to the final approval documents, a one-week maximum
9 review and response time shall be observed by the Parties. The Parties will request that the Court's
10 preliminary approval of this Agreement be embodied in an Order Granting Preliminary Approval of Class
11 Action and PAGA Settlement.

12 9.2.1 Plaintiffs' motion shall seek an order: 1) Preliminarily approving the Agreement; 2)
13 Approving as to form and content the proposed Notice of Settlement; 3) Directing the mailing of the Notice
14 of Settlement by first class mail to Class Members and Aggrieved Employees; 4) Preliminarily appointing
15 Plaintiff(s) and Plaintiffs' Counsel as representatives of Class Members and/or Aggrieved Employees; 5)
16 Preliminarily approving settlement administration services to be provided by the Settlement Administrator;
17 6) Preliminarily approving the proposed Enhancement Payment to the Class Representative; 7)
18 Preliminarily approving the application for payment of reasonable attorneys' fees and reimbursement of
19 litigation-related expenses to Plaintiffs' Counsel; and 8) Scheduling a fairness hearing on the question of
20 whether the proposed Agreement should be finally approved as fair, reasonable and adequate as to the
21 Class Members.

22 9.2.2 Defendants shall not oppose Plaintiffs' motion for approval of the proposed
23 Agreement.

24 9.2.3 The Parties shall cooperate with each other and the Settlement Administrator during
25 the process of giving Class Members notice and opportunity to object to the Agreement, as necessary and
26 appropriate to assure effective communication to individual Class Members of information about their
27 rights and obligations under this Agreement.
28

1 9.2.4 Upon preliminary approval of the Agreement, Plaintiff Hernandez will dismiss the
2 class claims in the *Hernandez* Arbitration without prejudice and file a Request for Dismissal of the
3 *Hernandez* PAGA Action without prejudice. To the extent Plaintiffs' Motion for Final Approval of Class
4 Action and PAGA Settlement is denied with prejudice, the statute of limitations associated with these
5 claims shall be deemed tolled as of the date of their original filing and up to thirty (30) days after the denial
6 with prejudice so that Plaintiff Hernandez may refile the class claims arbitration and refile the PAGA
7 claims in the *Hernandez* PAGA Action as the Parties return to the status quo existing before the Agreement
8 was entered into.

9 9.3 Final Approval and Fairness Hearing: On a date approved by the Court and set forth in the
10 Notice of Settlement, the Court shall hold the Final Approval and Fairness Hearing where objections, if
11 any, may be heard. Plaintiffs' Counsel shall provide the Court as part of the motion for final approval of
12 the Agreement, a declaration by the Settlement Administrator of due diligence and proof of mailing of the
13 Notice of Settlement required to be mailed to Class Members by this Agreement, and of the delivery results
14 of the Settlement Administrator's mailings including tracing and re-mailing efforts. The Settlement
15 Administrator declaration shall identify, by name, any Class Member who submitted a timely and valid
16 request to opt out during the Notice Period. The Settlement Administrator declaration shall also identify,
17 by name, any Class Member who submitted a timely written objection and attach the objection as an exhibit
18 to the declaration.

19 9.3.1 Plaintiffs' Counsel and Defendants' Counsel shall work in good faith to draft a
20 mutually agreeable Proposed Order Granting Final Approval of Class Action and PAGA Settlement and
21 Final Judgment. The Proposed Order Granting Final Approval of Class Action and PAGA Settlement and
22 Final Judgment shall include findings and orders: 1) Approving the Agreement, adjudging the terms thereof
23 to be fair, reasonable and adequate, and directing that its terms and provisions be carried out; 2) Approving
24 the payment of an Enhancement Payment to the Class Representative; 3) Approving Plaintiffs' Counsel's
25 application for an award of attorneys' fees and reimbursement of out-of-pocket litigation expenses; 4)
26 Approving the Settlement Administrator Costs; and 5) Providing that the Court will retain jurisdiction to
27 oversee administration and enforcement of the terms of the Agreement and the Court's orders.
28

1 9.3.2 Following entry of the Court’s order granting final approval of the Agreement, the
2 Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the following:
3 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside the judgement
4 be filed, all parties will support the final approval order on appeal or otherwise; 2) Plaintiffs’ Counsel will
5 assist the Settlement Administrator as needed or requested in the process of identifying and locating
6 Participating Class Members and Aggrieved Employees entitled to payments under the Agreement and
7 assuring delivery of such payments; 3) Plaintiffs’ Counsel and Defendants’ Counsel will cooperate with
8 each other and assist the Settlement Administrator as needed or requested in completing the distribution of
9 any uncashed settlement checks, as specified above, to the *cy pres* beneficiary; 4) Plaintiffs’ Counsel, in
10 conjunction with the Settlement Administrator, will certify to the Court completion of all payments
11 required to be made by this Agreement.

12 9.4 Final Judgment: If the Court approves this Agreement at the final approval and fairness
13 hearing, the Parties will request that the Court enter an Order Granting Final Approval of Class Action and
14 PAGA Settlement and Final Judgment.

15 9.5 Notice to LWDA: Plaintiffs will provide notice to the Labor and Workforce Development
16 Agency (“LWDA”) of this settlement in accordance with Labor Code § 2699(1)(2).

17 **10. MISCELLANEOUS TERMS**

18 10.1 Defendants’ Right to Withdraw Based on Opt-Outs: If, prior to the Final Approval Date,
19 10% or more of the Class Members have submitted proper and timely requests to opt-out in accordance
20 with the provisions of the Agreement, Defendants may rescind the Agreement and all actions taken in its
21 furtherance will be thereby null and void. Defendants must exercise this right of rescission, in writing, to
22 Plaintiffs’ Counsel, within seven (7) calendar days after the Settlement Administrator notifies the Parties
23 of the total number of opt-outs. If the option to rescind is exercised, then any Settlement Administrator
24 Costs incurred up to that time shall be paid by Defendants.

25 10.2 Escalator Clause: Defendants have represented that Class Members worked approximately
26 5,592 workweeks and PAGA Employees worked around 20,109 pay periods as of January 15, 2025.
27 Should the Qualifying Workweeks worked by Class Members during the Class Period increase by more
28 than 10%, Defendants, at their sole discretion, have the option of either: (i) increasing the Gross Settlement

1 Amount on a pro-rata basis equal to the percentage increase in the number of workweeks worked by the
2 Class Members above 10% (for example, if the number of workweeks increases by 11%, the Gross
3 Settlement Amount will increase by 1%), which will be added to the Net Settlement Amount for payment
4 to Participating Class Members; or (ii) shorten the Class Period to an earlier date by which 5,592
5 workweeks plus an additional 559.2 workweeks are covered by the Class Period (i.e., shorten the Class
6 Period to end on a date where the total number of Qualifying Workweeks is 6,151.2 or under). Should the
7 Qualifying Pay Periods worked by PAGA Employees during the PAGA Period increase by more than 10%,
8 Defendants shall have the option of either: (1) increasing the GSA on a pro-rata basis equal to the
9 percentage increase in the number of pay periods worked by PAGA Employees above 10% (for example,
10 if the number of pay periods increases by 11%, the GSA will increase by 1%), which will be added to the
11 PAGA Amount for settling the PAGA claims for civil penalties; or (ii) shorten the PAGA Period to an
12 earlier date by which 20,109 pay periods plus 2,010.9 pay periods are covered by the PAGA Period (i.e.,
13 shorten the PAGA Period to end on a date where the total number of Qualifying Pay Periods is 22,119.9 or
14 under). If this provision is triggered and the Gross Settlement Amount is increased, the Parties agree that
15 Plaintiffs' Counsel's fees shall be one-third (1/3) of the increased Gross Settlement Amount.

16 10.3 Circular 230 Disclaimer: EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF
17 THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT
18 OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND
19 AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN
20 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
21 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
22 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON
23 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
24 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS
25 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
26 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
27 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
28 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY

1 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
2 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX
3 PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
4 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
5 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX
6 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
7 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
8 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY
9 THIS AGREEMENT.

10 10.4 No Prior Assignments: The Parties represent, covenant, and warrant that they have not
11 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
12 any person or entity any portion of any liability, claim, demand, action, cause of action or right released
13 and discharged in this Agreement.

14 10.5 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by
15 signing this Agreement Defendants are waiving any rights to appeal from the Court's approval of the
16 settlement unless the Court materially modifies the settlement. Furthermore, by signing this Agreement
17 Plaintiffs are waiving any right or ability to opt out of this Agreement during the Notice Period or otherwise.

18 10.6 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set
19 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this
20 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

21 10.7 Judgment and Retention of Jurisdiction to Enforce: Upon the Effective Date, judgment will
22 be entered according to this Agreement. The Parties stipulate and agree that the Santa Clara County
23 Superior Court shall have continuing jurisdiction to enforce the terms of the Agreement pursuant to Civil
24 Procedure Code section 664.6 and that the prevailing party any action necessary to enforce the terms of the
25 Agreement after default by the other party may recover reasonable attorney's fees and costs related thereto.

26 10.8 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish
27 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution
28 of such other documents and the taking of such other action as may reasonably be necessary to fulfill the

terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by Court order, or otherwise, to effectuate this Agreement and the terms set forth herein.

10.9 No Admission of Liability: Neither the acceptance nor the performance by Defendants of the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the Complaint, the representative character of the Action, the validity of any of the claims that were or could have been asserted by Plaintiffs and/or Class Members in the Actions, or of any liability or guilt of Defendants in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by Defendants of any liability, culpability, negligence, or wrongdoing toward Plaintiffs, the Class Members, or any other person, and Defendants specifically disclaim any liability, culpability, negligence, or wrongdoing toward Plaintiffs, the Class Members, or any other person. Each of the Parties has entered into this Stipulation with the intention to avoid further disputes and litigation.

10.10 Notices: Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States certified mail, return receipt requested, addressed as follows:

To Plaintiffs:

Galen T. Shimoda
Justin P. Rodriguez
Renald Konini
Austin Sork
SHIMODA & RODRIGUEZ LAW, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624

Roman Shkodnik
Emma Geesaman
Enoch J. Kim
Arianna N. Razi
D.LAW, INC.
250 N. Madison Avenue
Pasadena, CA 91101-1639

To Defendants:

Shirley C. Wang
Ren M. Kuan
SABER LAW GROUP
101 Howard Street, 4th Floor
San Francisco, California 94105

1 10.11 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of
2 this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that
3 this Agreement shall not be construed in favor of or against any party by reason of the extent to which any
4 party or its counsel participated in the drafting of this Agreement.

5 10.12 Attorneys' Fees and Costs Limitations: Neither Plaintiffs' Counsel nor any other attorneys
6 acting for, or purporting to act for, the Class, Class Members, or Plaintiffs, may recover or seek to recover
7 any amounts for fees, costs, or disbursements from the Releasees or the Gross Settlement Amount except
8 as expressly provided in this Agreement.

9 10.13 No Modifications: This Agreement may be amended or modified only by a written
10 instrument signed by counsel for all Parties or their successors-in-interest. This Agreement may not be
11 discharged except by performance in accordance with its terms.

12 10.14 Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and
13 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and
14 to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement
15 to effectuate its terms and to execute any other documents required to effectuate the terms of this
16 Agreement.

17 10.15 Class Member Signatories: Because the Action has not yet been certified, and the Class
18 Members are so numerous, the Parties agree that it is impossible or impractical to have each Class Member
19 sign this Agreement. It is agreed that, for purposes of seeking approval of the Agreement, this Agreement
20 may be executed on behalf of all Class Members by the Class Representative.

21 10.16 Counterparts: This Agreement shall become effective upon its execution by all of the
22 undersigned. Plaintiffs, Plaintiffs' Counsel, Defendants and Defendants' Counsel may execute this
23 Agreement in counterparts, and execution of counterparts shall have the same force and effect as if each
24 had signed the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the
25 same force and effect of originals.

26 10.17 Choice of Law: The Agreement and any exhibits hereto shall be considered to have been
27 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and the
28 rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance with,

1 and governed by, the substantive laws of the State of California without giving effect to that State's choice
2 of law principles.

3 10.18 Headings and Captions: Section titles or captions contained in the Agreement are inserted
4 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of
5 this Agreement, or any provision thereof.

6 10.19 No Retaliation or Discouragement: The Parties agree they will take no action that could be
7 construed as retaliation against any Class Members or Aggrieved Employee for participating or seeking to
8 participate in this class action settlement. The Parties will not discourage any class member from
9 participating or seeking to participate in this class action settlement. This is a material term of the
10 Agreement and non-breaching Parties will seek court intervention if this provision is breached.

11 10.20 Confidentiality: Plaintiffs and Plaintiffs' Counsel agree to keep the terms of the Agreement
12 confidential and refrain from discussing or referencing this case and/or settlement in any marketing or
13 publicity. This provision shall not prevent Plaintiffs' Counsel from discussing or disclosing the terms of
14 the Agreement as necessary in relation to seeking Court approval of the Settlement and providing notice to
15 Class Members and Aggrieved Employees of the Settlement and its terms. This confidentiality requirement
16 does not apply to communications with any state or federal administrative agency, including the SEC.
17 Plaintiffs and Plaintiffs' Counsel acknowledge and agree that the confidentiality provisions contained
18 herein are material terms of this Agreement on which Defendants have relied in entering into it and without
19 which the Defendants would not have entered into this Agreement or performed their obligations
20 hereunder. Plaintiffs and Plaintiffs' Counsel agree that a violation of this provision by Plaintiffs or by
21 Plaintiffs' Counsel shall be a material breach of this Agreement and shall afford Defendants the right to
22 pursue any and all legal remedies upon proof that Plaintiffs or Plaintiffs' Counsel breached the
23 confidentiality provisions of this Paragraph.

24 10.21 Integrated Agreement: This Agreement sets forth the entire understanding between the
25 Parties and supersedes any and all prior agreements, oral or written, pertaining to the Agreement. Each
26 party acknowledges that there is no representation, inducement, promise or agreement which has been
27 made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement, which
28

is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent that the terms of this Agreement are fully understood and voluntarily accepted by the Parties.

10.22 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

10.23 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

10.24 Waiver of Compliance: No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

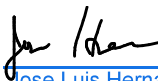
IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Plaintiffs:

Date: _____

Pete Cruz

Date: 06/03/2026



[Jose Luis Hernandez \(Jun 3, 2026 08:23:50 PDT\)](#)

Jose Hernandez

For Defendants:

Date: _____

By:

For QuantumScape Corporation

Date: _____

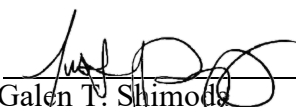
By:

For QuantumScape Battery, Inc.

APPROVED AS TO FORM

SHIMODA & RODRIGUEZ LAW, PC

Dated: 06/03/202

By: 

Galen T. Shimoda

Justin P. Rodriguez

Renald Konini

Austin D. Sork

Attorneys for Plaintiff Jose Hernandez

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10.24 Waiver of Compliance: No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Plaintiffs:

Date: 6/4/2026

DocuSigned by:
Pete Cruz
7907A8D40AB5...

Date: _____

Jose Hernandez

For Defendants:

Date: _____

By:
For QuantumScape Corporation

Date: _____

By:
For QuantumScape Battery, Inc.

APPROVED AS TO FORM

SHIMODA & RODRIGUEZ LAW, PC

Dated: _____

By:
Galen T. Shimoda
Justin P. Rodriguez
Renald Konini
Austin D. Sork
Attorneys for Plaintiff Jose Hernandez

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10.24 Waiver of Compliance: No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the day and year herein set forth.

For Plaintiffs:

Date: _____

Pete Cruz

Date: _____

Jose Hernandez

For Defendants:

Date: 6/23/2026

DocuSigned by:
Michael McCarthy
C458C9FE0967405...
By: Michael McCarthy, Chief Legal Officer
For QuantumScape Corporation

Date: 6/23/2026

DocuSigned by:
Michael McCarthy
C458C9FE0967405...
By: Michael McCarthy, Chief Legal Officer
For QuantumScape Battery, Inc.

APPROVED AS TO FORM

SHIMODA & RODRIGUEZ LAW, PC

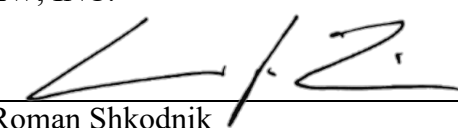
Dated: _____

By: _____
Galen T. Shimoda
Justin P. Rodriguez
Renald Konini
Austin D. Sork
Attorneys for Plaintiff Jose Hernandez

APPROVED AS TO FORM

D.LAW, INC.

Dated: June 4, 2026

By: 

Roman Shkodnik
Emma Geesaman
Enoch J. Kim
Arianna N. Razi
Attorneys for Plaintiff Cruz

APPROVED AS TO FORM

SABER LAW GROUP

Dated: _____

By: _____

Shirley C. Wang
Ren M. Kuan
Attorneys for Defendants QuantumScape
Corporation and QuantumScape Battery, Inc.

1 APPROVED AS TO FORM

D.LAW, INC.

2
3 Dated: _____

By: _____
Roman Shkodnik
Emma Geesaman
Enoch J. Kim
Arianna N. Razi
Attorneys for Plaintiff Cruz

4
5
6
7 APPROVED AS TO FORM

SABER LAW GROUP

8
9 Dated: _____

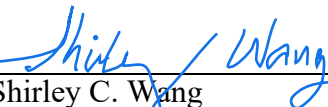
By:  _____
Shirley C. Wang
Ren M. Kuan
Attorneys for Defendants QuantumScape
Corporation and QuantumScape Battery, Inc.

Exhibit 1

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

PETE CRUZ and JOSE HERNANDEZ, individually and
on behalf of all other similarly situated,

Plaintiffs,

vs.

QUANTUMSCAPE, an entity of unknown form;
QUANTUMSCAPE CORPORATION, a Delaware
corporation; QUANTUMSCAPE BATTERY, INC., a
Delaware corporation; and DOES 1 to 100, inclusive,

Defendants.

Case No. 23CV427117

Related to Case No.: 24CV439603

NOTICE OF PROPOSED CLASS ACTION AND PAGA
SETTLEMENT, AND HEARING DATE FOR FINAL
COURT APPROVAL OF SETTLEMENT

ATTENTION:

All hourly, non-exempt employees who: a) only ever signed arbitration agreements without a class waiver; b) did not sign any release, separation, or settlement agreements waiving the claims alleged in the Actions (inclusive of any waiver of rights to participate in any class or representative PAGA settlement); and (c) worked for Defendant(s) in the State of California at any point between March 1, 2020 through July 6, 2025 ("Class Members").

All hourly, non-exempt employees who did not sign separation agreements with an individual or non-representative PAGA claims waiver and did not sign valid releases of individual PAGA claims and worked for Defendant(s) in the State of California at any point between December 4, 2022 through July 6, 2025 ("Aggrieved Employees" or "PAGA Employees").

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED CLASS ACTION AND PAGA SETTLEMENT AND POTENTIAL DISBURSEMENT OF SETTLEMENT FUNDS TO YOU. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO PARTICIPATE IN OR OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

You are receiving this notice pursuant to an order from the Santa Clara County Superior Court ("Court") granting Plaintiffs' motion for preliminary approval of a Class Action and Private Attorneys General Act ("PAGA") Settlement Agreement ("Agreement" or "Settlement") as fair, reasonable, and adequate. The Settlement was entered into by and between Plaintiffs Pete Cruz ("Cruz") and Jose Hernandez ("Hernandez") (both collectively referred to as "Plaintiffs"), on behalf of themselves, on behalf of all others similarly situated, and on behalf of all aggrieved employees, and Defendants QuantumScape Corporation ("QSC") and QuantumScape Battery, Inc. ("QSB") (collectively, "Defendants" or "QuantumScape"). Plaintiffs and Defendants are referred to herein individually as the "Party" and collectively as the "Parties." The terms of the Settlement are outlined herein.

You are receiving this notice because Defendants' records indicate that you fall within the definition of a "Class Member" and/or an "Aggrieved Employee" as defined above. Defendants' records indicate that you worked [REDACTED] workweeks between March 1, 2020, to July 6, 2025 (the "Class Period") as a Class Member. (If you worked during the Class Period but no amount of workweek is stated, then according to Defendants' records, you signed an arbitration agreement with a class waiver and are, therefore, not a Class Member.) Defendants' records also indicate that you worked [REDACTED] pay periods between December 4, 2022, to July 6, 2025 (the "PAGA Period") as an Aggrieved Employee. Based on these records, your total share of the settlement proceeds ("Individual Settlement Amount") is estimated to be [REDACTED]. Your actual share of the settlement proceeds may vary depending on the total number of Class Members that choose to participate in the Settlement and the resolution of any workweek disputes as described in this notice.

The terms of the Agreement and a description of the case are identified in this notice. Pursuant to the Court's order, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

I. BACKGROUND OF THE CASE

Plaintiffs are former QuantumScape employees. On December 4, 2023, Plaintiff Pete Cruz filed this class action lawsuit on December 4, 2023, in the Santa Clara County Superior Court, Case No. 23CV427117 ("*Cruz Action*"), alleging various wage and hour

claims against Defendants. Cruz later filed a First Amended Complaint on February 7, 2024, adding a claim for Private Attorneys General Act (“PAGA”) penalties based on the same California Labor Code violations alleged on behalf of the class. On March 1, 2024, Plaintiff Jose Hernandez filed a separate class arbitration with JAMS Arbitration, Ref. No. 5100001940 (“*Hernandez Arbitration*”), similarly alleging various wage and hour claims against Defendant QuantumScape Battery, Inc.. Plaintiff Hernandez also filed a separate lawsuit in the Santa Clara County Superior Court, Case No. 24CV439603 (“*Hernandez PAGA Action*”), on May 22, 2024, alleging a single cause of action for civil penalties under the PAGA based on the same California Labor Code violations alleged on behalf of the class in the *Hernandez Arbitration*. In order to streamline the cases and settlement negotiation process, Plaintiffs agreed to file a Second Amended Complaint (“*Complaint*”) in the *Cruz Action*, consolidating all wage and hour class and PAGA causes of action and allegations alleged in the *Cruz Action*, the *Hernandez Arbitration*, and the *Hernandez PAGA Action* (the “*Actions*”).

Plaintiffs, on behalf of themselves, Class Members, and Aggrieved Employees, allege that Defendants violated California state labor laws as a result of its alleged failure to, among other things: 1) failure to pay minimum wages, 2) failure to pay wages and overtime wages, 3) failure to provide meal periods or pay premiums in lieu thereof, 4) failure to provide rest periods or pay premiums in lieu thereof, 5) failing to pay vacation wages, 6) failure to pay sick time at the regular rate of pay, 7) failure to reimburse necessary business expenditures, 8) failure to provide accurate wage statements, 9) failure to keep required payroll records, 10) waiting time penalties, 11) violation of Business & Professions Code § 17200 *et seq.*, 12) penalties pursuant to Labor Code § 2699, *et seq.*, and 13) untimely payment of wages. All of the claims were actively litigated. There had been on-going investigations and exchange of extensive documentation and information. Furthermore, the Parties participated in an all-day, global mediation facilitated by a neutral third party. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class and PAGA settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Agreement, Defendants have denied, and continues to deny, all factual and legal allegations in the Complaint and believe that Defendants have valid defenses to these claims. Defendants have entered into this Settlement to fully, finally, and forever resolve the Actions as part of a compromise with Plaintiffs to avoid the burden and expense associated with ongoing litigation. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the Actions or that the Actions can or should proceed as class and/or PAGA actions.

The Agreement applies to any and all Class Members and Aggrieved Employees as defined above. If you are a Class Member, you have the opportunity to participate in the Settlement, or to exclude yourself (“opt out”) from the Settlement. This notice is to advise Class Members of how they can either participate or opt out from the Settlement. As set forth below, Aggrieved Employees cannot opt out of this Agreement as it relates to the PAGA Amount or Released PAGA Claims regardless of whether they opt out of being a Class Member. Aggrieved Employees will receive their share of the PAGA Amount regardless of whether they opt out of being a Class Member.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Agreement, Defendants have agreed to pay a total sum of Seven Hundred and Thirty-Five Thousand Dollars and Zero Cents (\$735,000.00) (“Gross Settlement Amount”) to settle underlying wage and hour class and PAGA claims. The Gross Settlement Amount is inclusive of 1) Plaintiffs’ Counsel’s attorneys’ fees (not to exceed one-third of the Gross Settlement Amount); 2) Plaintiffs’ attorneys’ costs (not to exceed \$32,500.00); 3) Settlement Administrator Costs (not to exceed \$12,500.00); 4) an Enhancement Payment to the Class Representative or Plaintiff Jose Hernandez (not to exceed \$10,000.00); 5) alleged PAGA penalties or the “PAGA Amount” (for \$218,750.00); and 6) “Net Settlement Amount” or amount available for distribution to Participating Class Members.

Any employer side taxes attributable to payments allocated as wages will be paid by Defendants in addition to the Gross Settlement Amount. As explained further below, the amount of each Class Member’s share of the Net Settlement Amount will depend on the number of workweeks worked by Participating Class Members during the Class Period. 75% of the PAGA Amount, or \$164,062.50, will be paid to the State of California Labor and Workforce Development Agency (“the LWDA Payment”). 25% of the PAGA Amount, or \$54,687.50, will be divided among Aggrieved Employees (“Employee PAGA Amount”). Each Aggrieved Employee’s share will depend on the number of pay periods worked by Aggrieved Employees during the PAGA Period.

The number of workweeks you worked during the Class Period, pay periods you worked during the PAGA Period, and your estimated total share of the Net Settlement Amount and PAGA Amount (“Individual Settlement Amount”) is stated on the first page of this notice. The actual amount received may be more or less than the amount stated depending on the actual number of workweeks worked by Participating Class Members (*i.e.*, those who do not opt out of the Settlement) and/or pay periods worked by Aggrieved Employees, the resolution of any disputes regarding workweeks and/or pay periods, and on the distributions finally approved and

allocated by the Court. However, whether Class Members opt out will have no effect on Aggrieved Employees' allocations for the PAGA claim.

B. Individual Settlement Amounts and Allocation Between Class Members and Aggrieved Employees

Defendants will pay Individual Settlement Amounts through the Settlement Administrator, as described below, to each Participating Class Member and to Aggrieved Employees. All Individual Settlement Amounts will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action that the amount payable to eligible Class Members from the Net Settlement Amount will be allocated and paid as 80% for disputed interest, statutory penalties, and other non-wage damages for which IRS Forms 1099-MISC and 1099-INT will issue and 20% for disputed wages for which an IRS Form W-2 will issue. The Employee PAGA Amount to Aggrieved employees will be paid as 100% for civil penalties.

Payment to Participating Class Members and Aggrieved Employees will not require the submission of a claim form. Each Participating Class Member's share will be determined by dividing their total workweeks worked within the Class Period by the total workweeks worked by all Participating Class Members within the Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the Employee PAGA Amount (or \$54,687.50) will be determined by dividing their total pay periods worked within the PAGA Period by the total pay periods worked by all Aggrieved Employees within the PAGA Period. That fraction will then be multiplied by the Employee PAGA Amount to arrive at the Aggrieved Employee's individual share. Your share of the PAGA Amount is estimated to be [REDACTED]. This amount is included in your estimated Individual Settlement Amount stated on the first page of this notice, not in addition to it. You will still receive your share of the Employee PAGA Amount even if you opt out of being a Class Member. Receipt of the Individual Settlement Amounts will not entitle any Class Member or Aggrieved Employee to additional compensation or benefits under any compensation, retirement or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Defendants' Records and Resolution of Workweek and/or Pay Period Disputes

The amount payable will be calculated by the Settlement Administrator from Defendants' records. Defendants' records will be presumed correct unless evidence to the contrary is provided to the Settlement Administrator. Defendants' records and any additional evidence will be reviewed by the Settlement Administrator in the event of a dispute about the number of workweeks and/or pay periods worked by an individual Class Member and/or Aggrieved Employee. If you dispute the accuracy of Defendants' records, all supporting documents evidencing additional workweeks and/or pay periods must be submitted by the Class Member and/or Aggrieved Employee. The dispute must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than [REDACTED]. The dispute will be resolved by the Settlement Administrator based on the records and evidence provided.

D. Release of Claims

For those Class Members who do not opt out and Aggrieved Employees, the Agreement contains the following releases:

Class members who do not opt out will be deemed to have released any and all claims that are alleged in the Complaint, and any additional claims that reasonably could have been brought based on the facts alleged in the Complaint, through the Class Period. This release excludes the release of claims not permitted by law (the "Released Class Claims").

Aggrieved Employees will be deemed to have released any and all claims that were alleged under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* in Plaintiffs' notice letters to the LWDA, and any additional wage and hour PAGA claims that reasonably could have been brought based on the facts alleged in Plaintiffs' notice letters to the LWDA during the PAGA Period. This release excludes the release of claims not permitted by law (the "Released PAGA Claims").

The individuals released ("Released Parties") Defendants QuantumScape Corporation and QuantumScape Battery, Inc., and each of their respective former, current, and future parents, subsidiaries, affiliates, joint ventures, directors, officers, shareholders, members, agents, principals, heirs, representative, insurers and reinsurers, and their respective predecessors, successors, and assigns.

Class Members and/or Aggrieved Employees can talk to Plaintiffs' Counsel (listed below) for free or talk to their own lawyer if they have questions about the released claims and what they mean.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Participating in the Settlement as a Class Member

If you wish to be a Participating Class Member and believe your workweek information is accurate, **you do not need to take any further action**. Payment will be automatically made to you consistent with the terms of the Agreement and Court Order. If you wish to dispute the workweek calculation, you may follow the procedures outlined in Section II.C above. California law protects Class Members from retaliation based on their decision to participate in the Settlement.

B. Excluding Yourself from the Settlement as a Class Member

The Court will exclude you from being a Class Member if you submit a valid and timely written request this by [redacted]. If you do not wish to be bound by the Settlement as a Class Member, you may request to be excluded (*i.e.* “opt out”) by submitting a timely written request to the Settlement Administrator expressly and clearly indicating so. The request to opt-out must (a) state your full name and date of birth; (b) a statement that you do not want to be a Class Member, do not want to participate in the Settlement, and/or want to be excluded from this Settlement; (c) identify the case name and number (*i.e.* *Cruz, et al. v. QuantumScape, et al.*, Case No. 23CV427117); (d) be signed; and (e) be post-marked no later than [redacted]. The request to opt out must be mailed by First Class U.S. Mail, or the equivalent, to:

[admin info]

If you submit a request to opt out which is not postmarked by [redacted], your request to opt out will be rejected, and you will be bound by the release and all other terms of the Agreement. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your request to opt out. Any Class Member who submits a complete and timely request to opt out shall, upon receipt by the Settlement Administrator, no longer be a Class Member and not receive their share of the Net Settlement Amount. Aggrieved Employees cannot opt out of this Agreement and will receive their share of the Employee PAGA Amount regardless of whether they opt out of being a Class Member.

C. Objection to Settlement

If you do not opt out of the Settlement, you can object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. You can ask the Court to deny approval by submitting an objection. You **cannot** ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. You may submit a written objection, which should (a) state your full name and date of birth; (b) provide evidence that you are, in fact, a Class Member; (c) state the reasons for the objection(s), including supporting documentation; (d) identify the case name and number (*i.e.* *Cruz, et al. v. QuantumScape, et al.*, Case No. 23CV427117); (e) be signed; and (f) be post-marked no later than [redacted]. Written objections must be sent to the Settlement Administrator at the address identified in Section III.B.

Additionally, or in the alternative to sending a written objection to the Settlement Administrator, you may appear at the final approval hearing to state your objection provided you notify the Court of your intention to do so by filing a notice of intent to appear at the final approval hearing. A notice of intent to appear at the final approval hearing may be filed with the Court at 191 N. 1st Street, San Jose, California 95113. Any Class Member who does not request exclusion may, if the Class Member so desires, enter an appearance through an attorney. If you appear through your own attorney, you are responsible for paying that attorney.

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

If the Court grants final approval of the Settlement, the Court will make and enter judgment consistent therewith. A notice of entry of judgment will be filed with the Court and available online at <https://portal.scscourt.org/search>. Simply, enter in the case number (23CV427117) in the “Case Number Search” box provided on the webpage, which will redirect you to the case information webpage. Copies of all filed documents may then be found under the “Events” tab. The judgment, whether favorable or not, will bind all Class Members who do not request exclusion. After final approval, each and every Class Member who does not opt out of the Settlement and Aggrieved Employee, will release Defendants and the Released Parties from the Released Class Claims and the Released PAGA Claims described above. In other words, if you were employed as a Class Member by Defendants in California during the Class Period, and you do not exclude yourself from the Settlement, you will be deemed to have entered into these releases and to have released

the above-described claims. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 19, 161 North First Street, San Jose, California, 95113, on [redacted] at [redacted] to determine whether the Agreement should be finally approved as fair, reasonable and adequate. The Court will also be asked to approve Plaintiffs' Counsel's request for attorneys' fees and costs, Settlement Administrator Costs, and the Class Representative's Enhancement Payment. The hearing may be continued without further notice. It is not necessary for you to appear at this hearing.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, Complaint, and Plaintiffs' Counsel's motion for preliminary approval may be examined either (a) online at <https://portal.sccourt.org/search>, or (b) in person at Records, Superior Court of California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday. You can also contact Plaintiffs' Counsel or Defendants' Counsel as follows:

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On behalf of Plaintiff Pete Cruz

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On behalf of Defendants

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE ADMINISTRATION PROCESS. IF YOU HAVE ANY QUESTIONS, CALL [redacted]

BY ORDER OF THE COURT

EXHIBIT B

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Attorneys for Plaintiff PETE CRUZ

[Additional Counsel on the Following Page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

PETE CRUZ and JOSE HERNANDEZ,
individually and on behalf all others similarly
situated,

Plaintiffs,

v.

QUANTUMSCAPE, an entity of unknown
form; QUANTUMSCAPE CORPORATION, a
Delaware corporation; QUANTUMSCAPE
BATTERY, INC., a Delaware corporation; and
DOES 1 through 50, inclusive,

Defendants.

Case No. 23CV427117
Related to Case No.: 24CV439603

CLASS ACTION

*Assigned for All Purposes to the Hon. Theodore
C. Zayner, Dept. 19*

**SECOND AMENDED CLASS ACTION AND
PAGA COMPLAINT FOR:**

1. Failure to Pay Minimum Wages;
2. Failure to Pay Wages and Overtime Wages;
3. Meal-Period Violations;
4. Rest-Break Violations;
5. Failure to Pay Vacation Wages;
6. Failure to Comply with Labor Code § 245 *et seq.* and 246 (Failure to Pay Sick Time at the Regular Rate of Pay);
7. Reimbursement of Necessary Expenditures;
8. Violation of Labor Code § 226(a) (Wage Statement Violations);
9. Failure to Keep Required Payroll Records;
10. Penalties Pursuant to Labor Code § 203 (Waiting Time Penalties);
11. Violation of Business & Professions Code § 17200 *et seq.*;
12. Penalties Pursuant to Labor Code § 2699, *et seq.*; and
13. Untimely Payment of Wages

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1 Plaintiffs PETE CRUZ and JOSE HERNANDEZ, (hereinafter “Plaintiffs”) on behalf of
2 themselves and all others similarly situated (collectively, “Employees”; individually, “Employee”)
3 complains of Defendants, and each of them, as follows:

4 INTRODUCTION

5 1. Plaintiffs bring this action on behalf of themselves and all current and former
6 Employees within the State of California who, at any time four (4) years prior to the filing of this
7 lawsuit, are or were employed as non-exempt, hourly employees by Defendants
8 QUANTUMSCAPE, an entity of unknown form; QUANTUMSCAPE CORPORATION, a
9 Delaware corporation; QUANTUMSCAPE BATTERY, INC., a Delaware corporation; and DOES
10 1 through 50 (all defendants being collectively referred to herein as “Defendants”). Plaintiffs
11 allege that Defendants, and each of them, violated various provisions of the California Labor
12 Code, relevant orders of the Industrial Welfare Commission (IWC) and California Business &
13 Professions Code, and seek redress therefore.

14 2. Plaintiffs are residents of California and during the time period relevant to this
15 Second Amended Class Action and PAGA Complaint (the “Complaint”) were employed by
16 Defendants as non-exempt, hourly employees within the State of California at Defendants’
17 facilities and offices in California. Plaintiffs and the other Class members worked for Defendants
18 in Santa Clara County, and in other non-exempt positions, throughout California and consistently
19 worked at Defendants’ behest without being paid all wages due. More specifically, Plaintiffs and
20 the other similarly situated Class members were employed by Defendants and worked at
21 Defendants’ offices and other facilities where the conduct giving rise to the allegations in this
22 class action and PAGA complaint occurred. Upon information and belief, Plaintiffs were
23 employed by Defendants and (1) shared similar job duties and responsibilities, (2) were subjected
24 to the same policies and practices, and (3) endured similar violations at the hands of Defendants as
25 the other Employee Class members who served in similar and related positions.

26 3. Defendants required Plaintiffs and the Employees in the Class to perform work
27 while remaining under Defendants’ control before and after being on the clock for their daily work
28 shift. Defendants further failed to accurately record time worked by Plaintiffs and Employee Class

1 members by rounding hours worked to reflect scheduled shift start and end times as opposed to
2 actual hours worked. Defendants also had a uniform policy and practice of requiring Employees to
3 record meal breaks before the fifth hour of work regardless of whether Employees took a meal
4 period after the fifth hour or did not receive a meal period. Defendants thus failed to pay Plaintiffs
5 and the Class members for all hours worked and provided them with inaccurate wage statements
6 that prevented Plaintiffs and the Class from learning of these unlawful pay practices. Defendants
7 also failed to provide Plaintiffs and the Class with lawful meal and rest periods, as employees
8 were not provided with the opportunity to take timely, uninterrupted, and duty-free meal and rest
9 periods as required by the Labor Code.

10 THE PARTIES

11 A. The Plaintiffs

12 4. Plaintiff PETE CRUZ (“Cruz”) has resided in California and during the time period
13 relevant to this Complaint was employed by Defendants as a non-exempt, hourly employee within
14 the State of California.

15 5. Plaintiff JOSE HERNANDEZ (“Hernandez”) has resided in California and during
16 the time period relevant to this Complaint was employed by Defendants as a non-exempt, hourly
17 employee within the State of California from July 15, 2019 to September 22, 2023.

18 B. The Defendants

19 6. Defendant QUANTUMSCAPE is an entity of unknown form with its principle
20 executive offices in Fullerton, California and has been listed as the employer on Plaintiffs’
21 paystubs during the relevant time period. QUANTUMSCAPE does not list a California address
22 with the California Secretary of State, but upon information and belief, employs Plaintiffs and the
23 Class members at Defendants’ offices and facilities in San Jose, California, and throughout
24 California and conducts business throughout California.

25 7. Defendant QUANTUMSCAPE CORPORATION (“QSC”) is a Delaware
26 corporation with its principle executive office in San Jose, California, and was Plaintiffs’ principal
27 job site during the relevant time period. QSC lists a California address in San Jose, California with
28 the California Secretary of State, and employs Class members in Santa Clara County, including at

1 Defendants' offices and facilities in San Jose, California, and throughout California and conducts
2 business throughout California.

3 8. Defendant QUANTUMSCAPE BATTERY, INC. ("QSB") is a Delaware
4 corporation with its principle executive offices in San Jose, California, and was Plaintiffs'
5 principal job site during the relevant time period. QSB lists a California address in San Jose,
6 California with the California Secretary of State, and employs Class members in Santa Clara
7 County, including at Defendants' offices and facilities in San Jose, California, and throughout
8 California and conducts business throughout California.

9 9. The true names and capacities, whether individual, corporate, associate, or
10 whatever else, of the Defendants sued herein as Does 1 through 50, inclusive, are currently
11 unknown to Plaintiffs, who therefore sues these Defendants by such fictitious names under Code
12 of Civil Procedure § 474. Plaintiffs are informed and believe and thereon allege that Defendants
13 designated herein as Does 1 through 50, inclusive, and each of them, are legally responsible in
14 some manner for the unlawful acts referred to herein. Plaintiffs will seek leave of court to amend
15 this Complaint to reflect the true names and capacities of the Defendants designated herein as
16 Does 1 through 50 when their identities become known.

17 10. Plaintiffs are informed and believe and thereon allege that each Defendant acted in
18 all respects pertinent to this action as the agent of the other Defendants, that Defendants carried
19 out a joint scheme, business plan, or policy in all respects pertinent hereto, and that the acts of
20 each Defendant are legally attributable to the other Defendants. Furthermore, Defendants acted in
21 all respects as the employers or joint employers of Employees. Defendants, and each of them,
22 exercised control over the wages, hours or working conditions of Employees, or suffered or
23 permitted Employees to work, or engaged, thereby creating a common law employment
24 relationship, with Employees. Therefore, Defendants, and each of them, employed or jointly
25 employed Employees.

26 **JURISDICTION AND VENUE**

27 11. This Court has jurisdiction over this Action pursuant to California Code of Civil
28 Procedure § 410.10 and California Business & Professions Code § 17203. This Action is brought

1 as a Class Action on behalf of similarly situated Employees of Defendants pursuant to California
2 Code of Civil Procedure § 382. Venue as to Defendants is also proper in this judicial district
3 pursuant to California Code of Civil Procedure § 395 *et seq.* Upon information and belief, the
4 obligations and liabilities giving rise to this lawsuit occurred at least in part in Santa Clara County
5 and Defendants maintain and operate company offices and facilities in Santa Clara County, and
6 employ Plaintiffs and other Class members in Santa Clara County and throughout California.

7 **FACTUAL BACKGROUND**

8 12. The Employees who comprise the Class and Collective, including Plaintiffs, are
9 non-exempt employees pursuant to the applicable Wage Order of the IWC. Defendants hire
10 Employees who work in non-exempt positions at the direction of Defendants in the State of
11 California. Plaintiffs and the Class members were either not paid by Defendants for all hours
12 worked or were not paid at the appropriate minimum, regular and overtime rates. Specifically,
13 Plaintiffs and Employees were not paid for the time that they worked “pre-shift” and “post-shift”
14 without compensation by interfacing with vendors, sending emails, and driving to pick up parts.
15 Moreover, Employees were not paid for the time spent answering work-related phone calls while
16 off-the-clock. Defendants also had a uniform policy and practice of rounding all time entries to
17 reflect scheduled shift start and end times rather than paying Plaintiffs and the Class members for
18 all hours and minutes they actually worked. Defendants generally rounded time entries to the
19 detriment of the Employees, and these unlawfully rounded time entries were inputted into
20 Defendants’ payroll system from which wage statements and payroll checks were created.
21 Plaintiffs also contend that Defendants failed to pay Plaintiffs and the Class members all wages
22 due and owing, failed to provide meal and rest breaks, and failed to furnish accurate wage
23 statements, all in violation of various provisions of the California Labor Code and applicable
24 Wage Orders. Additionally, Defendants paid Plaintiffs and Employees nondiscretionary
25 commissions, incentive pay, and/or nondiscretionary bonuses. For example, Defendants had a
26 policy to pay referring employees a bonus of \$1,000 - \$2,500 for referring applicants that were
27 subsequently hired for full-time, regular positions. Pursuant to Defendants’ policy, in order to
28 receive the bonus, the referring employee had to remain employed during the hired candidate’s

1 first 30 days of employment, making the bonus a longevity bonus. Plaintiff Hernandez was paid
2 overtime as well as a \$1,000 nondiscretionary bonus in the October 14, 2022 and November 10,
3 2022 pay periods, but his overtime rate did not include an adjustment for the value of the bonus he
4 received. Defendants failed to incorporate all remunerations, including nondiscretionary
5 commissions, incentive pay, and/or nondiscretionary bonuses, such as the longevity bonus, into
6 the calculation of the regular rate of pay for purposes of calculating the overtime wage rate.
7 Therefore, during times when Plaintiffs and Employees worked overtime and received
8 nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed
9 to pay all overtime wages by paying a lower overtime rate than required.

10 13. From at least four (4) years prior to the filing of this lawsuit and continuing to the
11 present, Defendants paid Plaintiffs and Employees nondiscretionary commissions, incentive pay,
12 and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to
13 incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or
14 nondiscretionary bonuses, including the longevity bonus described above, into the calculation of
15 the regular rate of pay for purposes of calculating sick pay. In addition, Defendants also paid
16 Employees a shift differential rate of 6% when their shifts were worked/scheduled to start on or
17 around 3:30 pm, and paid Employees a shift differential rate of 12% when their shifts were
18 worked/scheduled to start on or around 6:30 p.m.. However, Defendants failed to incorporate the
19 value of shift differentials when calculating the regular rates of pay for the purposes of paying sick
20 time. For example, Plaintiff Hernandez was paid sick time as well as a shift differential in the
21 April 11, 2022 to April 29, 2022 pay period but his sick time rate did not include an adjustment for
22 the value of the shift differential he was paid. Therefore, during times when Plaintiffs and
23 Employees worked overtime and received nondiscretionary commissions, incentive pay,
24 nondiscretionary bonuses, and/or shift differentials, Defendants failed to pay all sick pay by
25 paying a lower overtime rate than required.

26 14. From at least four (4) years prior to the filing of this lawsuit and continuing to the
27 present, Defendants paid Plaintiffs and Employees nondiscretionary commissions, incentive pay,
28 nondiscretionary bonuses, and/or shift differentials. However, upon information and belief,

1 Defendants failed to incorporate all remunerations, including nondiscretionary commissions,
2 incentive pay, nondiscretionary bonuses, and/or shift differentials into the calculation of the
3 regular rate of pay for purposes of calculating vacation pay. Therefore, during times when
4 Plaintiffs and Employees worked overtime and received nondiscretionary commissions, incentive
5 pay, nondiscretionary bonuses, and/or shift differentials, Defendants failed to pay all vacation pay
6 by paying a lower overtime rate than required.

7 15. During the course of Plaintiffs and the Class members' employment with
8 Defendants, they were not paid all wages they were owed, including for all work performed and
9 for all overtime hours worked and were forced to work during their meal and rest breaks.
10 Defendants also failed to maintain timekeeping records for Plaintiffs that would permit them to
11 discover the nature and extent of Defendants' unlawful rounding.

12 16. As a matter of uniform Company policy, Plaintiffs and the Class members were
13 required to work during their meal and rest breaks which were not compensated by Defendants in
14 violation of the California Labor Code. Plaintiffs and the Class members were also not paid
15 regular wages and overtime for the time they were required to comply with other requirements
16 imposed upon them, which they had to complete while working through their meal and rest
17 breaks and without compensation. As a result, Plaintiffs and the Class members worked shifts
18 over eight (8) hours in a day and over forty (40) hours in a work week, but they were not paid at
19 the appropriate overtime rate for all such hours, including by being required to perform work
20 duties and tasks without pay and while off-the-clock, and due to Defendants' unlawful rounding.
21 As a result, Plaintiffs and the Class members worked substantial overtime hours during their
22 employment with Defendants for which they were not compensated, in violation of the California
23 Labor Code, applicable IWC Wage Orders.

24 17. As a result of the above described unlawful rounding, the daily work demands and
25 pressures to work through breaks, and the other wage violations they endured at Defendants'
26 hands, Plaintiffs and the Class members were not properly paid for all wages earned and for all
27 wages owed to them by Defendants, including when working more than eight (8) hours in any
28 given day and/or more than forty (40) hours in any given week. As a result of Defendants'

1 unlawful policies and practices, Plaintiffs and Class members incurred overtime hours worked for
2 which they were not adequately and completely compensated. To the extent applicable,
3 Defendants also failed to pay Plaintiffs and the Class members at an overtime rate of 1.5 times the
4 regular rate for the first eight hours of the seventh consecutive work day in a week and overtime
5 payments at the rate of 2 times the regular rate for hours worked over eight (8) on the seventh
6 consecutive work day, as required under the Labor Code, applicable IWC Wage Orders.

7 18. Therefore, from at least four (4) years prior to the filing of this lawsuit and
8 continuing to the present, Defendants had a consistent policy or practice of failing to pay
9 Employees for all hours worked and failing to pay minimum wage for all time worked as required
10 by California Law.

11 19. Additionally from at least four (4) years prior to the filing of this lawsuit and
12 continuing to the present, Defendants had a consistent policy or practice of failing to pay
13 Employees overtime compensation at premium overtime rates for all hours worked in excess of
14 eight (8) hours a day and/or forty (40) hours a week, and double-time rates for all hours worked in
15 excess of twelve (12) hours a day, in violation of Labor Code § 510 and the corresponding
16 sections of IWC Wage Orders.

17 20. Additionally from at least four (4) years prior to the filing of this lawsuit and
18 continuing to the present, Defendants have regularly required Employees to work shifts in excess
19 of five (5) hours without providing them with uninterrupted meal periods of not less than thirty
20 (30) minutes and shifts in excess of ten (10) hours and sometimes shifts over twelve (12) hours
21 without providing them with second meal periods of not less than thirty minutes; nor did
22 Defendants pay Employees “premium pay,” i.e. one hour of wages at each Employee’s effective
23 regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided.

24 21. From at least four (4) years prior to the filing of this lawsuit and continuing to the
25 present, Defendants have consistently failed to provide Employees with paid rest breaks of not less
26 than ten (10) minutes for every work period of four (4) or more consecutive hours and did not
27 provide a third rest break when the length of the shift warranted it; nor did Defendant pay
28 Employees premium pay for each day on which requisite rest breaks were not provided or were

1 deficiently provided at one hour of wages at each Employee's effective regular rate of pay, for
2 each rest period that Defendants failed to provide or deficiently provided.

3 22. Additionally, from at least four (4) years prior to the filing of this lawsuit, and
4 continuing to the present, Defendants have consistently failed to provide Employees with timely,
5 accurate, and itemized wage statements as required by California wage-and-hour laws.
6 Specifically, Defendants failed in their affirmative obligation to keep accurate records of the
7 correct overtime wages based on proper regular rate calculations that included nondiscretionary
8 commissions, incentive pay, nondiscretionary bonuses, and/or shift differentials earned, and the
9 total amount of compensation of their Employees. Moreover, the wage statements given to
10 Employees by Defendants failed to accurately account for wages, overtime, and premium pay for
11 deficient meal periods and rest breaks all of which Defendants knew or reasonably should have
12 known were owed to Employees, as alleged hereinabove. The wage statements provided to
13 Employees were confusing and required Employees to engage in discovery and refer to outside
14 sources to verify whether their pay was correct, potentially resulting in a miscalculation by the
15 Employees.

16 23. Additionally, from at least four (4) years prior to the filing of this lawsuit, and
17 continuing to the present, Defendants have consistently failed to provide Employees with timely,
18 accurate, and itemized wage statements, in writing, as required by California wage-and-hour laws.

19 24. From at least four (4) years prior to the filing of this lawsuit and continuing to the
20 present, Defendants have failed to reimburse Employees for expenses necessarily incurred in the
21 performance of their job duties for Defendants including, but not limited to, the cost of cellphone
22 usage, vehicle mileage and fuel and home internet usage which were necessary to perform their
23 duties under Defendants' employ in violation of Labor Code § 2802.

24 25. Additionally, from at least three (3) years prior to the filing of this lawsuit, and
25 continuing to the present, Defendants have consistently failed to keep accurate time and wage
26 records as required by California wage-and-hour laws.

27 26. Additionally, from at least four (4) years prior to filing this lawsuit and continuing
28 to the present, Defendants have had a consistent policy of failing to pay all wages fur and owed to

1 Employees at the time of their termination or within seventy-two (72) hours of their resignation, as
2 required by California wage-and-hour laws.

3 27. Additionally, from at least four (4) years prior to filing this lawsuit and continuing
4 to the present, Defendants have had a consistent policy of failing to timely pay all wages due and
5 owed to Employees at least twice monthly under Labor Code § 204.

6 28. In light of the foregoing, Employees bring this action pursuant to, inter alia, Labor
7 Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 *et seq.*, 246, 510, 512, 558, 558.1,
8 1174, 1174.5, 1182.12, 1185, 1194, 1194.2 1197, 1199, 2698, 2699, *et seq.* and 2802.

9 29. Furthermore, pursuant to Business and Professions Code §§ 17200-17208,
10 Employees seek injunctive relief, restitution, and disgorgement of all benefits Defendants have
11 enjoyed from their violations of Labor Code.

12 CLASS ALLEGATIONS

13 30. Plaintiffs bring this class action on behalf of themselves and all others similarly
14 situated pursuant to Code of Civil Procedure § 382. Plaintiffs seek to represent a class defined as
15 follows: all individuals employed by Defendants within the State of California at any time within
16 four (4) years of the filing of this lawsuit.

17 31. Further, Plaintiffs seek to represent the following Subclasses composed of and
18 defined as follows:

19 a. Subclass 1. Minimum Wages Subclass. All Class members who were not
20 compensated for all hours worked for Defendants at the applicable minimum wage.

21 b. Subclass 2. Wages and Overtime Wages Subclass. All Class members who were
22 not compensated for all hours worked for Defendants at the required rates of pay, including for all
23 hours worked in excess of eight in a day and/or forty in a week.

24 c. Subclass 3. Vacation Wages Subclass. All Class members who were not
25 compensated at the Employee's regular rate of pay for their vacation wages.

26 d. Subclass 4. Sick Pay Subclass. All Class members who were not compensated at
27 the Employee's regular rate of pay for their sick pay wages.

1 e. Subclass 5. Meal Period Subclass. All Class members who were subject to
2 Defendants' policy and/or practice of failing to provide unpaid 30-minute uninterrupted and duty-
3 free meal periods or one hour of pay at the Employee's regular rate of pay in lieu thereof.

4 f. Subclass 6. Rest Period Subclass. All Class members who were subject to
5 Defendants' policy and/or practice of failing to authorize and permit Employees to take
6 uninterrupted, duty-free, 10-minute rest periods for every four hours worked, or major fraction
7 thereof, and failing to pay one hour of pay at the Employee's regular rate of pay in lieu thereof.

8 g. Subclass 7. Payroll Records Subclass. All Class members who were subject to
9 Defendants' policy and/or practice of failing to keep accurate time and wage records as required
10 by California wage-and-hour laws.

11 h. Subclass 8. Wage Statement Subclass. All Class members who, within the
12 applicable limitations period, were not provided with accurate itemized wage statements.

13 i. Subclass 9. Failure to Reimburse for Necessary Business Expenditures. All Class
14 members who were subject to Defendants' failure to reimburse for expenses necessarily incurred
15 in the performance of Employees job duties for Defendants.

16 j. Subclass 10. Termination Pay Subclass. All Class members who, within the
17 applicable limitations period, either voluntarily or involuntarily separated from their employment
18 and were subject to Defendants' policy and/or practice of failing to timely pay wages upon
19 termination.

20 k. Subclass 11. UCL Subclass. All Class members who are owed restitution as a result
21 of Defendants' business acts and practices, to the extent such acts and practices are found to be
22 unlawful, deceptive, and/or unfair.

23 l. Subclass 12. Failure to Timely Pay Wages Subclass. All Class members who were
24 subject to Defendants' policy and/or practice of not timely paying all wages earned when they
25 were due and payable at least twice monthly.

26 32. Plaintiffs reserve the right under California Rule of Court 3.765 to amend or
27 modify the class description with greater particularity or further division into subclasses or
28 limitation to particular issues.

1 33. This action has been brought and may properly be maintained as a class action
2 under the provisions of Code of Civil Procedure § 382 because there is a well-defined community
3 of interest in litigation and proposed class is easily ascertainable.

4 **A. Numerosity**

5 34. The potential members of the class as defined are so numerous that joinder of all
6 the member of the class is impracticable. While the precise number of class members has not been
7 determined at this time, Plaintiffs are informed and believes that Defendants employ or, during the
8 time period relevant to this lawsuit, employed more than 100 individuals within the State of
9 California.

10 35. Accounting for employee turnover during the relevant time period increases this
11 number substantially. Plaintiffs allege that Defendants' employment records will provide
12 information as to the number and location of all class members.

13 **B. Commonality**

14 36. There are questions of law and fact common to the class that predominate over any
15 questions affecting only individual class members. These common questions of law and fact
16 include:

- 17 a. Whether Defendants failed to pay Employees minimum wages;
- 18 b. Whether Defendants failed to pay Employees wages for all hours worked;
- 19 c. Whether Defendants failed to pay Employees overtime as required under Labor
20 Code § 510;
- 21 d. Whether Defendants failed to pay Employees vacation wages as required under
22 Labor Code § 227.3;
- 23 e. Whether Defendants failed to pay Employees sick pay as required under Labor
24 Code § 245;
- 25 f. Whether Defendants violated Labor Code §§ 226.7 and 512, and the applicable
26 IWC Wage Orders, by failing to provide Employees with requisite meal periods or
27 premium pay in lieu thereof;

- g. Whether Defendants violated Labor Code § 226.7, and the applicable IWC Wage Orders, by failing to provide Employees with requisite rest breaks or premium pay in lieu thereof;
- h. Whether Defendants violated Labor Code § 226(a);
- i. Whether Defendants violated Labor Code §§ 1174 and 1174.5;
- j. Whether Defendants failed to reimburse Employees for necessary business expenses;
- k. Whether Defendants violated Labor Code §§ 201, 202, and 203 by failing to pay wages and compensation due and owing at the time of termination of employment;
- l. Whether Defendants violated Business and Professions Code § 17200 *et seq.*; and
- m. Whether Employees are entitled to equitable relief pursuant to Business and Professions Code § 17200 *et seq.*
- n. Whether Defendants are liable for penalties under Labor Code § 2699, *et seq.*; and
- o. Whether Defendants violated Labor Code § 204 by failing to timely pay wages earned at least twice monthly

C. Typicality

37. The claims of the named plaintiffs are typical of those of the other Employees. Employees all sustained injuries and damages arising out of and caused by Defendants' common course of conduct in violation of statutes, as well as regulations that have the force and effect of law, as alleged herein.

D. Adequacy of Representation

38. Plaintiffs will fairly and adequately represent and protect the interest of Employees. Counsel who represents Employees are experienced and competent in litigating employment class actions.

E. Superiority of Class Action

39. A class action is superior to other available means for the fair and efficient adjudication of this controversy. Individual joinder of all Employees is not practicable, and questions of law and fact common to all Employees predominate over any questions affecting only

individual Employees. Each Employee has been damaged and is entitled to recovery by reason of Defendants' illegal policies or practices of failing to compensate Employees properly.

40. Class action treatment will allow those persons similarly situated to litigate their claims in the manner that is most efficient and economical for the parties and the judicial system. Plaintiffs are unaware of any difficulties in managing this case that should preclude class action.

FIRST CAUSE OF ACTION

FAILURE TO PAY MINIMUM WAGES

(Against All Defendants)

41. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in full herein.

42. Defendants failed to pay Employees minimum wages for all hours worked. Defendants had a consistent policy of misstating Employees time records and failing to pay Employees for all hours worked. Employees would work hours and not receive wages, including as alleged above in connection with working during meal breaks, rounding of timekeeping entries, and working "pre-shift" and "post-shift" without compensation by interfacing with vendors, sending emails, and driving to pick up parts, and receiving phone calls while off-the-clock. Additionally, Defendants had a consistent policy of failing to pay Employees for hours worked during alleged meal periods for which Employees were consistently denied, as also addressed herein. Defendants have also intentionally and improperly rounded, changed, adjusted, and/or modified Employee hours, while benefiting Defendants. Defendants thus regularly failed to pay minimum wages to Plaintiffs and Class members, including by unlawful rounding to their detriment. Moreover, Defendants did not pay Plaintiffs and Employees at the applicable minimum wage for all hours worked. Defendants' uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Class as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiffs and the other members of the Class as to minimum wage pay.

43. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states:

1 The minimum wage for employees fixed by the commission is the
2 minimum wage to be paid to employees, and the payment of a less
3 wage than the minimum so fixed is unlawful.

4 44. The applicable minimum wages fixed by the commission for work during the
5 relevant period is found in the Wage Orders. Pursuant to the Wage Orders, Employees are
6 therefore entitled to double the minimum wage during the relevant period.

7 45. The minimum wage provisions of California Labor Code are enforceable by private
8 civil action pursuant to California Labor Code § 1194(a) which states:

9 Notwithstanding any agreement to work for a lesser wage, any
10 employee receiving less than the legal minimum wage or the legal
11 overtime compensation applicable to the employee is entitled to
12 recover in a civil action the unpaid balance of the full amount of
13 this minimum wage or overtime compensation, including interest
14 thereon, reasonable attorney's fees and costs of suit.

15 46. As described in California Labor Code §§ 1185 and 1194.2, any action for wages
16 incorporates the applicable Wage Order of the California Industrial Welfare Commission.

17 47. California Labor Code § 1194.2 also provides for the following remedies:

18 In any action under Section 1194 . . . to recover wages because of
19 the payment of a wage less than the minimum wages fixed by an
20 order of the commission, an employee shall be entitled to recover
21 liquidated damages in an amount equal to the wages unlawfully
22 unpaid and interest thereon.

23 48. Defendants have the ability to pay minimum wages for all time worked and have
24 willfully refused to pay such wages with the intent to secure for Defendants a discount upon this
25 indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Employees.

26 49. Wherefore, Employees are entitled to recover the unpaid minimum wages
27 (including double minimum wages), liquidated damages in an amount equal to the minimum
28 wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant
29 to California Labor Code § 1194(a).

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1 **SECOND CAUSE OF ACTION**

2 **FAILURE TO PAY WAGES AND OVERTIME WAGES**

3 **(Against All Defendants)**

4 50. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in
5 full herein.

6 51. By their conduct, as set forth herein, Defendants violated California Labor Code §
7 510 (and the relevant orders of the Industrial Welfare Commission) by failing to pay Employees:
8 (a) time and one-half their regular hourly rates for hours worked in excess of eight (8) hours in a
9 workday or in excess of forty (40) hours in any workweek or for the first eight (8) hours worked
10 on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours
11 worked in excess of twelve (12) hours in any one (1) day or for hours worked in excess of eight
12 (8) hours on any seventh day of work in a workweek. Defendants had a consistent policy of not
13 paying Employees wages for all hours worked including time off the clock working “pre-shift”
14 and “post-shift” without compensation by interfacing with vendors, sending emails, and driving
15 to pick up parts, and receiving phone calls while off-the-clock. Employees regularly worked over
16 8 hours on a given day without receiving overtime compensation.

17 52. Furthermore, on information and belief, Defendants did not pay Plaintiffs and
18 Employees the correct overtime rate for the recorded overtime hours that they generated. In
19 addition to an hourly wage, Defendants paid Plaintiffs and Employees nondiscretionary
20 commissions, incentive pay, and/or nondiscretionary bonuses. For example, Defendants had a
21 policy to pay referring employees a bonus of \$1,000 - \$2,500 for referring applicants that were
22 subsequently hired for full-time, regular positions. Pursuant to Defendants’ policy, in order to
23 receive the bonus, the referring employee had to remain employed during the hired candidate’s
24 first 30 days of employment, making the bonus a longevity bonus. However, upon information
25 and belief, Defendants failed to incorporate all remunerations, including nondiscretionary
26 commissions, incentive pay, and/or nondiscretionary bonuses, including the longevity bonus, into
27 the calculation of the regular rate of pay for purposes of calculating the overtime wage rate.
28

1 53. Therefore, during times when Plaintiffs and Employees worked overtime and
2 received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses,
3 Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

4 54. Defendants' failure to pay compensation in a timely fashion also constituted a
5 violation of California Labor Code § 204, which requires that all wages shall be paid
6 semimonthly. From four (4) years prior to the filing of this lawsuit to the present, in direct
7 violation of that provision of the California Labor Code, Defendants have failed to pay all wages
8 and overtime compensation earned by Employees. Each such failure to make a timely payment of
9 compensation to Employees constitutes a separate violation of California Labor Code § 204.

10 55. Employees have been damaged by these violations of California Labor Code §§
11 204 and 510 (and the relevant orders of the Industrial Welfare Commission).

12 56. Consequently, pursuant to California Labor Code §§ 204, 510, and 1194 (and the
13 relevant orders of the Industrial Welfare Commission), Defendants are liable to Employees for
14 the full amount of all their unpaid wages and overtime compensation, with interest, plus their
15 reasonable attorneys' fees and costs.

16 **THIRD CAUSE OF ACTION**

17 **MEAL BREAK VIOLATIONS**

18 **(Against All Defendants)**

19 57. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in
20 full herein.

21 58. Employees regularly worked shifts greater than five (5) hours and greater than ten
22 (10) hours and occasionally shifts over twelve (12) hours. Pursuant to Labor Code § 512 an
23 employer may not employ someone for a shift of more than five (5) hours without providing him
24 or her with a meal period of not less than thirty (30) minutes or for a shift of more than ten (10)
25 hours without providing him or her with a second meal period of not less than thirty (30) minutes.

26 59. Defendants failed to provide Employees with meal periods as required under the
27 Labor Code. Employees were consistently required to work through their meal periods which they
28 were consistently denied. Employees were also required to take meal periods after working well

beyond the five (5) hour shifts. In addition, Defendants had a policy and practice of requiring Employees to record meal periods before the fifth hour of work regardless of when meal periods were taken or if they were taken at all in order to avoid paying meal period premiums. What meal periods were provided were also not duty-free due to Defendants' policy and practice requiring Employees to keep walkie talkies and work phones on during meal periods to respond to emergencies and other situations. Furthermore, Employees were regularly required to work for more than 10 hours in a given shift and more than 12 hours in a given shift without receiving a second uninterrupted thirty (30) minute meal period as required by law.

60. Moreover, Defendants failed to compensate Employees for each meal period not provided or inadequately provided, as required under Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Orders, which provide that, if an employer fails to provide an employee a meal period in accordance with this section, the employer shall pay the employee one hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided. Defendants failed to compensate the Employees in the Class for each meal period not provided or inadequately provided, as required under Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order. Additionally, as detailed above, when Defendants did pay meal period premiums, they did so at the normal regular rate of pay without factoring in all forms or remuneration/compensation or by otherwise incorrectly calculating the regular rate.

61. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in an amount equal to one (1) hour of wages at their effective hourly rates of pay for each meal period not provided or deficiently provided, a sum to be proven at trial.

FOURTH CAUSE OF ACTION

REST BREAK VIOLATIONS

(Against All Defendants)

62. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in full herein.

63. Employees consistently worked consecutive four (4) hour shifts. Pursuant to the Labor Code and the applicable IWC Wage Order, Employees were entitled to paid rest breaks of

1 not less than ten (10) minutes for each consecutive four (4) hour shift.

2 64. Defendants failed to provide Employees with timely rest breaks of not less than ten
3 (10) minutes for each consecutive four (4) hour shift and did not provide a third rest break when
4 the length of the shift warranted it. What rest breaks were provided were also not duty-free due to
5 Defendants' policy and practice requiring Employees to keep walkie talkies and work phones on
6 during rest breaks to respond to emergencies and other situations.

7 65. Moreover, Defendants failed to compensate Employees for each rest period not
8 provided or inadequately provided, as required under Labor Code § 226.7 and the applicable IWC
9 Wage Orders, which provide that, if an employer fails to provide an employee a rest period in
10 accordance with this section, the employer shall pay the employee one hour of pay at the
11 employee's regular rate of compensation for each workday that the rest period is not provided.
12 Defendants failed to compensate the Employees in the Class for each rest period not provided or
13 inadequately provided, as required under Labor Code § 226.7 and the applicable IWC Wage
14 Order. Additionally, as detailed above, when Defendants did pay rest period premiums, they did
15 so at the normal regular rate of pay without factoring in all forms or remuneration/compensation
16 or by otherwise incorrectly calculating the regular rate.

17 66. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in
18 an amount equal to one (1) hour of wages at their effective hourly rates of pay for each day
19 worked without the required rest breaks, a sum to be proven at trial.

20 **FIFTH CAUSE OF ACTION**

21 **FAILURE TO PAY VACATION WAGES**

22 **(Against All Defendants)**

23 67. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
24 full herein.

25 68. Pursuant to California Labor Code § 227.3, whenever a contract of employment or
26 employment policy provides for paid vacation and an employee is terminated without having
27 taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate
28 in accordance with said contract of employment or policy respecting eligibility or time served.

69. Defendants paid nondiscretionary commissions, incentive pay, nondiscretionary bonuses, and/or shift differentials to Employees but Defendants failed to include these forms of remuneration in the regular rate of pay upon which vacation wages were calculated and paid.

70. Therefore, Plaintiffs and Employees seek to recover penalties pursuant to Labor Code § 227.3.

SIXTH CAUSE OF ACTION

FAILURE TO COMPLY WITH LABOR CODE §§ 245 *ET SEQ.* AND 246

(FAILURE TO PAY SICK TIME AT THE REGULAR RATE OF PAY)

(Against All Defendants)

71. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in full herein.

72. California Labor Code § 245 *et seq.* requires that Defendants provide paid sick time to Employees, including at the amount, terms, and rate of compensation set forth in said law. At times relevant, Defendants have failed compute the amount due for paid sick time in conformance with the pay calculation under California Labor Code § 246(1).

73. Defendants paid nondiscretionary commissions, incentive pay, nondiscretionary bonuses and/or to Employees but Defendants failed to include these forms of remuneration in the regular rate of pay upon which sick pay was calculated and paid. In addition, Defendants also paid Employees a shift differential rate of 6% when their shifts were worked/scheduled to start on or around 3:30 pm, and paid Employees a shift differential rate of 12% when their shifts were worked/scheduled to start on or around 6:30 p.m. However, Defendants failed to incorporate the value of shift differentials when calculating the regular rates of pay for the purposes of paying sick time. Rather than calculating the amount of paid sick time due when sick time is used according to the requirements set forth in California Labor Code § 246(1), Defendants paid sick leave to Employees at a lower rate, in violation of the law.

74. Therefore, Plaintiffs and Employees seek to recover penalties pursuant to Labor Code § 245 *et seq.* and 246.

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1 **SEVENTH CAUSE OF ACTION**

2 **FAILURE TO REIMBURSE FOR NECESSARY BUSINESS EXPENDITURES**

3 **(Against All Defendants)**

4 75. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in
5 full herein.

6 76. Under Labor Code § 2802(a), an employer must indemnify its employees for all
7 necessary expenditures or losses incurred by the employee in direct consequence of the discharge
8 of his or her duties, or of his or her obedience to the directions of the employer.

9 77. Employees incurred necessary expenditures in the performance of their job duties
10 for Defendants, namely the cost of cell phone usage, vehicle mileage and fuel and home internet
11 usage, which were necessary to perform their duties under Defendants' employ. From four (4)
12 years prior to the original filing of this lawsuit and continuing to the present, Defendants
13 consistently failed to reimburse Employees for these necessarily incurred business expenses.

14 78. As a result of the unlawful acts of Defendants, Employees have been deprived of
15 reimbursement in amounts to be determined at trial; they are entitled to recovery of such amounts,
16 plus interest and penalties thereon, attorneys' fees, and costs.

17 **EIGHTH CAUSE OF ACTION**

18 **VIOLATION OF LABOR CODE § 226(a) (WAGE STATEMENT VIOLATIONS)**

19 **(Against All Defendants)**

20 79. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in
21 full herein.

22 80. California Labor Code § 226(a) requires an employer to furnish each of his or her
23 employees with an accurate, itemized statement in writing showing the gross and net earnings,
24 total hours worked, and the corresponding number of hours worked at each hourly rate; these
25 statements must be appended to the detachable part of the check, draft, voucher, or whatever else
26 serves to pay the employee's wages; or, if wages are paid by cash or personal check, these
27 statements may be given to the employee separately from the payment of wages; in either case the
28 employer must give the employee these statements twice a month or each time wages are paid.

1 81. Defendants failed to provide Employees with accurate itemized wage statements in
2 writing, as required by the Labor Code. Specifically, the wage statements given to Employees, by
3 Defendants, failed to accurately account for wages, overtime, and premium pay for deficient meal
4 periods and rest breaks, and reflected incorrect hours worked due to the rounding of timekeeping
5 entries all of which Defendants knew or reasonably should have known were owed to Employees,
6 as alleged hereinabove. Additionally, Defendants failed in their affirmative obligation to keep
7 accurate records of the correct overtime wages based on proper regular rate calculations that
8 included nondiscretionary commissions, incentive pay, nondiscretionary bonuses, and/or shift
9 differentials earned, and the total amount of compensation of their Employees. As a result, the
10 wage statements did not accurately set for the total hours worked or all applicable hourly rates in
11 effect during the pay period and the corresponding number of hours worked at each hourly rate.
12 The wage statements provided to Employees were confusing and required Employees to engage in
13 discovery and refer to outside sources to verify whether their pay was correct, potentially resulting
14 in a miscalculation by the Employees.

15 82. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a),
16 Employees suffered injuries, including among other things confusion over whether they received
17 all wages owed them, the difficulty and expense involved in reconstructing pay records, and
18 forcing them to make mathematical computations to analyze whether the wages paid in fact
19 compensated them correctly for all hours worked.

20 83. Pursuant to Labor Code §§ 226(a) and 226(e), Employees are entitled to recover
21 the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation
22 occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not
23 exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an
24 award of costs and reasonable attorneys' fees.

25 84. With respect to violations of Labor Code § 226, Labor Code § 226.3 imposes a
26 civil penalty of two hundred and fifty dollars (\$250) for initial violations for each employee for
27 each pay period, and one thousand dollars (\$1000) for each subsequent violation for each
28 employee for each pay period.

1 85. Plaintiffs are seeking penalties against Defendants under Labor Code § 226.3, and
2 any other applicable statute allowing recovery of penalties as alleged herein in an amount to be
3 shown according to proof.

4 **NINTH CAUSE OF ACTION**

5 **FAILURE TO KEEP REQUIRED PAYROLL RECORDS**

6 **(Against All Defendants)**

7 86. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in
8 full herein.

9 87. California Labor Code § 1174 requires that all employers shall keep accurate time
10 and wage records for all employees. California Labor Code § 1174.5 further requires that any
11 employee suffering injury due to a willful violation of the aforementioned obligations may seek
12 damages, including civil penalties, from the employer.

13 88. During the course of Plaintiffs' and Employees' employment, Defendants
14 consistently failed to maintain accurate time and wage records for Plaintiffs and Employees as
15 required by California Labor Code § 1174 by failing to pay Plaintiffs and Employees proper
16 wages, overtime, and premium pay as discussed above.

17 89. Accordingly, Defendants are liable for civil penalties pursuant to the California
18 Labor Code § 1174.5. for the three (3) years prior to the filing of this Complaint.

19 **TENTH CAUSE OF ACTION**

20 **VIOLATION OF LABOR CODE § 203 (WAITING TIME PENALTIES)**

21 **(Against All Defendants)**

22 90. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in
23 full herein.

24 91. Numerous Employees are no longer employed by Defendants; they either quit
25 Defendants' employ or were fired therefrom.

26 92. Defendants failed to pay these Employees all wages due and certain at the time of
27 termination or within seventy-two (72) hours of resignation.

28 93. The wages withheld from these Employees by Defendants remained due and owing

1 for more than thirty (30) days from the date of separation of employment.

2 94. Defendants' failure to pay wages, as alleged above, was willful in that Defendants
3 knew wages to be due but failed to pay them; this violation entitles these Employees to penalties
4 under Labor Code § 203, which provides that an employee's wages shall continue until paid for up
5 to thirty (30) days from the date they were due.

6 **ELEVENTH CAUSE OF ACTION**
7 **VIOLATION OF BUSINESS & PROFESSIONS CODE § 17200 *ET SEQ.***
8 **(Against All Defendants)**

9 95. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in
10 full herein.

11 96. Plaintiffs, on behalf of themselves, Employees, and the general public, bring this
12 claim pursuant to Business & Professions Code § 17200 *et seq.* The conduct of Defendants as
13 alleged in this Complaint has been and continues to be unfair, unlawful, and harmful to Employees
14 and the general public. Plaintiffs seek to enforce important rights affecting the public interest
15 within the meaning of Code of Civil Procedure § 1021.5.

16 97. Plaintiffs are "person(s)" within the meaning of Business & Professions Code
17 § 17204, have suffered injury, and therefore have standing to bring this cause of action for
18 injunctive relief, restitution, and other appropriate equitable relief.

19 98. Business & Professions Code § 17200 *et seq.* prohibits unlawful and unfair
20 business practices.

21 99. Wage-and-hour laws express fundamental public policies. Paying employees their
22 wages and overtime, providing them with meal and rest periods, etc., are fundamental public
23 policies of California. Labor Code § 90.5(a) articulates the public policies of this State vigorously
24 to enforce minimum labor standards, to ensure that employees are not required or permitted to
25 work under substandard and unlawful conditions, and to protect law-abiding employers and their
26 employees from competitors who lower costs to themselves by failing to comply with minimum
27 labor standards.

1 100. Defendants have violated statutes and public policies. Through the conduct alleged
2 in this Complaint, Defendants have acted contrary to these public policies, have violated specific
3 provisions of the Labor Code, and have engaged in other unlawful and unfair business practices in
4 violation of Business & Professions Code § 17200 *et seq.* Defendants' conduct has deprived
5 Plaintiffs, and all persons similarly situated, and all interested persons, of the rights, benefits, and
6 privileges guaranteed to all employees under the law.

7 101. Defendants' conduct, as alleged hereinabove, constitutes unfair competition in
8 violation of the Business & Professions Code § 17200 *et seq.*

9 102. Defendants, by engaging in the conduct herein alleged, by failing to pay wages and
10 overtime, failing to provide meal and rest periods, etc., either knew or in the exercise of reasonable
11 care should have known that their conduct was unlawful; therefore their conduct violates the
12 Business & Professions Code § 17200 *et seq.*

13 103. As a proximate result of the above-mentioned acts of Defendants, Employees have
14 been damaged, in a sum to be proven at trial.

15 104. Unless restrained by this Court, Defendants will continue to engage in such
16 unlawful conduct as alleged above. Pursuant to the Business & Professions Code, this Court
17 should make such orders or judgments, including the appointment of a receiver, as may be
18 necessary to prevent the use by Defendants or their agents or employees of any unlawful or
19 deceptive practice prohibited by the Business & Professions Code, including but not limited to the
20 disgorgement of such profits as may be necessary to restore Employees to the money Defendants
21 have unlawfully failed to pay.

22 **TWELFTH CAUSE OF ACTION**

23 **PENALTIES PURSUANT TO LABOR CODE § 2699, *ET SEQ.***

24 **(Against All Defendants)**

25 105. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in
26 full herein.

1 106. Plaintiffs and Employees are aggrieved employees as defined under Labor Code §
2 2699(c) in that they suffered the violations alleged in this Complaint and were employed by the
3 alleged violators, Defendants.

4 107. Plaintiffs seeks penalties under Labor Code §§ 2698 and 2699 for Defendants’
5 violation of all Labor Code provisions included under Labor Code § 2699.5 and includes the
6 penalty provisions, without limitation, based on the following California Labor Code sections:
7 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 245 *et seq.*, 246, 246.5, 248.5, 256, 510, 512,
8 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.* and
9 2802.

10 108. The penalties shall be allocated as follows: 75% to the Labor and Workforce
11 Development Agency (LWDA) and 25% to the affected employee.

12 109. Employees also seek any and all penalties and remedies set forth in Labor Code §
13 558, which states:

14 (a) Any employer or other person acting on behalf of an employer who
15 violates, or causes to be violated, a section of this chapter or any provision
16 regulating hours and days of work in any order of the Industrial Welfare
17 Commission shall be subject to a civil penalty as follows: (1) For any initial
18 violation, fifty dollars (\$50) for each underpaid employee for each pay period for
19 which the employee was underpaid in addition to an amount sufficient to recover
underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for
each underpaid employee for each pay period for which the employee was
underpaid in addition to an amount sufficient to recover underpaid wages. (3)
Wages recovered pursuant to this section shall be paid to the affected employee.

20 (b) If upon inspection or investigation the Labor Commissioner determines that
21 a person had paid or caused to be paid a wage for overtime work in violation of any
22 provision of this chapter, or any provision regulating hours and days of work in any
23 order of the Industrial Welfare Commission, the Labor Commissioner may issue a
24 citation. The procedures for issuing, contesting, and enforcing judgments for
citations or civil penalties issued by the Labor Commissioner for a violation of this
chapter shall be the same as those set out in Section 1197.1.

25 (c) The civil penalties provided for in this section are in addition to any other
26 civil or criminal penalty provided by law.

27 110. Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of
28 Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250)

1 per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee
2 for each violation in a subsequent citation, for which the employer fails to provide the employee a
3 wage deduction statement or fails to keep the required in subdivision (a) of Section 226.” To the
4 extent that Labor Code § 226.3 applies, Plaintiff and Employees also seeks such penalties on.

5 111. Plaintiff Cruz has exhausted his administrative remedy by sending a certified letter
6 to the LWDA and Defendants postmarked on December 4, 2023. Plaintiff Hernandez has
7 exhausted his administrative remedy by sending a certified letter to the LWDA and Defendants
8 postmarked on January 10, 2024. The LWDA has not provided notice of its intent to investigate
9 the alleged violations within 65 calendar days of the postmark date of the letters.

10 **THIRTEENTH CAUSE OF ACTION**

11 **UNTIMELY PAYMENT OF WAGES**

12 **(Against All Defendants)**

13 112. Plaintiffs re-allege and incorporate all preceding paragraphs, as though set forth in
14 full herein.

15 113. Labor Code section 204(a) provides that “all wages, other than those mentioned in
16 Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment are due and
17 payable twice during each calendar month, on days designated in advance by the employer as the
18 regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month
19 shall be paid for between the 16th and the 26th day of the month during which the labor was
20 performed, and labor performed between the 16th and the last day, inclusive, of any calendar
21 month, shall be paid for between the 1st and 10th day of the following month. As stated above,
22 Defendants failed to comply with this provision by paying Plaintiffs and Employees for wages
23 earned between the 1st and 15th and between the 16th and last day of the month beyond the
24 maximum time allowed under the statute.

25 114. As a proximate result of Defendants’ conduct, Plaintiffs and Employees have been
26 damaged by the failure to pay them all wages due, including minimum wages, overtime wages,
27 meal and rest period premium wages, and sick leave wages when due.
28

115. Plaintiffs seek to recover \$100 as a statutory penalty for each initial violation and failure to pay Employees their wages due. Plaintiffs also seek to recover \$200 as a statutory penalty for each subsequent violation and failure to pay Employees their wages due plus 25% of the amount unlawfully withheld.

RELIEF REQUESTED

WHEREFORE, Plaintiffs pray for the following relief:

1. For an order certifying this action as a class action;
2. For compensatory damages in the amount of the unpaid minimum wages for work performed by Employees and unpaid overtime compensation from at least four (4) years prior to the filing of this action, as may be proven;
3. For liquidated damages in the amount equal to the unpaid minimum wage and interest thereon, from at least four (4) years prior to the filing of this action, according to proof;
4. For compensatory damages in the amount of the hourly wage made by Employees for each missed or deficient meal period where no premium pay was paid therefor from four (4) years prior to the filing of this action, as may be proven;
5. For compensatory damages in the amount of the hourly wage made by Employees for each day requisite rest breaks were not provided or were deficiently provided and where no premium pay was paid therefor from at least four (4) years prior to the filing of this action, as may be proven;
6. For penalties pursuant to Labor Code § 226(e) for Employees, as may be proven;
7. For penalties pursuant to Labor Code § 226.3, as may be proven;
8. For penalties pursuant to Labor Code § 203 for all Employees who quit or were fired in an amount equal to their daily wage times thirty (30) days, as may be proven;
9. For penalties pursuant to Labor Code § 227.3, as may be proven;
10. For penalties pursuant to Labor Code §§ 245 and 246, as may be proven;
11. For penalties pursuant to Labor Code § 1174.5, as may be proven;
12. For restitution for unfair competition pursuant to Business & Professions Code § 17200 *et seq.*, including disgorgement or profits, as may be proven;

13. For restitution and/or damages and penalties for Defendants' failure to pay all wages due twice monthly under Labor Code § 204, as may be proven;
14. For penalties pursuant to Labor Code § 2699, *et seq.*, as may be proven;
15. For compensatory damages in the amount of all previously unreimbursed business expenditures necessarily incurred by Employees in the discharge of their job duties for Defendants from four (4) years prior to the original filing of this action, as may be proven;
16. For an order enjoining Defendants and their agents, servants, and employees, and all persons acting under, in concert with, or for them, from acting in derogation of any rights or duties adumbrated in this Complaint;
17. For all general, special, and incidental damages as may be proven;
18. For an award of pre-judgment and post-judgment interest;
19. For an award providing for the payment of the costs of this suit;
20. For an award of attorneys' fees; and
21. For such other and further relief as this Court may deem proper and just.

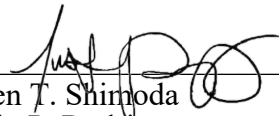
DATED: December 9, 2025

D.LAW, INC.

By 
Emil Davtyan
David Yermian
Roman Shkodnik
Emma Geesaman
Attorneys for Plaintiff Pete Cruz

DATED: December 9, 2025

SHIMODA & RODRIGUEZ LAW, PC

By 
Galen T. Shimoda
Justin P. Rodriguez
Renald Konini
Austin D. Sork
Attorneys for Plaintiff Jose Hernandez

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I am employed in the aforesaid county, State of California; I am over the age of 18 years and not a party to the within action; my business address is 450 N Brand Blvd., Suite 840, Glendale, CA 91203.

SECOND AMENDED COMPLAINT

*Attorneys for Defendant QUANTUMSCAPE CORPORATION, and
QUANTUMSCAPE BATTERY, INC.*

X VIA ELECTRONIC MAIL: Service by electronic mail was made either pursuant to a Court Order, pursuant to agreement between the parties permitting the same, or as a professional courtesy in addition to other proper service. The electronic mail was sent to an electronic mail address maintained by the person(s) on whom the document(s) is/are served as last given by that/those person(s). I personally requested a “delivery receipt” for this electronic mail message, and, unless disallowed by the recipient, received the same.

Executed on December 9, 2025, at Glendale, California.


Kathryn Perez

EXHIBIT C



Shimoda & Rodriguez Law, PC
9401 East Stockton Blvd.
Suite #120
Elk Grove, CA 95624
Ph. (916) 525-0716
Fax (916) 760-3733
www.shimodalaw.com

January 10, 2024

For Online Filing:

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Hernandez v. Quantumscape Battery, Inc., et al.*

Dear Labor Commissioner,

As counsel for Jose Hernandez (“Plaintiff”), I am writing to provide you and the following “employers” notice pursuant to California Labor Code section 2699.3:

Quantumscape Battery, Inc.
1730 Technology Drive
San Jose, California 95110

Jagdeep Singh
1730 Technology Drive
San Jose, California 95110

Michael McCarthy
1730 Technology Drive
San Jose, California 95110

Kevin Hettrich
1730 Technology Drive
San Jose, California 95110

Vanessa Ann Truong
2586 Ruby View
San Jose, California 95148

We are setting forth the “facts and theories” to support each of the counts found within this complaint. Please notify us of your intent to investigate any or all of the claims alleged herein against Quantumscape Battery, Inc., Jagdeep Singh, Michael McCarthy, Kevin Ketrtrich, and Vanessa Ann Truong (“Defendants”). Should you decide not to investigate, we request that you allow us to bring the following action on behalf of Plaintiff and all Aggrieved Employees, pursuant to Labor Code section 2699(a). Specifically, Aggrieved Employees shall include, but is



not limited to the following: all individuals who have worked, or continue to work, for Defendants in California as non-exempt employees. Plaintiff may bring a Private Attorneys General Act (“PAGA”) claim for civil penalties on behalf of these individuals pursuant to *Huff v. Securitas Security Services USA, Inc.*, 23 Cal.App.5th 745, 757 (2018) (finding a plaintiff has PAGA standing if affected by one of the alleged violations; the plaintiff need not have personally experienced all the violations pursued in PAGA action).

A. FACTS

Plaintiff worked for Defendants as a non-exempt employee from approximately July 15, 2019 to September 22, 2023.

Defendants failed to pay Plaintiff and Aggrieved Employees all overtime wages they are owed. Plaintiff and Aggrieved Employees regularly worked overtime hours, *i.e.*, more than eight (8) hours in a day or forty (40) hours in a week. However, the overtime wages Defendants paid to Plaintiff and Aggrieved Employees were incorrect because Defendants failed to take into account the value of all nondiscretionary bonuses, such as longevity bonuses, earned by Plaintiff and Aggrieved Employees when calculating their regular rates of pay for the purpose of paying overtime. Defendants had a policy to pay Aggrieved Employees a bonus of \$1,000-\$2,500 for referring applicants that were subsequently hired for full-time, regular positions. Pursuant to Defendants’ policy, in order to receive the bonus, the referring employee had to remain employed during the hired candidate’s first 30 days of employment, making the bonus a longevity bonus. As an example, Plaintiff was paid overtime as well as a nondiscretionary bonus of \$1,000 in the 10/24/22 to 11/10/22 pay period but his overtime rate did not include an adjustment for the value of the bonus he received.

Defendants failed to pay Plaintiff and Aggrieved Employees all sick time wages they are owed. Defendants paid Plaintiff and Aggrieved Employees shift differentials. Defendants paid Aggrieved Employees a shift differential rate of 6% when a majority of their shift was worked after 3:30 p.m. and a shift differential rate of 12% when a majority of their shift was worked between 6:30 p.m. and 6:30 a.m. As described above, Defendants also paid Aggrieved Employees nondiscretionary bonuses, such as longevity bonuses. Defendants failed to incorporate the value of shift differentials and bonuses when calculating Aggrieved Employees’ regular rates of pay for the purpose of paying sick time, which resulted in an underpayment of wages. As an example, Plaintiff was paid sick time as well as a shift differential in the 4/11/22 to 4/29/22 pay period but his sick time rate did not include an adjustment for the value of the shift differential he was paid.

Plaintiff and Aggrieved Employees did not receive all meal and rest periods owed to them or received noncompliant meal and rest periods. Plaintiff and Aggrieved Employees worked shifts over five (5) hours before beginning their first meal period without being paid any meal period premium. Plaintiff and Aggrieved Employees also regularly worked shifts longer



than ten (10) hours and sometimes worked shifts over twelve (12) hours without receiving a second meal period and were not paid a meal period premium. Plaintiff and Aggrieved Employees also missed rest breaks or did not receive a third rest break when the length of their shift warranted it without being paid a rest period premium.

Defendants failed to provide Plaintiff and Aggrieved Employees with accurate wage statements. The wage statements Defendants provided did not accurately itemize employees' gross and net wages, meal period premiums, rest period premiums, overtime wages, double time wages, paid sick time, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

At the time of Plaintiff's and Aggrieved Employees' termination or separation, Plaintiff and Aggrieved Employees had overtime, sick time, and meal and rest period premiums owing to them. As of the date of this letter, Defendants have not paid Plaintiff and Aggrieved Employees these wages they are owed. In addition, for the reasons described above, each pay period Plaintiff and Aggrieved Employees had wages they earned that were not timely paid to them in accordance with Labor Code section 204.

B. ALLEGATIONS AND CHARGES

Count One – Violation of Labor Code §§ 510, 1194; IWC Wage Order 1, § 3 (Failure to Pay Overtime Wages)

Labor Code sections 510 and 1194 require employers to pay employees 1 ½ times their regular rate of pay for any work in excess of eight (8) hours in one workday and any work in excess of forty (40) hours in any one workweek. Employers must also pay employees 1 ½ times their regular rate of pay for the first eight (8) hours worked on the seventh day of work in any one workweek. Finally, employers must pay employees 2 times their regular rate of pay for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh day of work in any one workweek. As stated above, Plaintiff and Aggrieved Employees worked over eight (8) hours per day and forty (40) hours per week and were not paid all overtime wages owed. Plaintiff and all Aggrieved Employees are entitled to recover all unpaid overtime wages. Failure to pay such wages is against the law.

Count Two - Violation of Labor Code §§ 226.7, 512 and Wage Order No. 1, §§ 11(A) and 11(B) (Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof)

Labor Code section 226.7 and Wage Order No. 5, section 11(A) require employers to provide employees meal periods of thirty (30) minutes per five (5) hours worked, which is to be taken before the completion of the fifth hour. Labor Code section 512 and Wage Order No. 5, section 11(B) further provide that employers may not employ employees for a work period of more than ten (10) hours per day without providing the employee with a second meal period of



thirty (30) minutes; however, if the total hours worked is no more than twelve (12) hours, the second meal period may be waived so long as there was no waiver as to the first meal period. For the reasons stated above, Plaintiff and Aggrieved Employees were not authorized and permitted to take legally compliant meal periods pursuant to California law. Defendants also failed to pay any meal period premiums for their failure to provide meal periods. This was in violation of the law.

Count Three – Violation of Labor Code § 226.7 and Wage Order No. 1, § 12(A) (Failure to Provide Rest Periods or Pay Premiums in Lieu Thereof)

Labor Code section 226.7 and Wage Order No. 5, section 12(A) require employers to provide employees paid off-duty rest periods of ten (10) minutes per four (4) hours or major fraction thereof worked. For the reasons stated above, Plaintiff and Aggrieved Employees were not authorized and permitted to take legally compliant rest periods pursuant to California law. Defendants also failed to pay any rest period premiums for their failure to provide rest periods. This was in violation of the law.

Count Four– Violation of Labor Code §§ 226, 226.3 (Failure to Provide Accurate Wage Statements)

Labor Code section 226 requires employers to furnish to employees with “an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, . . . (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer . . . and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee” For the reasons stated above, Defendants failed to comply with these requirements with respect to Plaintiff and Aggrieved Employees. This is in violation of the law.

Count Five – Violation of Labor Code §§ 201-203, 256 (Failure to Pay Final Wages)

Labor Code sections 201-203 require that all wages, including minimum wages, overtime wages, double time wages, meal premiums, rest premiums, and paid sick time, be paid to employees upon separation and/or termination of employment. Here, for the reasons stated above, Plaintiff and Aggrieved Employees did not receive all final wages due and owing to them at the time of termination or seventy-two (72) hours thereafter as required by Labor Code sections 201-203. This is in violation of the law.



Count Six – Violation of Labor Code §§ 558, 558.1 (Provisions Regulating Hours and Days of Work in Any Industrial Welfare Commission Order)

Labor Code section 558 states that it is unlawful for any employer, or other person acting on behalf of an employer, to violate or cause to be violated any of sections 500 to 558.1 of the Labor Code or any order of the Industrial Welfare Commission. Similarly, Labor Code section 558.1 states that it is unlawful for any employer or other person acting on behalf of an employer to violate, or cause to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, as well as Sections 203, 226, 226.7, 1193.6, 1194, or 2802 of the Labor Code. As described above, Defendants, by and through Defendants agents, violated Plaintiff and Aggrieved Employees' rights provided for under Labor Code sections 558 and 558.1 as well as the incorporated Wage Orders and incorporated statutes therein. Rick Shumway, Diane Grunsky and Kyle Wichelmann were officers, directors, shareholders, and/or managing agents of Stanford Health Care Tri-Valley responsible for the violations stated herein as they were in a position of authority with the power and responsibility to monitor, institute, and/or modify the unlawful practices, but chose to ratify them instead. This is against the law.

Count Seven – Violation of Labor Code §§ 246, 246.5, 248.5 (Failure to Provide Paid Sick Leave)

Labor Code sections 246, *et seq.*, mandate that employers must provide California employees, who work thirty (30) or more days within a year for the employer, paid sick leave of at least one (1) hour for every thirty (30) hours worked that begins to accrue at the commencement of employment. An employer may use a different accrual method, other than providing one hour per every 30 hours worked, provided that the accrual is on a regular basis so that an employee has no less than twenty-four (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-month period. An employer may limit the use of sick leave to either twenty-four (24) hours or the equivalent of three (3) days, whichever is greater, during a year period. However, employers using an accrual method rather than a lump sum method must allow employees to accrue up to forty-eight (48) hours or the equivalent of six (6) days at any given time. Employers must authorize employees to take paid sick leave under the conditions set forth in the Healthy Workplaces, Healthy Families Act of 2014 ("HWHFA") for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or an employee's family member. Any sick leave taken must be paid at the employee's regular rate of pay. For the reasons state above, Defendants failed to provide Plaintiff and Aggrieved Employees with sick leave meeting the requirements set forth in HWHFA. Plaintiff will be seeking equitable, injunctive, and restitutionary relief to remedy these violations.

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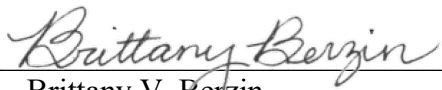
Count Eight – Violation of Labor Code §§ 204, 210 (Untimely Payment of Wages)

Labor Code section 204(a) provides that “all wages, other than those mentioned in Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. As stated above, Defendants failed to comply with this provision by paying Plaintiff and Aggrieved Employees for wages earned between the 1st and 15th and between the 16th and last day of the month beyond the maximum time allowed under the statute. This was in violation of the law.

If you have any questions or require any further information regarding the facts and theories to support these claims, do not hesitate to contact our office.

Very truly yours,

Shimoda & Rodriguez Law, PC

By: 
Brittany V. Berzin

cc: Client via e-mail

EXHIBIT D

DECLARATION OF LISA MULLINS

1
2
3 1. I am a resident of the United States of America and am over the age of 21. I am the
4 President for ILYM Group, Inc., (herein after referred to as “ILYM Group”), a professional class action
5 services provider. I am preparing this declaration at the request of Plaintiff’s Counsel. I have personal
6 knowledge of the facts herein, and, if called upon to testify, I could and would testify competently to such
7 facts.

8 2. ILYM Group has extensive experience in disseminating class action notices and
9 administering class action settlements, including direct mail services, telephone, and web-based support,
10 database management, opt-out processing, and settlement fund distribution services for class actions
11 ranging in size from 26 to 4.5 million Class Members. Attached hereto, as **Exhibit A**, is a true and correct
12 copy of ILYM Group’s current CV, reflecting our primary competencies as they relate to class action
13 administration. ILYM Group maintains the highest level of confidentiality. The class data and all forms
14 of communication received by ILYM Group, Inc. will be held in strict confidentiality and will not be
15 disclosed. ILYM Group, will set up a login for Defense Counsel to transmit the class data through our
16 encrypted secure portal. Attached hereto, as **Exhibit B** is ILYM Group’s Security Summary and Protocol.
17 ILYM Group is insured with E&O and Cyber Insurance policies. ILYM Group is insured with E&O
18 Insurance policies up to \$2,000,000 per incident and Cyber Insurance policies up to \$5,000,000 per
19 incident.

20 3. ILYM Group has never had any financial interests in nor affiliation with the parties or
21 counsel in the *Cruz, et al. v. QuantumScape, et al.* matter.

22 4. If appointed by the Court to disseminate the class notice in this case, ILYM Group’s duties
23 will include but not limited to: (a) conducting address traces to locate class member addresses as necessary;
24 (b) mailing the class notice to the class members; (c) handling inquiries from class members concerning
25 the class notice; and (d) performing other such duties as the parties and/or the Court may direct.

26 5. Upon appointment, ILYM Group will provide a mailing address and toll-free telephone
27 number to receive correspondence and inquiries from class members. After receiving the class data file
28 from Defendant, which should contain the class members’ names, last known addresses, and social security

1 numbers, ILYM Group will upload the data into our database and check for duplicates and other possible
2 discrepancies.

3 6. As part of the preparation for mailing the class notice, ILYM Group will process class
4 members' names and addresses against the National Change of Address ("NCOA") database, maintained
5 by the United States Postal Service ("USPS"), for the purpose of updating and confirming the mailing
6 addresses of the class members before mailing of the class notice and opt-in form. To the extent an updated
7 address is found in the NCOA database, ILYM Group will use the updated address for mailing the class
8 notice. If ILYM Group does not locate an updated address in the NCOA database, it will use the original
9 address provided by Defendant for mailing the class notice.

10 7. Should any class notices be returned to ILYM Group's office as undeliverable, ILYM
11 Group will attempt to locate an updated address using the NCOA database and/or other skip trace efforts
12 and will promptly re-mail the class notice.

13 8. Prior to sending out the notice in English & Spanish, ILYM Group will fill in the specific
14 date for the deadline so that all class members will be apprised of exactly when all applicable forms will
15 be due, depending on the deadlines set by the Court, i.e., 60-day Notice period to opt-out, dispute or file
16 an objection. At the expiration of the deadline, ILYM Group will inform all parties as to the number and
17 name of those individuals who filed a timely opt-out, dispute or objection.

18 9. ILYM Group's Disbursement Process will include but not limited to; (a) applying for the
19 case EIN; (b) establishing Qualified Settlement Fund ("QSF") Escrow Account), with administering tasks
20 including but not limited to overview and reconciliation of account; (c) calculating the individual
21 settlement amounts; (d) preparing, administering and distributing settlement award checks to the
22 Participating Class Members, including necessary tax forms (W2 and/or 1099); (e) calculating and
23 withholding all applicable state and federal taxes; and (f) performing other such duties as the Parties and/or
24 the Courts direct. The above services are included in ILYM Group's initial quote. Attached hereto, as
25 **Exhibit C**, is a true and correct copy of ILYM Group's quote for this matter.

26 10. ILYM Group's fees are charged: hourly, fixed & per person. No additional charges will be
27 incurred unless the class size increases, or additional services are requested. ILYM Group's fees associated
28 with the administration of this settlement are: **\$8,950.00**.

1 I declare, under penalty of perjury under the laws of the United States of America and the State
2 of California that the foregoing is true and correct. Executed this 8th day of July 2026, at Tustin,
3 California.

4
5 
6 Lisa Mullins

EXHIBIT “A”

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Overview of Our Firm:

ILYM Group, Inc is a class action administration, legal notification, and direct media outlets firm. With over 20 years of combined experience, our primary commitments are to client satisfaction, cutting edge technology and data management security, seamless case management and delivery of case expectations. Because, of our adherence to these commitments, ILYM Group, Inc is a one of the fastest growing, Woman Owned Business (NAPW), in the industry and has become the go-to firm for class action administration and legal notification. ILYM Group, Inc works with the top defense and plaintiff firms across the United States.

AREAS OF EXPERTISE:

- Wage and Hour
- FLSA
- Insurance and Health Care
- Consumer
- Finance
- ERISA
- TCPA
- Antitrust
- Securities

Ramirez v JC Penney.

- ERISA Case with a class size of 26,000.

Kruger, et al. v. Novant Health

- ERISA Case with a class size of \$32 million.

Abbott, et al. v. Lockheed Martin Corp.

- ERISA Case with \$62 million.

Jacqueline Jones vs. I.Q. Data International, Inc.

- TCPA Case with a class size of 93,993. Performed a reverse look-up to obtain Class Member information. We were able to obtain contact information for 93.82% of the Class that did not have a name or address.

Reza Barani vs. Wells Fargo Bank, N.A.

- TCPA Case with a class size of 82,874. Performed a reverse look-up to obtain Class Member information. We were able to obtain contact information for 87.84% of the Class that did not have a name or address.

Kimberly Roberts, et al. v. T.J. Maxx of CA, LLC, et al.

- Wage & Hour Case with a class size of 82,549.

Robert Stone, et al. v. Universal Protection Services, LP, et al.

- Wage & Hour Case with a class size of 75,351.

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

ILYM Group, Inc. is operational 24/7 delivering true client and class member availability. Our call center is open 24/7/365 days a year, even holidays and is full digital, automated and multilingual. ILYM Group Inc.'s mail and media center is a state-of-the-art facility, fully digital and USPS integrated. We can accommodate cases of any size, from ten class members to multi-millions. ILYM Group, Inc. prides itself on its commitment to service, quality, value pricing and availability. We've committed ourselves to being the best Class Action Administration and Notification Company in our industry. Through our years of experience, ILYM Group, Inc. is dedicated to exceeding our client's expectations.

PRE-SETTLEMENT CONSULTATION

- **Administration Consultation:** Meeting to determine objectives and expectations by both parties. All reporting and responsibilities will be agreed upon as will the seamless process to access data. We will also discuss the opportunities to identify class members with the proposed print and web-based media for optimum reach. Additionally, all expectations and delivery of those results will be planned for and mapped accordingly.

MAILING AND NOTIFICATION

- **Fulfillment and Correspondence:** All provided settlement information will be published via United States Postal Service (USPS first class standards) to the proposed mailing class. Notifications will include a Claim ID and how to respond, or Opt-Out, based on the stipulations.
- **Reverse Lookup:** A confidential reverse phone or reverse cell lookup will provide; owner's name, location, address history, carrier, phone type (landline or cell phone) and more. Our reverse lookup is powered by an extensive database which includes hundreds of millions of cell phone, landline, residential and unlisted number. Our software collects data from multiple data sources and carriers across the US. Our average "hit ratio" ranges from 93% - 98%.
- **Creating Class Database:** All Data is verified and filtered to eliminate duplication against the United States Postal Service (USPS) National Change of Address (NCOA) database. ILYM Group, Inc. will also certify and validate with the Coding Accuracy Support System (CASS) and Track Your Class (TYC) for zone delivery.
- **Claim Forms:** ILYM Group, Inc. will email all claim forms, whenever possible, to have accurate reporting and tracking of all class requests. Emails will contain full text claim forms.
- **Translations:** When needed, ILYM Group, Inc. will translate notices to any language needed to reach Class members.
- **Remails:** Returned mail will be scanned, re-verified and re-mailed. All returned mail is data warehoused and reported to both parties' counsels in a weekly report.

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

MEDIA & INTERNET BANNER ADS

Notice Publication

- **Legal Notices:** ILYM Group, Inc. can provide a Media Proposal to maximize reach based on quantitative and qualitative methodologies.
- **Electronic Publication (Banner Ads):** ILYM Group, Inc. will utilize Internet Banner Noticing efforts and web technologies for maximum reach via the World Wide Web.
- **Electronic Mail Notices:** ILYM Group, Inc. can email an estimated number of class members a full text notice. We are compliant with all search engines and Internet Service Providers (ISP) so that our emails are always “White List” accepted with minimal returns.
- **Reach:** Every case has its own proposed reach and exposure percentage. We filter, verify and scrub the data to improve reach results.
- **Services Included:** Analysis, Documentation, Research and Methodologies, Execution and Reporting.

PROJECT MANAGEMENT

- **Case Notification, Maintenance and Management:** ILYM Group, Inc.’s Senior Project Managers will provide all Account Management, Pre-Consultation to Case Conclusion, Reporting and Claims Processing. Design, negotiation and implementation, upon approval, of all forms and notices, all distribution reporting and filings with the court.
- **Claims Processing:** All claims can be submitted by USPS, Internet, Fax, and Email or Online submission. Claims will be processed and recorded with matching ILYM database ID's. E-claims will have corresponding records of intake. All deficient claims will be notified via USPS and make provisions for class member to re-submit claims.
- **Call Center:** ILYM Group, Inc. will support class members with a toll-free number to get the most up-to-date case settlement information. Customer service representatives will be available 24/7/365 as will recorded messages. All class members are given the options to best serve their needs and to receive case information.
- **Internet Support:** Class members can log on to a provided website and view, print or submit information and claim forms regarding the settlement. Frequently Asked Questions (FAQ's) will be provided as well. Class members may download the claim form with mailing and fax instructions provided on the form.
- **Objection and Request for Exclusion:** All objections and request for exclusion, opt-out, will be data warehoused, dated and reported. Postmarks will serve for exclusion dating and will be forwarded to both counsels' no more than 5 days post submission. Objection will be reviewed by ILYM Group, Inc. to determine the timeliness and basis of the objection. All information will be forwarded to both parties counsel, along with any representation information from the class member, within 5 days.

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

DATA ADMINISTRATION AND NETWORK SECURITY

- **Network Security:** All provided data is encrypted, stored and hosted in a Tier 4, SAS70 certified environment.
- **Database Administration:** To be developed with all electronically provided data. Class members will be assigned ILYM Group, Inc. internal tracking ID's to ensure all collected member data coincides with all received claims.

DISTRIBUTION AND SETTLEMENT FUNDING

- **Distribution and Management:** Upon receipt of settlement funds, ILYM Group, Inc. will open a QSF Account for proceeds of the Gross Settlement Payment. The deposited funds will then be managed per the Settlement Agreement. All funds will be settled with class members and counsel along with all federal and state income tax reporting.
- **Check Printing and Mailing:** Claims processed, quantified and approved by clients, will be processed for distribution. All checks will be printed and mailed via USPS first class standards. ILYM Group, Inc. will reissue checks in accordance with the Settlement Agreement.
- **Preparation, Filing and Reporting of Taxes:** ILYM Group, Inc. will ensure taxes are filed in accordance to all federal, state and local employment tax returns. All taxes associated with the settlement will be paid on time to tax authorities. All filings and returns (e.g., 1099s, W-2s, etc.) will be done properly and timely with the appropriate authorities. All QSF steps and obligations with federal, state and/or local law will be followed.

CASE CONCLUSION

- **Data Manager Final Report:** All database and electronic documentation will be sent in reports weekly and at the conclusion of the Administration engagement. Call center activity, e-claims, mailed, and faxed claims will be included in all reporting.
- **Project Manager Final Report:** All case and class related information will be provided on a weekly basis and at the conclusion of the Administration engagement. Mailing and media final analysis, exclusions, objections, and all other claims processing outcomes, status reports and final court documentations will be included.
- **Affidavits:** ILYM Group, Inc. will provide all affidavits in support of analysis and media reach, final approvals and settlement. Expert Testimony and Media Methodologies will be determined.
- **Document Retention:** Unless otherwise directed, ILYM Group, Inc. will destroy all undeliverable notices on the effective date of the settlement or when the case is no longer subject to appeal. ILYM Group, Inc. will correspond for one year after the final distribution or until the case is no longer subject to appeal.

EXHIBIT “B”

ILYM Group, Inc. (ILYM) in conjunction with our security and Information Technology (IT) vendor(s), maintains the highest level of confidentiality of class member data. The class data and all forms of communication received by ILYM, will be held in strict confidentiality and will not be disclosed. Data provided to the administrator for purposes of notice, settlement, or award administration will be used solely for settlement implementation and for no other purpose. ILYM will set up a login for Defense Counsel to transmit the class data through our encrypted secure portal. ILYM processes adhere to the Settlement Administration Data Protection Checklist in the Northern District of California and are summarized in the tables below.

Technical Controls

Firewalls and intrusion detection/prevention systems	Yes
Endpoint Detection and Response (EDR) Systems	Yes
Complex Password Requirements	Yes
MultiFactor Authentication for Access to Systems and Data	Yes
Malware Protection and AntiVirus	Yes
Vulnerability Scanning/Pen Testing	Yes
Data Encryption	Yes
Key Management for access to encrypted Data	Yes
Access only provided on need-to-know basis	Yes
Security Operations Center (SOC)	Yes
Managed Detection and Response (MDR)	Yes
Security Information and Event Management (SIEM)	Yes
Software Defined Global Network (SGN) with next gen firewall	Yes

Administrative Policies

Personnel and support staff risk assessment and management, including pre-hire background checks and screening processes	Yes
Personnel and support staff required to enter into non-disclosure and confidentiality agreements	Yes
Access controls to systems and data, including guidance for granting, modifying, and reviewing access rights	
Information security and privacy policy training, including policy review, best practices, and data security	Yes
No remote access to systems for Employees	No
Exit interviews/confirmation that terminated/departed employees are immediately cut off from access	Yes
Robust audits of data privacy policies by third-party vendors	Yes
Accreditation in accordance with ISO 27001 and SOC2 (among the industry standards listed below)	Compliant
Disclosure of external certifications and any notice of expiration	Yes

Crisis and Risk Management

Incident response/disaster plan for immediate response to security incidents such as data breach.	Yes
Process and timing for notification to attorneys, claimants, and other stakeholders of a data breach and consideration of resources and/or remedies to provide thereto	Yes
Vendor management program that determines and defines requirements to manage risk associated with outsourcing	Core Vendors are limited and have been vetted. New program being implemented as part of SOC 2

Physical Access Controls

Physical Access Security Security Guards Access Cards to facilities with assignment of identification card subject to approval and review Logs of Access	Logs and “codes” No cards – just codes No security guards Logs are kept
Alarm Systems	Yes
CCTV recording Systems	Yes

Data Collection and Retention

Minimization of collection of personally identifiable information, e.g., social security numbers and banking information	Yes
Data collection only required to extent necessary for settlement administration	Yes
Various methods for ensuring data protection and security of Data classification (including implementation of appropriate safeguards to protect from theft, loss, and/or unauthorized disclosure, use, access, destruction) Compliance with applicable laws and regulations (see below) Secure data transfer	Yes

Data Destruction

Preservation of data only for so long as required for administration of the settlement and any relevant reporting required following the payments or distributions	Yes
Secure data destruction (e.g., 6 months – 1 year or when no longer required)	Yes
Physical media (e.g., paper, CDs) shredded or destroyed to point where they cannot be reconstructed	Yes
Destruction of all derivative copies and/or back-ups	Yes

Applicable Laws, Standards, and Other Regulation

Industry standards: National Institute of Standards and Technology (NIST), HIPAA, FISMA, System and Organization Controls (SOC1 and SOC2) or more advanced assessment, ISO 27001	Yes
Local, national, international privacy regulations (including CCPA)	Yes

Ethical Rules

Administrative policies and/or employee handbook incorporating commitment to ethical rules (e.g., company, court ethical rules) setting forth standards of ethical and legal behavior	Yes
Enforcement clauses, violation resulting in disciplinary action including and up to termination of employment	Yes

Customer Service Measures

Description of settlement website and posting thereto of relevant privacy policies or statements (including portal for reporting suspected loss of confidential data submitted with claim)	Yes
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Explanation of role of claims administrator and how to prevent phishing (e.g., clear indication that administrator will not request confidential information by e-mail and how to identify a valid e-mail sent from the administrator)	Yes
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EXHIBIT “C”

ILYM | GROUP, Inc.

C L A S S A C T I O N A D M I N I S T R A T I O N

Case Name: Cruz, et al. v. QuantumScape, et al.

Monday, July 14, 2025

Requesting Attorney:

Justin Rodriguez
Shimoda & Rodriguez Law, PC
jrodriguez@shimodalaw.com
833.201.0213

ILYM Group Contact:

Lisa Mullins
ILYM Group, Inc.
Lisa@ilymgroup.com
714.878.8836

Estimate For Administrative Solutions: Class & PAGA

KEY ASSUMPTIONS	
Total Number of Class & PAGA Members	575
Estimated Percentage of Remails	15%
Certified Spanish Translation	Yes
ILYM Group Static Website	No
Case Duration (Years)	1

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

Case Startup:	\$650.00
Project Management:	\$2,390.00
Notification & Mailing:	\$1,637.25
Distribution (Includes EIN, Bank Acct * /QSF Setup):	\$3,307.75
Case Conclusion:	\$965.00

Estimated ILYM Fees & Expenses: \$8,950.00

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Cruz, et al. v. QuantumScape, et al.

Monday, July 14, 2025

Requesting Attorney's Name: Justin Rodriguez

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	2	\$300.00
Programming of Class Database	Hourly	\$175.00	2	\$350.00

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

Subtotal \$650.00

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	4	\$480.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	1	\$70.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	1	\$70.00
Report Processing	Hourly	\$70.00	1	\$70.00
Certified Spanish Translation	Flat Fee	\$1,250.00	1	\$1,250.00
NCOA	Flat Rate	\$200.00	1	\$200.00
Toll Free Customer Service Representative	Flat Fee	\$250.00	1	\$250.00
Weekly Reports	Flat Rate	\$750.00	1	Waived

Subtotal \$2,390.00

NOTIFICATION & MAILING				
Fulfillment of Notice, English and Spanish	Per Piece	\$1.50	575	\$862.50
USPS First Class Postage	Per Piece	\$0.80	575	\$460.00
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	\$2.00	69	\$138.00
Storage, Photocopies, Deliveries	Flat Fee	\$176.75	1	\$176.75

Subtotal \$1,637.25

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Cruz, et al. v. QuantumScape, et al.

Monday, July 14, 2025

Requesting Attorney's Name: Justin Rodriguez

Activity	Rate Type	Unit Cost	Volume	Amount
DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	2	\$300.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	2	\$250.00
Check, Stub & Release - Print & Mail (W2/1099)	Per Check	\$1.00	575	\$575.00
USPS First Class Postage	Per Piece	\$0.65	575	\$373.75
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	\$1.50	46	\$69.00
Preparation of Taxes	Hourly	\$120.00	2	\$240.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$3,307.75

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	1	\$100.00
Project Manager Final Reporting	Hourly	\$120.00	2	\$240.00
Process Unclaimed Funds	Flat Fee	\$500.00	1	\$500.00
Declaration	Hourly	\$125.00	1	\$125.00

Subtotal \$965.00

Estimated ILYM Fees & Expenses: \$8,950.00

ILYM Group's Terms and Conditions

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

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

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

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

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

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

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

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

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT E

Date	Description	Amount
1/10/2024	Payment to LWDA - PAGA Filing Fee	\$75.00
3/4/2024	JAMS - Class Arbitration Filing Fee	\$411.96
5/22/2024	One Legal Service & Filing Fee; Payment to Court - Complaint (<i>Hernandez</i> PAGA Action)	\$467.65
5/22/2024	One Legal Service & Filing Fee - Notice Re: CMC	\$19.74
5/30/2024	Administration/Copy Fee - Phone, Fax, Scan, Copying, Westlaw Legal Research Fees	\$500.00
6/6/2024	One Legal Service & Filing Fee - Notice Re Complex Fee	\$13.85
6/13/2024	One Legal Service & Filing Fee - Notice Re Complex Fee	\$13.85
6/18/2024	One Legal Service & Filing Fee; Payment to Court - Complex Fee	\$1,049.32
7/22/2024	One Legal Service & Filing Fee - Proof of Service of Summons	\$19.74
10/16/2024	One Legal Service & Filing Fee - CMC Statement	\$19.88
10/22/2024	One Legal Service & Filing Fee - Notice of Related Case (<i>Hernandez</i> PAGA Action)	\$19.88
10/22/2024	One Legal Service & Filing Fee - Notice of Related Case (<i>Cruz</i> Action)	\$19.88
11/27/2024	Mediator Fee	\$5,582.33
6/6/2025	One Legal Service & Filing Fee - Notice of Association	\$24.00
6/11/2025	Expert - Berger Consulting	\$6,187.50
8/11/2025	One Legal Service & Filing Fee - CMC Statement	\$24.00
10/28/2025	One Legal Service & Filing Fee - CMC Statement	\$24.00
4/24/2026	One Legal Service & Filing Fee - CMC Statement	\$24.98
7/6/2026	One Legal Service & Filing Fee - Stip & Order Re: Shorten Time	\$46.72
ANTICIPATED	One Legal Service & Filing Fee - Motion for Preliminary Approval	\$150.00
ANTICIPATED	One Legal Service & Filing Fee - Motion for Final Approval	\$150.00
ANTICIPATED	One Legal Service & Filing Fee - Notice of Entry of Order	\$25.00
ANTICIPATED	One Legal Service & Filing Fee - Request for Dismissal (<i>Hernandez</i> PAGA Action)	\$25.00
ANTICIPATED	One Legal Service & Filing Fee - Compliance Declarations	\$25.00

TOTAL: \$14,919.28

EXHIBIT F

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

PETE CRUZ and JOSE HERNANDEZ, individually and
on behalf of all other similarly situated,

Plaintiffs,

vs.

QUANTUMSCAPE, an entity of unknown form;
QUANTUMSCAPE CORPORATION, a Delaware
corporation; QUANTUMSCAPE BATTERY, INC., a
Delaware corporation; and DOES 1 to 100, inclusive,

Defendants.

Case No. 23CV427117

Related to Case No.: 24CV439603

NOTICE OF PROPOSED CLASS ACTION AND PAGA
SETTLEMENT, AND HEARING DATE FOR FINAL
COURT APPROVAL OF SETTLEMENT

ATTENTION:

All hourly, non-exempt employees who: a) only ever signed arbitration agreements without a class waiver; b) did not sign any release, separation, or settlement agreements waiving the claims alleged in the Actions (inclusive of any waiver of rights to participate in any class or representative PAGA settlement) and worked for Defendant(s) in the State of California at any point between March 1, 2020 through July 6, 2025 ("Class Members").

All hourly, non-exempt employees who did not sign separation agreements with an individual or non-representative PAGA claims waiver and did not sign valid releases of individual PAGA claims and worked for Defendant(s) in the State of California at any point between December 4, 2022 through July 6, 2025 ("Aggrieved Employees" or "PAGA Employees").

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED CLASS ACTION AND PAGA SETTLEMENT AND POTENTIAL DISBURSEMENT OF SETTLEMENT FUNDS TO YOU. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO PARTICIPATE IN OR OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

You are receiving this notice pursuant to an order from the Santa Clara County Superior Court ("Court") granting Plaintiffs' motion for preliminary approval of a Class Action and Private Attorneys General Act ("PAGA") Settlement Agreement ("Agreement" or "Settlement") as fair, reasonable, and adequate. The Settlement was entered into by and between Plaintiffs Pete Cruz ("Cruz") and Jose Hernandez ("Hernandez") (both collectively referred to as "Plaintiffs"), on behalf of themselves, on behalf of all others similarly situated, and on behalf of all aggrieved employees, and Defendants QuantumScape Corporation ("QSC") and QuantumScape Battery, Inc. ("QSB") (collectively, "Defendants" or "QuantumScape"). Plaintiffs and Defendants are referred to herein individually as the "Party" and collectively as the "Parties." The terms of the Settlement are outlined herein.

You are receiving this notice because Defendants' records indicate that you fall within the definition of a "Class Member" and/or an "Aggrieved Employee" as defined above. Defendants' records indicate that you worked [REDACTED] workweeks between March 1, 2020, to July 6, 2025 (the "Class Period") as a Class Member. (If you worked during the Class Period but no amount of workweek is stated, then according to Defendants' records, you signed an arbitration agreement with a class waiver and are, therefore, not a Class Member.) Defendants' records also indicate that you worked [REDACTED] pay periods between December 4, 2022, to July 6, 2025 (the "PAGA Period") as an Aggrieved Employee. Based on these records, your total share of the settlement proceeds ("Individual Settlement Amount") is estimated to be [REDACTED]. Your actual share of the settlement proceeds may vary depending on the total number of Class Members that choose to participate in the Settlement and the resolution of any workweek disputes as described in this notice.

The terms of the Agreement and a description of the case are identified in this notice. Pursuant to the Court's order, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

I. BACKGROUND OF THE CASE

Plaintiffs are former QuantumScape employees. On December 4, 2023, Plaintiff Pete Cruz filed this class action lawsuit on December 4, 2023, in the Santa Clara County Superior Court, Case No. 23CV427117 ("*Cruz Action*"), alleging various wage and hour

claims against Defendants. Cruz later filed a First Amended Complaint on February 7, 2024, adding a claim for Private Attorneys General Act (“PAGA”) penalties based on the same California Labor Code violations alleged on behalf of the class. On March 1, 2024, Plaintiff Jose Hernandez filed a separate class arbitration with JAMS Arbitration, Ref. No. 5100001940 (“*Hernandez Arbitration*”), similarly alleging various wage and hour claims against Defendant QuantumScape Battery, Inc.. Plaintiff Hernandez also filed a separate lawsuit in the Santa Clara County Superior Court, Case No. 24CV439603 (“*Hernandez PAGA Action*”), on May 22, 2024, alleging a single cause of action for civil penalties under the PAGA based on the same California Labor Code violations alleged on behalf of the class in the *Hernandez Arbitration*. In order to streamline the cases and settlement negotiation process, Plaintiffs agreed to file a Second Amended Complaint (“*Complaint*”) in the *Cruz Action*, consolidating all wage and hour class and PAGA causes of action and allegations alleged in the *Cruz Action*, the *Hernandez Arbitration*, and the *Hernandez PAGA Action* (the “*Actions*”).

Plaintiffs, on behalf of themselves, Class Members, and Aggrieved Employees, allege that Defendants violated California state labor laws as a result of its alleged failure to, among other things: 1) failure to pay minimum wages, 2) failure to pay wages and overtime wages, 3) failure to provide meal periods or pay premiums in lieu thereof, 4) failure to provide rest periods or pay premiums in lieu thereof, 5) failing to pay vacation wages, 6) failure to pay sick time at the regular rate of pay, 7) failure to reimburse necessary business expenditures, 8) failure to provide accurate wage statements, 9) failure to keep required payroll records, 10) waiting time penalties, 11) violation of Business & Professions Code § 17200 *et seq.*, 12) penalties pursuant to Labor Code § 2699, *et seq.*, and 13) untimely payment of wages. All of the claims were actively litigated. There had been on-going investigations and exchange of extensive documentation and information. Furthermore, the Parties participated in an all-day, global mediation facilitated by a neutral third party. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class and PAGA settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Agreement, Defendants have denied, and continues to deny, all factual and legal allegations in the Complaint and believe that Defendants have valid defenses to these claims. Defendants have entered into this Settlement to fully, finally, and forever resolve the Actions as part of a compromise with Plaintiffs to avoid the burden and expense associated with ongoing litigation. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the Actions or that the Actions can or should proceed as class and/or PAGA actions.

The Agreement applies to any and all Class Members and Aggrieved Employees as defined above. If you are a Class Member, you have the opportunity to participate in the Settlement, or to exclude yourself (“opt out”) from the Settlement. This notice is to advise Class Members of how they can either participate or opt out from the Settlement. As set forth below, Aggrieved Employees cannot opt out of this Agreement as it relates to the PAGA Amount or Released PAGA Claims regardless of whether they opt out of being a Class Member. Aggrieved Employees will receive their share of the PAGA Amount regardless of whether they opt out of being a Class Member.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Agreement, Defendants have agreed to pay a total sum of Seven Hundred and Thirty-Five Thousand Dollars and Zero Cents (\$735,000.00) (“Gross Settlement Amount”) to settle underlying wage and hour class and PAGA claims. The Gross Settlement Amount is inclusive of 1) Plaintiffs’ Counsel’s attorneys’ fees (not to exceed one-third of the Gross Settlement Amount); 2) Plaintiffs’ attorneys’ costs (not to exceed \$32,500.00); 3) Settlement Administrator Costs (not to exceed \$12,500.00); 4) an Enhancement Payment to the Class Representative or Plaintiff Jose Hernandez (not to exceed \$10,000.00); 5) alleged PAGA penalties or the “PAGA Amount” (for \$218,750.00); and 6) “Net Settlement Amount” or amount available for distribution to Participating Class Members.

Any employer side taxes attributable to payments allocated as wages will be paid by Defendants in addition to the Gross Settlement Amount. As explained further below, the amount of each Class Member’s share of the Net Settlement Amount will depend on the number of workweeks worked by Participating Class Members during the Class Period. 75% of the PAGA Amount, or \$164,062.50, will be paid to the State of California Labor and Workforce Development Agency (“the LWDA Payment”). 25% of the PAGA Amount, or \$54,687.50, will be divided among Aggrieved Employees (“Employee PAGA Amount”). Each Aggrieved Employee’s share will depend on the number of pay periods worked by Aggrieved Employees during the PAGA Period.

The number of workweeks you worked during the Class Period, pay periods you worked during the PAGA Period, and your estimated total share of the Net Settlement Amount and PAGA Amount (“Individual Settlement Amount”) is stated on the first page of this notice. The actual amount received may be more or less than the amount stated depending on the actual number of workweeks worked by Participating Class Members (*i.e.*, those who do not opt out of the Settlement) and/or pay periods worked by Aggrieved Employees, the resolution of any disputes regarding workweeks and/or pay periods, and on the distributions finally approved and

allocated by the Court. However, whether Class Members opt out will have no effect on Aggrieved Employees' allocations for the PAGA claim.

B. Individual Settlement Amounts and Allocation Between Class Members and Aggrieved Employees

Defendants will pay Individual Settlement Amounts through the Settlement Administrator, as described below, to each Participating Class Member and to Aggrieved Employees. All Individual Settlement Amounts will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action that the amount payable to eligible Class Members from the Net Settlement Amount will be allocated and paid as 80% for disputed interest, statutory penalties, and other non-wage damages for which IRS Forms 1099-MISC and 1099-INT will issue and 20% for disputed wages for which an IRS Form W-2 will issue. The Employee PAGA Amount to Aggrieved employees will be paid as 100% for civil penalties.

Payment to Participating Class Members and Aggrieved Employees will not require the submission of a claim form. Each Participating Class Member's share will be determined by dividing their total workweeks worked within the Class Period by the total workweeks worked by all Participating Class Members within the Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the Employee PAGA Amount (or \$54,687.50) will be determined by dividing their total pay periods worked within the PAGA Period by the total pay periods worked by all Aggrieved Employees within the PAGA Period. That fraction will then be multiplied by the Employee PAGA Amount to arrive at the Aggrieved Employee's individual share. Your share of the PAGA Amount is estimated to be [REDACTED]. This amount is included in your estimated Individual Settlement Amount stated on the first page of this notice, not in addition to it. You will still receive your share of the Employee PAGA Amount even if you opt out of being a Class Member. Receipt of the Individual Settlement Amounts will not entitle any Class Member or Aggrieved Employee to additional compensation or benefits under any compensation, retirement or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Defendants' Records and Resolution of Workweek and/or Pay Period Disputes

The amount payable will be calculated by the Settlement Administrator from Defendants' records. Defendants' records will be presumed correct unless evidence to the contrary is provided to the Settlement Administrator. Defendants' records and any additional evidence will be reviewed by the Settlement Administrator in the event of a dispute about the number of workweeks and/or pay periods worked by an individual Class Member and/or Aggrieved Employee. If you dispute the accuracy of Defendants' records, all supporting documents evidencing additional workweeks and/or pay periods must be submitted by the Class Member and/or Aggrieved Employee. The dispute must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than [REDACTED]. The dispute will be resolved by the Settlement Administrator based on the records and evidence provided.

D. Release of Claims

For those Class Members who do not opt out and Aggrieved Employees, the Agreement contains the following releases:

Class members who do not opt out will be deemed to have released any and all claims that are alleged in the Complaint, and any additional claims that reasonably could have been brought based on the facts alleged in the Complaint, through the Class Period. This release excludes the release of claims not permitted by law (the "Released Class Claims").

Aggrieved Employees will be deemed to have released any and all claims that were alleged under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* in Plaintiffs' notice letters to the LWDA, and any additional wage and hour PAGA claims that reasonably could have been brought based on the facts alleged in Plaintiffs' notice letters to the LWDA during the PAGA Period. This release excludes the release of claims not permitted by law (the "Released PAGA Claims").

The individuals released ("Released Parties") Defendants QuantumScape Corporation and QuantumScape Battery, Inc., and each of their respective former, current, and future parents, subsidiaries, affiliates, joint ventures, directors, officers, shareholders, members, agents, principals, heirs, representative, insurers and reinsurers, and their respective predecessors, successors, and assigns.

Class Members and/or Aggrieved Employees can talk to Plaintiffs' Counsel (listed below) for free or talk to their own lawyer if they have questions about the released claims and what they mean.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Participating in the Settlement as a Class Member

If you wish to be a Participating Class Member and believe your workweek information is accurate, **you do not need to take any further action**. Payment will be automatically made to you consistent with the terms of the Agreement and Court Order. If you wish to dispute the workweek calculation, you may follow the procedures outlined in Section II.C above. California law protects Class Members from retaliation based on their decision to participate in the Settlement.

B. Excluding Yourself from the Settlement as a Class Member

The Court will exclude you from being a Class Member if you submit a valid and timely written request this by [redacted]. If you do not wish to be bound by the Settlement as a Class Member, you may request to be excluded (*i.e.* “opt out”) by submitting a timely written request to the Settlement Administrator expressly and clearly indicating so. The request to opt-out must (a) state your full name and date of birth; (b) a statement that you do not want to be a Class Member, do not want to participate in the Settlement, and/or want to be excluded from this Settlement; (c) identify the case name and number (*i.e.* *Cruz, et al. v. QuantumScape, et al.*, Case No. 23CV427117); (d) be signed; and (e) be post-marked no later than [redacted]. The request to opt out must be mailed by First Class U.S. Mail, or the equivalent, to:

[admin info]

If you submit a request to opt out which is not postmarked by [redacted], your request to opt out will be rejected, and you will be bound by the release and all other terms of the Agreement. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your request to opt out. Any Class Member who submits a complete and timely request to opt out shall, upon receipt by the Settlement Administrator, no longer be a Class Member and not receive their share of the Net Settlement Amount. Aggrieved Employees cannot opt out of this Agreement and will receive their share of the Employee PAGA Amount regardless of whether they opt out of being a Class Member.

C. Objection to Settlement

If you do not opt out of the Settlement, you can object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. You can ask the Court to deny approval by submitting an objection. You **cannot** ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. You may submit a written objection, which should (a) state your full name and date of birth; (b) provide evidence that you are, in fact, a Class Member; (c) state the reasons for the objection(s), including supporting documentation; (d) identify the case name and number (*i.e.* *Cruz, et al. v. QuantumScape, et al.*, Case No. 23CV427117); (e) be signed; and (f) be post-marked no later than [redacted]. Written objections must be sent to the Settlement Administrator at the address identified in Section III.B.

Additionally, or in the alternative to sending a written objection to the Settlement Administrator, you may appear at the final approval hearing to state your objection provided you notify the Court of your intention to do so by filing a notice of intent to appear at the final approval hearing. A notice of intent to appear at the final approval hearing may be filed with the Court at 191 N. 1st Street, San Jose, California 95113. Any Class Member who does not request exclusion may, if the Class Member so desires, enter an appearance through an attorney. If you appear through your own attorney, you are responsible for paying that attorney.

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

If the Court grants final approval of the Settlement, the Court will make and enter judgment consistent therewith. A notice of entry of judgment will be filed with the Court and available online at <https://portal.scscourt.org/search>. Simply, enter in the case number (23CV427117) in the “Case Number Search” box provided on the webpage, which will redirect you to the case information webpage. Copies of all filed documents may then be found under the “Events” tab. The judgment, whether favorable or not, will bind all Class Members who do not request exclusion. After final approval, each and every Class Member who does not opt out of the Settlement and Aggrieved Employee, will release Defendants and the Released Parties from the Released Class Claims and the Released PAGA Claims described above. In other words, if you were employed as a Class Member by Defendants in California during the Class Period, and you do not exclude yourself from the Settlement, you will be deemed to have entered into these releases and to have released

the above-described claims. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 19, 161 North First Street, San Jose, California, 95113, on [redacted] at [redacted] to determine whether the Agreement should be finally approved as fair, reasonable and adequate. The Court will also be asked to approve Plaintiffs' Counsel's request for attorneys' fees and costs, Settlement Administrator Costs, and the Class Representative's Enhancement Payment. The hearing may be continued without further notice. It is not necessary for you to appear at this hearing.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, Complaint, and Plaintiffs' Counsel's motion for preliminary approval may be examined either (a) online at <https://portal.sccscourt.org/search>, or (b) in person at Records, Superior Court of California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday. You can also contact Plaintiffs' Counsel or Defendants' Counsel as follows:

Galen T. Shimoda
Justin P. Rodriguez
Renald Konini
Austin D. Sork
SHIMODA & RODRIGUEZ LAW, PC
9401 East Stockton Blvd., Suite 120
Elk Grove, CA 95624
Telephone: (916) 525-0716
On behalf of Plaintiff Jose Hernandez

Roman Shkodnik
Emma Geesaman
Enoch J. Kim
Arianna N. Razi
D.LAW, INC.
250 N. Madison Avenue
Pasadena, CA 91101-1639
Telephone: (818) 962-6465
On behalf of Plaintiff Pete Cruz

Shirley C. Wang
Ren M. Kuan
SABER LAW GROUP
101 Howard Street, 4th Floor
San Francisco, California 94105
Telephone: (415) 278-1400
On behalf of Defendants

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE ADMINISTRATION PROCESS. IF YOU HAVE ANY QUESTIONS, CALL [redacted]

BY ORDER OF THE COURT

EXHIBIT G

D.LAW, INC.

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Attorneys for Plaintiff PETE CRUZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

PETE CRUZ and JOSE HERNANDEZ,
individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

QUANTUMSCAPE, an entity of unknown
form; QUANTUMSCAPE CORPORATION,
a Delaware corporation; QUANTUMSCAPE
BATTERY, INC., a Delaware Corporation;
and DOES 1 through 50, inclusive,

Defendants.

Case No.: 23CV427117

Related to Case No.: 24CV439603

*Assigned for all purposes to the Hon. Theodore
C. Zayner, Dept. 19*

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

Date: July 15, 2026

Time: 1:30 p.m.

Dept: 19

Complaint Filed: December 4, 2023

FAC Filed: February 7, 2024

SAC Filed: December 9, 2025

Trial Date: Not Set

DECLARATION OF ENOCH J. KIM

I, Enoch J. Kim, declare as follows:

1. I am an attorney licensed and admitted to practice before all courts of the State of California, the United States District Court for the Central, Southern, Eastern, and Northern Districts of California. I am Senior Counsel at D.Law, Inc. and counsel for Plaintiff Pete Cruz, on behalf of himself and all other similarly situated employees of Defendants QuantumScape Corporation and QuantumScape Battery, Inc. (collectively, “Defendants”).

2. All of the matters set forth herein are within my personal knowledge. I submit this Declaration in support of plaintiffs Pete Cruz and Jose Hernandez's (collectively, "Plaintiffs") Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion"). A true and correct copy of Plaintiffs' and Defendant's ("Plaintiffs and Defendant collectively referred to herein as "the Parties") Class Action and PAGA Settlement Agreement and Notice of Settlement ("Settlement Agreement" or "Settlement") is attached as **Exhibit A** to the Declaration of Justin Rodriguez in Support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement ("Rodriguez Decl."), filed concurrently herewith. Unless otherwise defined herein, all capitalized terms in this Motion will be used as such terms are defined and used in the Settlement.

Procedural History

3. On December 4, 2023, Plaintiff Pete Cruz submitted his PAGA notice letter to the California Labor and Workforce Development Agency (“LWDA”) (Case No. LWDA-CM-997845-23). A true and correct copy of Plaintiff Pete Cruz’s PAGA notice letter is attached hereto as **Exhibit 1**. On December 4, 2023, Plaintiff Pete Cruz filed a class action complaint asserting the following causes of action: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal-Period Liability Under Labor Code § 226.7; (4) Rest-Break Liability Under Labor Code § 226.7; (5) Failure to Pay Vacation Wages; (6) Failure to Comply with Labor Code § 245 *et seq.* and 246; (7) Reimbursement of Necessary Expenditures Under Labor Code § 2802; (8) Violation of Labor Code § 226(a); (9) Failure to Keep Required Payroll Records Under Labor Code §§ 1174 and 1174.5; (10) Penalties Pursuant to Labor Code § 203; and (11) Violation of Business & Professions Code § 17200 *et seq.* On February 7, 2024, Plaintiff Pete Cruz filed a First

1 Amended Class Action Complaint, adding a twelfth cause of action for Penalties Pursuant to Labor
2 Code § 2699, *et seq.* (“PAGA”) (“*Cruz Action*”).

3 4. On March 1, 2024, Plaintiff Jose Hernandez commenced a class arbitration by
4 submitting a demand for class arbitration (JAMS Reference No. 5100001940) alleging various wage
5 and hour claims against Defendant QuantumScape Battery, Inc. with JAMS Arbitration (“*Hernandez*
6 *Arbitration*”).

7 5. On May 22, 2024, Plaintiff Jose Hernandez filed a PAGA-Only complaint (Case No.
8 24CV439603) against Defendant QuantumScape Battery, Inc. in the Santa Clara County Superior
9 Court (“*Hernandez PAGA Action*”).

10 6. On September 17, 2024, Plaintiff Pete Cruz’s counsel and Defendants’ Counsel filed
11 a Joint Stipulation to Dismiss Class Claims, Submit Plaintiff’s Individual Claims (Including Non-
12 Representative PAGA Claims) to Arbitration, and Stay Representative PAGA Action. Plaintiff Pete
13 Cruz’s Request for Dismissal of Class Allegations Without Prejudice was granted and entered on
14 October 29, 2024.

15 7. On December 9, 2025, Plaintiffs filed a Second Amended Class Action and PAGA
16 Complaint in the *Cruz Action*, which added Plaintiff Jose Hernandez as a named plaintiff, and
17 consolidated the entirety of the wage and hour class and PAGA claims alleged in the *Cruz Action*,
18 the *Hernandez Arbitration*, and *Hernandez PAGA Action* (“*Complaint*”) (“*the Action*”).

19 8. The Parties agreed to explore early resolution via mediation and engage in informal
20 discovery prior to mediation.

21 **Settlement Efforts**

22 9. On April 7, 2025, the Parties participated in an all-day mediation with Mark LeHocky,
23 a respected and highly experienced mediator in wage and hour class actions. During mediation,
24 counsel for Plaintiffs and Defendant discussed all aspects of the case, including the risks of litigation
25 and the risks to both of the Parties, as well as the law and how it applied to the facts of this case.
26 Following a full day of mediation, the Parties agreed to general settlement terms to resolve the Action
27 through a mediator’s proposal. The Parties continued to work together, negotiating the long-form
28 settlement terms following mediation, as set forth in the Settlement Agreement.

10. Based on their own independent investigations and evaluations, Plaintiffs' Counsel is of the opinion that the Settlement with Defendants for the consideration and terms set forth herein, considering the representative and class claims and the risk of loss, is fair, reasonable, and adequate in light of all known facts and circumstances, and is in the best interests of the Class. Plaintiffs' Counsel is also of the opinion that the total consideration and payment set forth in the Settlement Agreement is adequate in light of the uncertainties surrounding the risk of further litigation, the possibility of losing class certification, that the PAGA claim could be deemed unmanageable, and the defenses that Defendants have asserted and/or could assert as the substantive merit of the claims.

Summary of the Settlement

11. Under the terms of the proposed Settlement, Defendants have agreed to pay \$735,000.00 (“Gross Settlement Amount”) on a non-reversionary basis to settle and release all claims asserted by Plaintiffs in the Complaint on behalf of the proposed Class and Aggrieved Employees. The “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Plaintiffs’ Counsel’s attorneys’ fees and litigation costs, Settlement Administrator Costs, the PAGA Amount, and Enhancement Payment to the Class Representative. The remainder is to be paid to Participating Class Members as Individual Settlement Amount payments. These amounts are detailed as follows:

- Attorneys' Fees: Up to one-third of the Gross Settlement Amount, or \$245,000.00, to Plaintiffs' Counsel for attorneys' fees;
- Attorneys' Costs: Up to \$32,500.00 to Plaintiffs' Counsel for reimbursement of reasonable expenses incurred to prosecute the Action;
- Enhancement Payment: Up to \$10,000.00 to the Class Representative as an enhancement payment for his service as the Class Representative;
- Settlement Administrator Costs: Up to \$12,500.00 to the Settlement Administrator for its fees and costs to administer the Settlement;
- PAGA Amount: \$218,750.00 for settlement of claims for civil penalties under PAGA, with 25% allocated to the Aggrieved Employees (\$54,687.50) and 75% allocated to the LWDA (\$164,062.50) ("LWDA Payment").

1 12. If the Court approves a lesser amount for any of the above-requested allocations from
2 the Net Settlement Amount, the remainder will be added to the Net Settlement Amount to be
3 distributed to Participating Class Members.

4 **Request for Attorneys' Fees and Costs**

5 13. Under the Settlement, Plaintiffs' Counsel also requests, without opposition from
6 Defendants, an award of attorneys' fees and costs reasonably incurred in connection with the
7 prosecution of this action and all of the work remaining to be performed by Plaintiffs' Counsel in
8 documenting the Settlement, securing Court approval of the Settlement, and carrying out their duties
9 to ensure the Settlement is fairly administered and implemented. Plaintiffs' Counsel requested
10 attorneys' fees in an amount not to exceed one-third of the Gross Settlement Amount (i.e., up to
11 **\$245,000.00**) and attorneys' costs in an amount not to exceed **\$32,500.00**, subject to approval by the
12 Court. D.Law, Inc.'s costs incurred to date are \$13,920.27 and we anticipate our costs will not exceed
13 \$14,500.00 through final approval.

14 14. This request is fair, reasonable, and adequate to compensate Plaintiffs' Counsel for the
15 substantial work they have put into this case and the risk they assumed by taking it in the first place.
16 The attorneys' fees are intended to reimburse Plaintiffs' Counsel for all uncompensated work that
17 they have already done and for all the work they will continue to do in carrying out and overseeing
18 the notification to Class Members, communicating with Class Members regarding their claims, and
19 assisting in the administration of the settlement if it is preliminarily approved.

20 **Qualifications and Adequacy of Plaintiffs' Counsel**

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

26 16. D.Law is well-qualified and has ample experience, knowledge, and resources to act as
27 counsel and represent Plaintiffs and the putative Class and Aggrieved Employees in this action. Our
28 practice is exclusively focused on employment matters and representing plaintiffs in wage and hour

1 actions with the same or similar causes of actions brought forth in the matter pending before this
2 Court.

3 17. D.Law has litigated and successfully resolved many wage and hour class action cases
4 involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La Rosa
5 v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787), Harvey v.
6 Bed Bath & Beyond of California Limited Liability Company (Superior Court of California in
7 Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of California in
8 Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in Fresno,
9 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-cv-01084-L-
10 AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los Angeles,
11 BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles, BC 632
12 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara,
13 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in Los
14 Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of
15 California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family, Inc. (Superior Court of
16 California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global et al.
17 (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real Time
18 Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445), Vargo v.
19 Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836), Conlin v. Aegis
20 Senior Communities LLC (Northern District of California, 17-cv-05534-LHK), Galarza v. Kloeckner
21 Metals Corporation (Central District of California, 2:17-cv-04910-FMO), Estes v. L3 Technologies,
22 Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA), Rowser v. Trunk Club, Inc.
23 (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v. The Claremont Colleges, Inc.
24 (Superior Court of California in Los Angeles, BC686451), Vaesau v. PCT Enterprises, Inc. dba
25 Precision Cabinets (Superior Court of California, County of Contra Costa MSC18-02404), Terry v.
26 TF Louderback, Inc. dba Bay Area Beverage Company (Superior Court of the State of California,
27 County of Contra Costa, MSC18-00859), Roach v. Westcare California, Inc. (Superior Court of
28 California in Kern County, BCV-17-102367-SDS), Patton v. Church & Dwight Co., Inc. (Central

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

22 18. I am Senior Counsel at D.Law where I manage the class action and PAGA settlement
23 department. I was admitted to the California Bar in December 2008. I received my J.D. from
24 Pepperdine University School of Law and B.S. from University of Southern California. Since
25 graduating from law school, I have dedicated virtually my entire career on the practice of employment
26 law. I have practiced employment law from the plaintiff's side, defense side, and from an in-house
27 position. I have significant experience specifically working on wage and hour class actions from the
28 plaintiff's side as well as the defense side, with the majority of my experience coming from the

1 plaintiff's side.

2 19. The collective experience of the D.Law attorneys in litigating employment wage and hour
3 matters has been integral in identifying legal issues, evaluating the strengths and weaknesses of a
4 case, and generally negotiating fair and reasonable class and representative action settlements.
5 Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the
6 constantly evolving substantive law (state and federal), as well as the procedural law of class and
7 representative action litigation. In this action, the attorneys at D.Law are fully equipped to use the
8 skills and knowledge developed over decades of prosecuting and defending wage and hour class
9 actions to fairly and adequately represent the interests of the Class members and Aggrieved
10 Employees. Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law
11 are well-qualified to act as Plaintiffs' Counsel and represent Plaintiffs and the putative Class Members
12 and Aggrieved Employees in this action.

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

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

23 Executed this 12th day of June 2026, at Pasadena, California

24 
25 _____

26 Enoch J. Kim
27
28

EXHIBIT 1

December 4, 2023

VIA ON-LINE SUBMISSION ONLY TO:

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

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

QuantumScape
1730 Technology Dr.
San Jose, CA 95110
Certified Mail Tracking Number: 9414 8112 0620 4498 9841 70

Vanessa Ann Truong, Agent for Service
QuantumScape Corporation
1730 Technology Dr.
San Jose, CA 95110
Certified Mail Tracking Number: 9414 8112 0620 4498 9850 54

Vanessa Ann Truong, Agent for Service
QuantumScape Battery, Inc.
1730 Technology Dr.
San Jose, CA 95110
Certified Mail Tracking Number: 9414 8112 0620 4498 9823 98

**Re: Labor Code § 2698, *et seq.* Penalties – PAGA Notice Letter to the LWDA
*Cruz v. QuantumScape Corporation, et al.***

Gentlepersons:

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

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



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

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

Relevant Facts

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

Additionally, Aggrieved Employees were not paid for the time that they worked "pre-shift" and "post-shift" without compensation by interfacing with vendors, sending emails, and driving to pick up parts. Moreover, Employees were not paid for the time spent answering work-related phone calls while off-the-clock. Thus, Aggrieved Employees were required to work hours, under the control of Defendants, without wages.

Defendants also used a time-keeping system that allowed Aggrieved Employees to keep track of the hours they worked. However, instead of having Aggrieved Employees record the times they actually started and stopped working, Defendants had a uniform policy and practice of requiring Aggrieved Employees to record only their scheduled start and end times. This practice of rounding all time entries was generally done to the detriment of Aggrieved Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created.

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

Additionally, Defendants did not pay Aggrieved Employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, Defendants paid Aggrieved Employees nondiscretionary commissions, incentive pay, and/or nondiscretionary



bonuses. However, upon information and belief, Defendants failed to incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when Aggrieved Employees worked overtime and received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

Additionally, Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which sick pay and vacation pay were calculated and paid.

Defendants had a common policy and/or practice of denying Plaintiff and Aggrieved Employees proper meal periods. Specifically, Plaintiff and Aggrieved Employees were required to work through their meal periods which they were consistently denied. Also, what meal periods Plaintiff and Aggrieved Employees did take, were consistently less than 30 minutes, taken well after their fifth consecutive hour of work, and were on-duty due to Defendants' policy and practice requiring Aggrieved Employees to keep walkie talkies and work phones on during meal periods to respond to emergencies and other situations, all in violation of Labor Code and applicable Wage Orders. In addition, Defendants had a policy and practice of requiring Employees to record meal periods before the fifth hour of work regardless of when meal periods were taken or if they were taken at all to avoid paying meal period premiums. Similarly, Plaintiff and Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders. Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid.

Defendants have consistently failed to provide Plaintiff and Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Plaintiff and Aggrieved Employees who often worked at least twelve (12) hours in a day were entitled to at least two breaks but were required to work through their rest breaks which they were continuously denied. What rest breaks were taken were on-duty due to Defendants' policy and practice requiring Aggrieved Employees to keep walkie talkies and work phones on during rest breaks to respond to emergencies and other situations. Defendants also paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of pay from which premium pay was calculated and paid.

Defendants had a common policy and practice of failing to reimburse Plaintiff and Aggrieved Employees for necessary business expenditures incurred in execution of their duties under Defendants' employ. Defendants have failed to reimburse Plaintiff and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including,



cell phone usage, vehicle mileage and fuel, and home internet usage, which were necessary to perform their duties under Defendants' employ.

Defendants consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. Defendants failed in their affirmative obligation to keep accurate records of the correct overtime wages based on proper regular rate calculations that included nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses earned, and the total amount of compensation of Aggrieved Employees. The wage statements provided to Aggrieved Employees were confusing and required Aggrieved Employees to refer to outside sources to verify whether their pay was correct, potentially resulting in a miscalculation by the Aggrieved Employees. Moreover, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and total hours worked due to rounding as discussed above.

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

PAGA Claim Details, Legal Bases for Violations and Penalties:

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

Failure to Pay Minimum Wages

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

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines "Hours Worked" as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to



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

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

Defendants thus failed to pay Employees minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Specifically, Aggrieved Employees were not paid for the time that they worked “pre-shift” and “post-shift” without compensation by interfacing with vendors, sending emails, and driving to pick up parts. Moreover, Aggrieved Employees were not paid for the time that they spent answering work-related phone calls while off-the-clock. Accordingly, Plaintiff and Aggrieved Employees were required to work without pay. Thus, Plaintiff and Aggrieved Employees were required to work hours without wages. Additionally, Defendants did not pay Plaintiff and Aggrieved Employees at the applicable minimum wage for all hours worked. Defendants have the ability to pay minimum wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Plaintiff and Aggrieved Employees. In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney’s fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants’ conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants’ failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of



inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

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

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

Defendants violated the law by failing to pay Plaintiff and Aggrieved Employees earned wages and overtime. Specifically, Plaintiff and Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week. However, Plaintiff and Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above including the time they worked "pre-shift" and "post-shift" without compensation by interfacing with vendors, sending emails, and driving to pick up parts, and receiving phone calls while off-the-clock, and time spent working while clocked out for meal breaks caused Plaintiff and Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Plaintiff and Aggrieved Employees to overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders. Additionally, Defendants did not pay Aggrieved Employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, Defendants paid Aggrieved Employees nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when Aggrieved Employees worked overtime and received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

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



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

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Aggrieved Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

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

Failure to Pay Vacation Wages

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

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

California Labor Code § 245 *et seq.* requires that Defendants provide paid sick time to Aggrieved Employees, including at the amount, terms, and rate of compensation set forth in said law. At times relevant, Defendants have failed to compute the amount due for paid sick time in conformance with the pay calculation under California Labor Code § 246(l). Defendants paid nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Aggrieved Employees but Defendants failed to include these forms of remuneration in the regular rate of



pay from which sick pay was calculated and paid. Rather than calculating the amount of paid sick time due when sick time is used according to the requirements set forth in California Labor Code § 246(1), Defendants paid sick leave to Aggrieved Employees at a lower rate, in violation of the law. As a result of Defendants' conduct, Defendants have violated California Labor Code §§ 245 *et seq.* and 246. Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 245 *et seq.* and 246. Plaintiff accordingly seeks this relief available for Defendants' violations of section Labor Code §§ 245 *et seq.* and 246 in connection with Aggrieved Employees and seeking the civil and statutory penalties available and applicable under Labor Code §§ 245 *et seq.*, 246, 1194.2, 1197.1, 1198, 1199, 2699.3(b), and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

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

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

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



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

Rest-Break Liability Under Labor Code § 226.7 and Penalties

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

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

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

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

Defendants have consistently required Plaintiff and Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Defendants have failed to reimburse Plaintiff and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, cell phone usage, vehicle mileage and fuel, and home internet usage which were necessary to perform their duties under Defendants' employ in violation of Labor Code § 2802. Defendants systematically and uniformly failed to reimburse those lawful and necessary work related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to



reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

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

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

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. The wage statements given to Aggrieved Employees, by Defendants, failed to accurately account for wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and reflected incorrect hours worked due to the rounding of timekeeping entries. Additionally, Defendants failed in their affirmative obligation to keep accurate records of the correct overtime wages based on proper regular rate calculations that included nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses earned. The wage statements provided to Aggrieved Employees were confusing and required Aggrieved Employees to engage in discovery and refer to outside sources to verify whether their pay was correct and potentially resulting in a miscalculation by the Aggrieved Employees.

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

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§



226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ..."

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

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

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

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

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



Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

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

Failure to Keep Records In Accordance With Labor Code § 1174

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

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

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



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

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

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

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

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

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

(a) **Wage Claims:** For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

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



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

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

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

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

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

(h) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under



Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

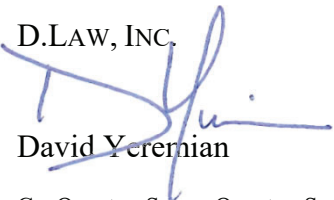
We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case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

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

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

Regards,

D.LAW, INC.



David Yeremian

Cc: QuantumScape, QuantumScape Corporation, and QuantumScape Battery, Inc. by Certified Mail

1

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Attorneys for Plaintiff PETE CRUZ,
on behalf of himself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

PETE CRUZ, on behalf of himself and others
similarly situated,

Plaintiff,

vs.

QUANTUMSCAPE, an entity of unknown
form; QUANTUMSCAPE CORPORATION, a
Delaware corporation; QUANTUMSCAPE
BATTERY, INC., a Delaware corporation; and
DOES 1 through 50, inclusive,

Defendants.

Case No.

CLASS ACTION

Assigned for All Purposes To:

Hon.

Dept.:

CLASS ACTION COMPLAINT FOR:

1. Failure to Pay Minimum Wages;
2. Failure to Pay Wages and Overtime
Under Labor Code § 510;
3. Meal-Period Liability Under Labor Code §
226.7;
4. Rest-Break Liability Under Labor Code §
226.7;
5. Failure to Pay Vacation Wages
6. Failure to Comply with Labor Code § 245 *et*
seq. and 246
7. Reimbursement of Necessary Expenditures
Under Labor Code § 2802;
8. Violation of Labor Code § 226(a);
9. Failure to Keep Required Payroll
Records Under Labor Code §§ 1174 and
1174.5
10. Penalties Pursuant to Labor Code § 203; and
11. Violation of Business & Professions Code §
17200 *et seq.*

DEMAND FOR JURY TRIAL

1 Plaintiff PETE CRUZ, (hereinafter “Plaintiff”) on behalf of himself and all others similarly
2 situated (collectively, “Employees”; individually, “Employee”) complains of Defendants, and each
3 of them, as follows:

4 INTRODUCTION

5 1. Plaintiff brings this action on behalf of himself and all current and former
6 Employees within the State of California who, at any time four (4) years prior to the filing of this
7 lawsuit, are or were employed as non-exempt, hourly employees by Defendants
8 QUANTUMSCAPE, an entity of unknown form; QUANTUMSCAPE CORPORATION, a
9 Delaware corporation; QUANTUMSCAPE BATTERY, INC., a Delaware corporation; and DOES
10 1 through 50 (all defendants being collectively referred to herein as “Defendants”). Plaintiff
11 alleges that Defendants, and each of them, violated various provisions of the California Labor
12 Code, relevant orders of the Industrial Welfare Commission (IWC) and California Business &
13 Professions Code, and seeks redress therefore.

14 2. Plaintiff is a resident of California and during the time period relevant to this
15 Complaint was employed by Defendants as a non-exempt hourly employee within the State of
16 California at Defendants’ facilities and offices in California. Plaintiff and the other Class members
17 worked for Defendants in Santa Clara County, and in other nonexempt positions, throughout
18 California and, and consistently worked at Defendants’ behest without being paid all wages due.
19 More specifically, Plaintiff and the other similarly situated Class members were employed by
20 Defendants and worked at Defendants’ offices and other facilities where the conduct giving rise to
21 the allegations in this Class Action Complaint occurred. Upon information and belief, Plaintiff
22 was employed by Defendants and (1) shared similar job duties and responsibilities, (2) was
23 subjected to the same policies and practices, and (3) endured similar violations at the hands of
24 Defendants as the other Employee Class members who served in similar and related positions.

25 3. Defendants required Plaintiff and the Employees in the Class to perform work
26 while remaining under Defendants’ control before and after being on the clock for their daily work
27 shift. Defendants further failed to accurately record time worked by Plaintiff and Employee Class
28 members by rounding hours worked to reflect scheduled shift start and end times as opposed to

1 actual hours worked. Defendants also had a uniform policy and practice of requiring Employees to
2 record meal breaks before the fifth hour of work regardless of whether Employees took a meal
3 period after the fifth hour or did not receive a meal period. Defendants thus failed to pay Plaintiff
4 and the Class members for all hours worked and provided them with inaccurate wage statements
5 that prevented Plaintiff and the Class from learning of these unlawful pay practices. Defendants
6 also failed to provide Plaintiff and the Class with lawful meal and rest periods, as employees were
7 not provided with the opportunity to take timely, uninterrupted, and duty-free meal and rest
8 periods as required by the Labor Code.

9 **THE PARTIES**

10 **A. The Plaintiff**

11 4. Plaintiff PETE CRUZ has resided in California and during the time period relevant
12 to this Complaint was employed by Defendants as a non-exempt hourly employee within the State
13 of California.

14 **B. The Defendants**

15 5. Defendant QUANTUMSCAPE is an entity of unknown form with its principle
16 executive offices in Fullerton, California and has been listed as the employer on Plaintiff's
17 paystubs during the relevant time period. QUANTUMSCAPE does not list a California address
18 with the California Secretary of State, but upon information and belief, employs Plaintiff and the
19 Class members at Defendants' offices and facilities in San Jose, California, and throughout
20 California and conducts business throughout California.

21 6. Defendant QUANTUMSCAPE CORPORATION ("QSC") is a Delaware
22 corporation with its principle executive office in San Jose, California, and was Plaintiff's principal
23 job site during the relevant time period. QSC lists a California address in San Jose, California with
24 the California Secretary of State, and employs Class members in Santa Clara County, including at
25 Defendants' offices and facilities in San Jose, California, and throughout California and conducts
26 business throughout California.

27 7. Defendant QUANTUMSCAPE BATTERY, INC. ("QSB") is a Delaware
28 corporation with its principle executive offices in San Jose, California, and was Plaintiff's

1 principal job site during the relevant time period. QSB lists a California address in San Jose,
2 California with the California Secretary of State, and employs Class members in Santa Clara
3 County, including at Defendants' offices and facilities in San Jose, California, and throughout
4 California and conducts business throughout California.

5 8. The true names and capacities, whether individual, corporate, associate, or
6 whatever else, of the Defendants sued herein as Does 1 through 50, inclusive, are currently
7 unknown to Plaintiff, who therefore sues these Defendants by such fictitious names under Code of
8 Civil Procedure § 474. Plaintiff is informed and believes and thereon alleges that Defendants
9 designated herein as Does 1 through 50, inclusive, and each of them, are legally responsible in
10 some manner for the unlawful acts referred to herein. Plaintiff will seek leave of court to amend
11 this Complaint to reflect the true names and capacities of the Defendants designated herein as
12 Does 1 through 50 when their identities become known.

13 9. Plaintiff is informed and believes and thereon alleges that each Defendant acted in
14 all respects pertinent to this action as the agent of the other Defendants, that Defendants carried
15 out a joint scheme, business plan, or policy in all respects pertinent hereto, and that the acts of
16 each Defendant are legally attributable to the other Defendants. Furthermore, Defendants acted in
17 all respects as the employers or joint employers of Employees. Defendants, and each of them,
18 exercised control over the wages, hours or working conditions of Employees, or suffered or
19 permitted Employees to work, or engaged, thereby creating a common law employment
20 relationship, with Employees. Therefore, Defendants, and each of them, employed or jointly
21 employed Employees.

22 **JURISDICTION AND VENUE**

23 10. This Court has jurisdiction over this Action pursuant to California Code of Civil
24 Procedure § 410.10 and California Business & Professions Code § 17203. This Action is brought
25 as a Class Action on behalf of similarly situated Employees of Defendants pursuant to California
26 Code of Civil Procedure § 382. Venue as to Defendants is also proper in this judicial district
27 pursuant to California Code of Civil Procedure § 395 *et seq.* Upon information and belief, the
28 obligations and liabilities giving rise to this lawsuit occurred at least in part in Santa Clara County

1 and Defendants maintain and operate company offices and facilities in Santa Clara County, and
2 employ Plaintiff and other Class members in Santa Clara County and throughout California.

3 **FACTUAL BACKGROUND**

4 11. The Employees who comprise the Class and Collective, including Plaintiff, are
5 nonexempt employees pursuant to the applicable Wage Order of the IWC. Defendants hire
6 Employees who work in nonexempt positions at the direction of Defendants in the State of
7 California. Plaintiff and the Class members were either not paid by Defendants for all hours
8 worked or were not paid at the appropriate minimum, regular and overtime rates. Specifically,
9 Plaintiff and Employees were not paid for the time that they worked “pre-shift” and “post-shift”
10 without compensation by interfacing with vendors, sending emails, and driving to pick up parts.
11 Moreover, Employees were not paid for the time spent answering work-related phone calls while
12 off-the-clock. Defendants also had a uniform policy and practice of rounding all time entries to
13 reflect scheduled shift start and end times rather than paying Plaintiff and the Class members for
14 all hours and minutes they actually worked. Defendants generally rounded time entries to the
15 detriment of the Employees, and these unlawfully rounded time entries were inputted into
16 Defendants’ payroll system from which wage statements and payroll checks were created. Plaintiff
17 also contends that Defendants failed to pay Plaintiff and the Class members all wages due and
18 owing, failed to provide meal and rest breaks, and failed to furnish accurate wage statements, all in
19 violation of various provisions of the California Labor Code and applicable Wage Orders.
20 Additionally, Defendants paid Plaintiff and Employees nondiscretionary commissions, incentive
21 pay, and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to
22 incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or
23 nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating
24 the overtime wage rate. Therefore, during times when Plaintiff and Employees worked overtime
25 and received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses,
26 Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

27 12. From at least four (4) years prior to the filing of this lawsuit and continuing to the
28 present, Defendants paid Plaintiff and Employees nondiscretionary commissions, incentive pay,

1 and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to
2 incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or
3 nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating
4 sick pay. Therefore, during times when Plaintiff and Employees worked overtime and received
5 nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses, Defendants failed
6 to pay all sick pay by paying a lower overtime rate than required.

7 13. From at least four (4) years prior to the filing of this lawsuit and continuing to the
8 present, Defendants paid Plaintiff and Employees nondiscretionary commissions, incentive pay,
9 and/or nondiscretionary bonuses. However, upon information and belief, Defendants failed to
10 incorporate all remunerations, including nondiscretionary commissions, incentive pay, and/or
11 nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating
12 vacation pay. Therefore, during times when Plaintiff and Employees worked overtime and
13 received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses,
14 Defendants failed to pay all vacation pay by paying a lower overtime rate than required.

15 14. During the course of Plaintiff and the Class members' employment with
16 Defendants, they were not paid all wages they were owed, including for all work performed and
17 for all overtime hours worked and were forced to work during their meal and rest breaks.
18 Defendants also failed to maintain timekeeping records for Plaintiff that would permit him to
19 discover the nature and extent of Defendants' unlawful rounding.

20 15. As a matter of uniform Company policy, Plaintiff and the Class members were
21 required to work during their meal and rest breaks which were not compensated by Defendants in
22 violation of the California Labor Code. Plaintiff and the Class members were also not paid
23 regular wages and overtime for the time they were required to comply with other requirements
24 imposed upon them, which they had to complete while working through their meal and rest
25 breaks and without compensation. As a result, Plaintiff and the Class members worked shifts over
26 eight (8) hours in a day and over forty (40) hours in a work week, but they were not paid at the
27 appropriate overtime rate for all such hours, including by being required to perform work duties
28 and tasks without pay and while off-the-clock, and due to Defendants' unlawful rounding. As a

1 result, Plaintiff and the Class members worked substantial overtime hours during their
2 employment with Defendants for which they were not compensated, in violation of the California
3 Labor Code, applicable IWC Wage Orders.

4 16. As a result of the above described unlawful rounding, the daily work demands and
5 pressures to work through breaks, and the other wage violations they endured at Defendants'
6 hands, Plaintiff and the Class members were not properly paid for all wages earned and for all
7 wages owed to them by Defendants, including when working more than eight (8) hours in any
8 given day and/or more than forty (40) hours in any given week. As a result of Defendants'
9 unlawful policies and practices, Plaintiff and Class members incurred overtime hours worked for
10 which they were not adequately and completely compensated. To the extent applicable,
11 Defendants also failed to pay Plaintiff and the Class members at an overtime rate of 1.5 times the
12 regular rate for the first eight hours of the seventh consecutive work day in a week and overtime
13 payments at the rate of 2 times the regular rate for hours worked over eight (8) on the seventh
14 consecutive work day, as required under the Labor Code, applicable IWC Wage Orders.

15 17. Therefore, from at least four (4) years prior to the filing of this lawsuit and
16 continuing to the present, Defendants had a consistent policy or practice of failing to pay
17 Employees for all hours worked and failing to pay minimum wage for all time worked as required
18 by California Law.

19 18. Additionally from at least four (4) years prior to the filing of this lawsuit and
20 continuing to the present, Defendants had a consistent policy or practice of failing to pay
21 Employees overtime compensation at premium overtime rates for all hours worked in excess of
22 eight (8) hours a day and/or forty (40) hours a week, and double-time rates for all hours worked in
23 excess of twelve (12) hours a day, in violation of Labor Code § 510 and the corresponding
24 sections of IWC Wage Orders.

25 19. Additionally from at least four (4) years prior to the filing of this lawsuit and
26 continuing to the present, Defendants have regularly required Employees to work shifts in excess
27 of five (5) hours without providing them with uninterrupted meal periods of not less than thirty
28 (30) minutes and shifts in excess of ten (10) hours without providing them with second meal

1 periods of not less than thirty minutes; nor did Defendants pay Employees “premium pay,” i.e. one
2 hour of wages at each Employee’s effective regular rate of pay, for each meal period that
3 Defendants failed to provide or deficiently provided.

4 20. From at least four (4) years prior to the filing of this lawsuit and continuing to the
5 present, Defendants have consistently failed to provide Employees with paid rest breaks of not less
6 than ten (10) minutes for every work period of four (4) or more consecutive hours; nor did
7 Defendant pay Employees premium pay for each day on which requisite rest breaks were not
8 provided or were deficiently provided at one hour of wages at each Employee’s effective regular
9 rate of pay, for each rest period that Defendants failed to provide or deficiently provided.

10 21. Additionally, from at least four (4) years prior to the filing of this lawsuit, and
11 continuing to the present, Defendants have consistently failed to provide Employees with timely,
12 accurate, and itemized wage statements as required by California wage-and-hour laws.
13 Specifically, Defendants failed in their affirmative obligation to keep accurate records of the
14 correct overtime wages based on proper regular rate calculations that included nondiscretionary
15 commissions, incentive pay, and/or nondiscretionary bonuses earned, and the total amount of
16 compensation of their Employees. Moreover, the wage statements given to Employees by
17 Defendants failed to accurately account for wages, overtime, and premium pay for deficient meal
18 periods and rest breaks all of which Defendants knew or reasonably should have known were
19 owed to Employees, as alleged hereinabove. The wage statements provided to Employees were
20 confusing and required Employees to engage in discovery and refer to outside sources to verify
21 whether their pay was correct, potentially resulting in a miscalculation by the Employees.

22 22. Additionally, from at least four (4) years prior to the filing of this lawsuit, and
23 continuing to the present, Defendants have consistently failed to provide Employees with timely,
24 accurate, and itemized wage statements, in writing, as required by California wage-and-hour laws.

25 23. From at least four (4) years prior to the filing of this lawsuit and continuing to the
26 present, Defendants have failed to reimburse Employees for expenses necessarily incurred in the
27 performance of their job duties for Defendants including, but not limited to, the cost of cellphone
28 usage, vehicle mileage and fuel and home internet usage which were necessary to perform their

1 duties under Defendants' employ in violation of Labor Code § 2802.

2 24. Additionally, from at least three (3) years prior to the filing of this lawsuit, and
3 continuing to the present, Defendants have consistently failed to keep accurate time and wage
4 records as required by California wage-and-hour laws.

5 25. Additionally, from at least four (4) years prior to filing this lawsuit and continuing
6 to the present, Defendants have had a consistent policy of failing to pay all wages fur and owed to
7 Employees at the time of their termination or within seventy-two (72) hours of their resignation, as
8 required by California wage-and-hour laws.

9 26. In light of the foregoing, Employees bring this action pursuant to, inter alia, Labor
10 Code §§ 201, 202, 203, 204, 226, 226.3, 226.7, 227.3, 245 *et seq.*, 246, 510, 512, 558, 558.1,
11 1174, 1174.5, 1182.12, 1185, 1194, 1194.2 1197, 1199, and 2802.

12 27. Furthermore, pursuant to Business and Professions Code §§ 17200-17208,
13 Employees seek injunctive relief, restitution, and disgorgement of all benefits Defendants have
14 enjoyed from their violations of Labor Code.

15 **CLASS ALLEGATIONS**

16 28. Plaintiff brings this class action on behalf of himself and all others similarly
17 situated pursuant to Code of Civil Procedure § 382. Plaintiff seeks to represent a class defined as
18 follows: all individuals employed by Defendants within the State of California at any time within
19 four (4) years of the filing of this lawsuit.

20 29. Further, Plaintiff seeks to represent the following Subclasses composed of and
21 defined as follows:

22 a. Subclass 1. Minimum Wages Subclass. All Class members who were not
23 compensated for all hours worked for Defendants at the applicable minimum wage.

24 b. Subclass 2. Wages and Overtime Subclass. All Class members who were not
25 compensated for all hours worked for Defendants at the required rates of pay, including for all
26 hours worked in excess of eight in a day and/or forty in a week.

27 c. Subclass 3. Vacation Wages Subclass. All Class members who were not
28 compensated at the Employee's regular rate of pay for their vacation wages.

1 d. Subclass 4. Sick Pay Subclass. All Class members who were not compensated at
2 the Employee's regular rate of pay for their sick pay wages.

3 e. Subclass 5. Meal Period Subclass. All Class members who were subject to
4 Defendants' policy and/or practice of failing to provide unpaid 30-minute uninterrupted and duty-
5 free meal periods or one hour of pay at the Employee's regular rate of pay in lieu thereof.

6 f. Subclass 6. Rest Break Subclass. All Class members who were subject to
7 Defendants' policy and/or practice of failing to authorize and permit Employees to take
8 uninterrupted, duty-free, 10-minute rest periods for every four hours worked, or major fraction
9 thereof, and failing to pay one hour of pay at the Employee's regular rate of pay in lieu thereof.

10 g. Subclass 7. Payroll Records Subclass. All Class members who were subject to
11 Defendants' policy and/or practice of failing to keep accurate time and wage records as required
12 by California wage-and-hour laws.

13 h. Subclass 8. Wage Statement Subclass. All Class members who, within the
14 applicable limitations period, were not provided with accurate itemized wage statements.

15 i. Subclass 9. Failure to Reimburse for Necessary Business Expenditures. All Class
16 members who were subject to Defendants' failure to reimburse for expenses necessarily incurred
17 in the performance of Employees job duties for Defendants.

18 j. Subclass 11. Termination Pay Subclass. All Class members who, within the
19 applicable limitations period, either voluntarily or involuntarily separated from their employment
20 and were subject to Defendants' policy and/or practice of failing to timely pay wages upon
21 termination.

22 k. Subclass 12. UCL Subclass. All Class members who are owed restitution as a
23 result of Defendants' business acts and practices, to the extent such acts and practices are found to
24 be unlawful, deceptive, and/or unfair.

25 30. Plaintiff reserves the right under California Rule of Court 3.765 to amend or
26 modify the class description with greater particularity or further division into subclasses or
27 limitation to particular issues.

28 31. This action has been brought and may properly be maintained as a class action

1 under the provisions of Code of Civil Procedure § 382 because there is a well-defined community
2 of interest in litigation and proposed class is easily ascertainable.

3 **A. Numerosity**

4 32. The potential members of the class as defined are so numerous that joinder of all
5 the member of the class is impracticable. While the precise number of class members has not been
6 determined at this time, Plaintiff is informed and believes that Defendants employ or, during the
7 time period relevant to this lawsuit, employed more than 100 individuals within the State of
8 California.

9 33. Accounting for employee turnover during the relevant time period increases this
10 number substantially. Plaintiff alleges that Defendants' employment records will provide
11 information as to the number and location of all class members.

12 **B. Commonality**

13 34. There are questions of law and fact common to the class that predominate over any
14 questions affecting only individual class members. These common questions of law and fact
15 include:

- 16 a. Whether Defendants failed to pay Employees minimum wages;
- 17 b. Whether Defendants failed to pay Employees wages for all hours worked;
- 18 c. Whether Defendants failed to pay Employees overtime as required under Labor
19 Code § 510;
- 20 d. Whether Defendants failed to pay Employees vacation wages as required under
21 Labor Code § 227.3;
- 22 e. Whether Defendants failed to pay Employees sick pay as required under Labor
23 Code § 245;
- 24 f. Whether Defendants violated Labor Code §§ 226.7 and 512, and the applicable
25 IWC Wage Orders, by failing to provide Employees with requisite meal periods or
26 premium pay in lieu thereof;
- 27 g. Whether Defendants violated Labor Code § 226.7, and the applicable IWC Wage
28 Orders, by failing to provide Employees with requisite rest breaks or premium pay

1 in lieu thereof;

2 h. Whether Defendants violated Labor Code § 226(a);

3 i. Whether Defendants violated Labor Code §§ 1174 and 1174.5;

4 j. Whether Defendants failed to reimburse Employees for necessary business
5 expenses;

6 k. Whether Defendants violated Labor Code §§ 201, 202, and 203 by failing to pay
7 wages and compensation due and owing at the time of termination of employment;

8 l. Whether Defendants violated Business and Professions Code § 17200 *et seq.*; and

9 m. Whether Employees are entitled to equitable relief pursuant to Business and
10 Professions Code § 17200 *et seq.*

11 **C. Typicality**

12 35. The claims of the named plaintiff are typical of those of the other Employees.

13 Employees all sustained injuries and damages arising out of and caused by Defendants' common
14 course of conduct in violation of statutes, as well as regulations that have the force and effect of
15 law, as alleged herein.

16 **D. Adequacy of Representation**

17 36. Plaintiff will fairly and adequately represent and protect the interest of Employees.

18 Counsel who represents Employees are experienced and competent in litigating employment class
19 actions.

20 **E. Superiority of Class Action**

21 37. A class action is superior to other available means for the fair and efficient

22 adjudication of this controversy. Individual joinder of all Employees is not practicable, and
23 questions of law and fact common to all Employees predominate over any questions affecting only
24 individual Employees. Each Employee has been damaged and is entitled to recovery by reason of
25 Defendants' illegal policies or practices of failing to compensate Employees properly.

26 38. Class action treatment will allow those persons similarly situated to litigate their
27 claims in the manner that is most efficient and economical for the parties and the judicial system.

28 Plaintiff is unaware of any difficulties in managing this case that should preclude class action.

FIRST CAUSE OF ACTION
FAILURE TO PAY MINIMUM WAGES
(Against All Defendants)

39. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

40. Defendants failed to pay Employees minimum wages for all hours worked. Defendants had a consistent policy of misstating Employees time records and failing to pay Employees for all hours worked. Employees would work hours and not receive wages, including as alleged above in connection with working during meal breaks, rounding of timekeeping entries, and working “pre-shift” and “post-shift” without compensation by interfacing with vendors, sending emails, and driving to pick up parts, and receiving phone calls while off-the-clock. Additionally, Defendants had a consistent policy of failing to pay Employees for hours worked during alleged meal periods for which Employees were consistently denied, as also addressed herein. Defendants have also intentionally and improperly rounded, changed, adjusted, and/or modified Employee hours, while benefiting Defendants. Defendants thus regularly failed to pay minimum wages to Plaintiff and Class members, including by unlawful rounding to their detriment. Moreover, Defendants did not pay Plaintiff and Employees at the applicable minimum wage for all hours worked. Defendants’ uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Class as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other members of the Class as to minimum wage pay.

41. California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states:

The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.

42. The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders. Pursuant to the Wage Orders, Employees are therefore entitled to double the minimum wage during the relevant period.

1 43. The minimum wage provisions of California Labor Code are enforceable by private
2 civil action pursuant to California Labor Code § 1194(a) which states:

3 Notwithstanding any agreement to work for a lesser wage, any
4 employee receiving less than the legal minimum wage or the legal
5 overtime compensation applicable to the employee is entitled to
6 recover in a civil action the unpaid balance of the full amount of
7 this minimum wage or overtime compensation, including interest
8 thereon, reasonable attorney's fees and costs of suit.

9 44. As described in California Labor Code §§ 1185 and 1194.2, any action for wages
10 incorporates the applicable Wage Order of the California Industrial Welfare Commission.

11 45. California Labor Code § 1194.2 also provides for the following remedies:

12 In any action under Section 1194 . . . to recover wages because of
13 the payment of a wage less than the minimum wages fixed by an
14 order of the commission, an employee shall be entitled to recover
15 liquidated damages in an amount equal to the wages unlawfully
16 unpaid and interest thereon.

17 46. Defendants have the ability to pay minimum wages for all time worked and have
18 willfully refused to pay such wages with the intent to secure for Defendants a discount upon this
19 indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Employees.

20 47. Wherefore, Employees are entitled to recover the unpaid minimum wages
21 (including double minimum wages), liquidated damages in an amount equal to the minimum
22 wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant
23 to California Labor Code § 1194(a).

24 **SECOND CAUSE OF ACTION**

25 **FAILURE TO PAY WAGES AND OVERTIME UNDER LABOR CODE § 510**

26 **(Against All Defendants)**

27 48. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
28 full herein.

 49. By their conduct, as set forth herein, Defendants violated California Labor Code §
510 (and the relevant orders of the Industrial Welfare Commission) by failing to pay Employees:
(a) time and one-half their regular hourly rates for hours worked in excess of eight (8) hours in a
workday or in excess of forty (40) hours in any workweek or for the first eight (8) hours worked

1 on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours
2 worked in excess of twelve (12) hours in any one (1) day or for hours worked in excess of eight
3 (8) hours on any seventh day of work in a workweek. Defendants had a consistent policy of not
4 paying Employees wages for all hours worked including time off the clock working “pre-shift”
5 and “post-shift” without compensation by interfacing with vendors, sending emails, and driving
6 to pick up parts, and receiving phone calls while off-the-clock. Employees regularly worked over
7 8 hours on a given day without receiving overtime compensation.

8 50. Furthermore, on information and belief, Defendants did not pay Plaintiff and
9 Employees the correct overtime rate for the recorded overtime hours that they generated. In
10 addition to an hourly wage, Defendants paid Plaintiff and Employees nondiscretionary
11 commissions, incentive pay, and/or nondiscretionary bonuses. However, upon information and
12 belief, Defendants failed to incorporate all remunerations, including nondiscretionary
13 commissions, incentive pay, and/or nondiscretionary bonuses, into the calculation of the regular
14 rate of pay for purposes of calculating the overtime wage rate.

15 51. Therefore, during times when Plaintiff and Employees worked overtime and
16 received nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses,
17 Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

18 52. Defendants’ failure to pay compensation in a timely fashion also constituted a
19 violation of California Labor Code § 204, which requires that all wages shall be paid
20 semimonthly. From four (4) years prior to the filing of this lawsuit to the present, in direct
21 violation of that provision of the California Labor Code, Defendants have failed to pay all wages
22 and overtime compensation earned by Employees. Each such failure to make a timely payment of
23 compensation to Employees constitutes a separate violation of California Labor Code § 204.

24 53. Employees have been damaged by these violations of California Labor Code §§
25 204 and 510 (and the relevant orders of the Industrial Welfare Commission).

26 54. Consequently, pursuant to California Labor Code §§ 204, 510, and 1194 (and the
27 relevant orders of the Industrial Welfare Commission), Defendants are liable to Employees for
28 the full amount of all their unpaid wages and overtime compensation, with interest, plus their

1 reasonable attorneys' fees and costs.

2 **THIRD CAUSE OF ACTION**

3 **MEAL-PERIOD LIABILITY UNDER LABOR CODE § 226.7**

4 **(Against All Defendants)**

5 55. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
6 full herein.

7 56. Employees regularly worked shifts greater than five (5) hours and greater than ten
8 (10) hours. Pursuant to Labor Code § 512 an employer may not employ someone for a shift of
9 more than five (5) hours without providing him or her with a meal period of not less than thirty
10 (30) minutes or for a shift of more than ten (10) hours without providing him or her with a second
11 meal period of not less than thirty (30) minutes.

12 57. Defendants failed to provide Employees with meal periods as required under the
13 Labor Code. Employees were consistently required to work through their meal periods which they
14 were consistently denied. Employees were also required to take meal periods after working well
15 beyond the five (5) hour shifts. In addition, Defendants had a policy and practice of requiring
16 Employees to record meal periods before the fifth hour of work regardless of when meal periods
17 were taken or if they were taken at all in order to avoid paying meal period premiums. What meal
18 periods were provided were also not duty-free due to Defendants' policy and practice requiring
19 Employees to keep walkie talkies and work phones on during meal periods to respond to
20 emergencies and other situations. Furthermore, Employees were regularly required to work for
21 more than 10 hours in a given shift without receiving a second uninterrupted thirty (30) minute
22 meal period as required by law.

23 58. Moreover, Defendants failed to compensate Employees for each meal period not
24 provided or inadequately provided, as required under Labor Code § 226.7 and paragraphs 11 and
25 20 of the applicable IWC Wage Orders, which provide that, if an employer fails to provide an
26 employee a meal period in accordance with this section, the employer shall pay the employee one
27 hour of pay at the employee's regular rate of compensation for each workday that the meal period
28 is not provided. Defendants failed to compensate the Employees in the Class for each meal period

1 not provided or inadequately provided, as required under Labor Code § 226.7 and paragraphs 11
2 and 20 of the applicable IWC Wage Order. Additionally, as detailed above, when Defendants did
3 pay meal period premiums, they did so at the normal regular rate of pay without factoring in all
4 forms or remuneration/compensation or by otherwise incorrectly calculating the regular rate.

5 59. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in
6 an amount equal to one (1) hour of wages at their effective hourly rates of pay for each meal
7 period not provided or deficiently provided, a sum to be proven at trial.

8 **FOURTH CAUSE OF ACTION**

9 **REST-BREAK LIABILITY UNDER LABOR CODE § 226.7**

10 **(Against All Defendants)**

11 60. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
12 full herein.

13 61. Employees consistently worked consecutive four (4) hour shifts. Pursuant to the
14 Labor Code and the applicable IWC Wage Order, Employees were entitled to paid rest breaks of
15 not less than ten (10) minutes for each consecutive four (4) hour shift.

16 62. Defendants failed to provide Employees with timely rest breaks of not less than ten
17 (10) minutes for each consecutive four (4) hour shift. What rest breaks were provided were also
18 not duty-free due to Defendants' policy and practice requiring Employees to keep walkie talkies
19 and work phones on during rest breaks to respond to emergencies and other situations.

20 63. Moreover, Defendants failed to compensate Employees for each rest period not
21 provided or inadequately provided, as required under Labor Code § 226.7 and the applicable IWC
22 Wage Orders, which provide that, if an employer fails to provide an employee a rest period in
23 accordance with this section, the employer shall pay the employee one hour of pay at the
24 employee's regular rate of compensation for each workday that the rest period is not provided.
25 Defendants failed to compensate the Employees in the Class for each rest period not provided or
26 inadequately provided, as required under Labor Code § 226.7 and the applicable IWC Wage
27 Order. Additionally, as detailed above, when Defendants did pay rest period premiums, they did
28 so at the normal regular rate of pay without factoring in all forms or remuneration/compensation

1 or by otherwise incorrectly calculating the regular rate.

2 64. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in
3 an amount equal to one (1) hour of wages at their effective hourly rates of pay for each day
4 worked without the required rest breaks, a sum to be proven at trial.

5 **FIFTH CAUSE OF ACTION**
6 **FAILURE TO PAY VACATION WAGES**
7 **(Against All Defendants)**

8 65. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
9 full herein.

10 66. Pursuant to California Labor Code § 227.3, whenever a contract of employment or
11 employment policy provides for paid vacation and an employee is terminated without having
12 taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate
13 in accordance with said contract of employment or policy respecting eligibility or time served.

14 67. Defendants paid nondiscretionary commissions, incentive pay, and/or
15 nondiscretionary bonuses to Employees but Defendants failed to include these forms of
16 remuneration in the regular rate of pay upon which vacation wages were calculated and paid.

17 68. Therefore, Plaintiff and Employees seek to recover penalties pursuant to Labor
18 Code § 227.3.

19 **SIXTH CAUSE OF ACTION**
20 **FAILURE TO COMPLY WITH LABOR CODE § 245 *ET SEQ.* AND 246**
21 **(Against All Defendants)**

22 69. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
23 full herein.

24 70. California Labor Code § 245 *et seq.* requires that Defendants provide paid sick time
25 to Employees, including at the amount, terms, and rate of compensation set forth in said law. At
26 times relevant, Defendants have failed compute the amount due for paid sick time in conformance
27 with the pay calculation under California Labor Code § 246(l).

28 71. Defendants paid nondiscretionary commissions, incentive pay, and/or

1 nondiscretionary bonuses to Employees but Defendants failed to include these forms of
2 remuneration in the regular rate of pay upon which sick pay was calculated and paid. Rather than
3 calculating the amount of paid sick time due when sick time is used according to the requirements
4 set forth in California Labor Code § 246(1), Defendants paid sick leave to Employees at a lower
5 rate, in violation of the law.

6 72. Therefore, Plaintiff and Employees seek to recover penalties pursuant to Labor
7 Code § 245 *et seq.* and 246.

8 **SEVENTH CAUSE OF ACTION**
9 **FAILURE TO REIMBURSE FOR NECESSARY BUSINESS EXPENDITURES**
10 **IN VIOLATION OF LABOR CODE § 2802**

11 **(Against All Defendants)**

12 73. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
13 full herein.

14 74. Under Labor Code § 2802(a), an employer must indemnify its employees for all
15 necessary expenditures or losses incurred by the employee in direct consequence of the discharge
16 of his or her duties, or of his or her obedience to the directions of the employer.

17 75. Employees incurred necessary expenditures in the performance of their job duties
18 for Defendants, namely the cost of cell phone usage, vehicle mileage and fuel and home internet
19 usage, which were necessary to perform their duties under Defendants' employ. From four (4)
20 years prior to the original filing of this lawsuit and continuing to the present, Defendants
21 consistently failed to reimburse Employees for these necessarily incurred business expenses.

22 76. As a result of the unlawful acts of Defendants, Employees have been deprived of
23 reimbursement in amounts to be determined at trial; they are entitled to recovery of such amounts,
24 plus interest and penalties thereon, attorneys' fees, and costs.

25 **EIGHTH CAUSE OF ACTION**
26 **VIOLATION OF LABOR CODE § 226(a)**

27 **(Against All Defendants)**

28 77. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in

1 full herein.

2 78. California Labor Code § 226(a) requires an employer to furnish each of his or her
3 employees with an accurate, itemized statement in writing showing the gross and net earnings,
4 total hours worked, and the corresponding number of hours worked at each hourly rate; these
5 statements must be appended to the detachable part of the check, draft, voucher, or whatever else
6 serves to pay the employee's wages; or, if wages are paid by cash or personal check, these
7 statements may be given to the employee separately from the payment of wages; in either case the
8 employer must give the employee these statements twice a month or each time wages are paid.

9 79. Defendants failed to provide Employees with accurate itemized wage statements in
10 writing, as required by the Labor Code. Specifically, the wage statements given to Employees, by
11 Defendants, failed to accurately account for wages, overtime, and premium pay for deficient meal
12 periods and rest breaks, and reflected incorrect hours worked due to the rounding of timekeeping
13 entries all of which Defendants knew or reasonably should have known were owed to Employees,
14 as alleged hereinabove. Additionally, Defendants failed in their affirmative obligation to keep
15 accurate records of the correct overtime wages based on proper regular rate calculations that
16 included nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses earned,
17 and the total amount of compensation of their Employees. The wage statements provided to
18 Employees were confusing and required Employees to engage in discovery and refer to outside
19 sources to verify whether their pay was correct, potentially resulting in a miscalculation by the
20 Employees.

21 80. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a),
22 Employees suffered injuries, including among other things confusion over whether they received
23 all wages owed them, the difficulty and expense involved in reconstructing pay records, and
24 forcing them to make mathematical computations to analyze whether the wages paid in fact
25 compensated them correctly for all hours worked.

26 81. Pursuant to Labor Code §§ 226(a) and 226(e), Employees are entitled to recover
27 the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation
28 occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not

1 exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an
2 award of costs and reasonable attorneys' fees.

3 82. With respect to violations of Labor Code § 226, Labor Code § 226.3 imposes a
4 civil penalty of two hundred and fifty dollars (\$250) for initial violations for each employee for
5 each pay period, and one thousand dollars (\$1000) for each subsequent violation for each
6 employee for each pay period.

7 83. Plaintiff is seeking penalties against Defendants under Labor Code § 226.3, and
8 any other applicable statute allowing recovery of penalties as alleged herein in an amount to be
9 shown according to proof.

10 **NINTH CAUSE OF ACTION**

11 **FAILURE TO KEEP REQUIRED PAYROLL RECORDS UNDER LABOR CODE § 1174**
12 **AND 1174.5**

13 **(Against All Defendants)**

14 84. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in
15 full herein.

16 85. California Labor Code § 1174 requires that all employers shall keep accurate time
17 and wage records for all employees. California Labor Code § 1174.5 further requires that any
18 employee suffering injury due to a willful violation of the aforementioned obligations may seek
19 damages, including civil penalties, from the employer.

20 86. During the course of Plaintiff's and Employees' employment, Defendants
21 consistently failed to maintain accurate time and wage records for Plaintiff and Employees as
22 required by California Labor Code § 1174 by failing to pay Plaintiff and Employees proper wages,
23 overtime, and premium pay as discussed above.

24 87. Accordingly, Defendants are liable for civil penalties pursuant to the California
25 Labor Code § 1174.5. for the three (3) years prior to the filing of this Complaint.

26 ///

27 ///

28 ///

TENTH CAUSE OF ACTION
VIOLATION OF LABOR CODE § 203
(Against All Defendants)

88. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

89. Numerous Employees are no longer employed by Defendants; they either quit Defendants' employ or were fired therefrom.

90. Defendants failed to pay these Employees all wages due and certain at the time of termination or within seventy-two (72) hours of resignation.

91. The wages withheld from these Employees by Defendants remained due and owing for more than thirty (30) days from the date of separation of employment.

92. Defendants' failure to pay wages, as alleged above, was willful in that Defendants knew wages to be due but failed to pay them; this violation entitles these Employees to penalties under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

ELEVENTH CAUSE OF ACTION
VIOLATION OF BUSINESS & PROFESSIONS CODE § 17200 *ET SEQ.*
(Against All Defendants)

93. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

94. Plaintiff, on behalf of himself, Employees, and the general public, brings this claim pursuant to Business & Professions Code § 17200 *et seq.* The conduct of Defendants as alleged in this Complaint has been and continues to be unfair, unlawful, and harmful to Employees and the general public. Plaintiff seeks to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure § 1021.5.

95. Plaintiff is a "person" within the meaning of Business & Professions Code § 17204, has suffered injury, and therefore has standing to bring this cause of action for injunctive relief, restitution, and other appropriate equitable relief.

1 96. Business & Professions Code § 17200 *et seq.* prohibits unlawful and unfair
2 business practices.

3 97. Wage-and-hour laws express fundamental public policies. Paying employees their
4 wages and overtime, providing them with meal and rest periods, etc., are fundamental public
5 policies of California. Labor Code § 90.5(a) articulates the public policies of this State vigorously
6 to enforce minimum labor standards, to ensure that employees are not required or permitted to
7 work under substandard and unlawful conditions, and to protect law-abiding employers and their
8 employees from competitors who lower costs to themselves by failing to comply with minimum
9 labor standards.

10 98. Defendants have violated statutes and public policies. Through the conduct alleged
11 in this Complaint, Defendants have acted contrary to these public policies, have violated specific
12 provisions of the Labor Code, and have engaged in other unlawful and unfair business practices in
13 violation of Business & Professions Code § 17200 *et seq.* Defendants' conduct has deprived
14 Plaintiff, and all persons similarly situated, and all interested persons, of the rights, benefits, and
15 privileges guaranteed to all employees under the law.

16 99. Defendants' conduct, as alleged hereinabove, constitutes unfair competition in
17 violation of the Business & Professions Code § 17200 *et seq.*

18 100. Defendants, by engaging in the conduct herein alleged, by failing to pay wages and
19 overtime, failing to provide meal and rest periods, etc., either knew or in the exercise of reasonable
20 care should have known that their conduct was unlawful; therefore their conduct violates the
21 Business & Professions Code § 17200 *et seq.*

22 101. As a proximate result of the above-mentioned acts of Defendants, Employees have
23 been damaged, in a sum to be proven at trial.

24 102. Unless restrained by this Court, Defendants will continue to engage in such
25 unlawful conduct as alleged above. Pursuant to the Business & Professions Code, this Court
26 should make such orders or judgments, including the appointment of a receiver, as may be
27 necessary to prevent the use by Defendants or their agents or employees of any unlawful or
28 deceptive practice prohibited by the Business & Professions Code, including but not limited to the

1 disgorgement of such profits as may be necessary to restore Employees to the money Defendants
2 have unlawfully failed to pay.

3 **RELIEF REQUESTED**

4 WHEREFORE, Plaintiff prays for the following relief:

- 5 1. For an order certifying this action as a class action;
- 6 2. For compensatory damages in the amount of the unpaid minimum wages for work
7 performed by Employees and unpaid overtime compensation from at least four (4) years prior to
8 the filing of this action, as may be proven;
- 9 3. For liquidated damages in the amount equal to the unpaid minimum wage and
10 interest thereon, from at least four (4) years prior to the filing of this action, according to proof;
- 11 4. For compensatory damages in the amount of the hourly wage made by Employees
12 for each missed or deficient meal period where no premium pay was paid therefor from four (4)
13 years prior to the filing of this action, as may be proven;
- 14 5. For compensatory damages in the amount of the hourly wage made by Employees
15 for each day requisite rest breaks were not provided or were deficiently provided and where no
16 premium pay was paid therefor from at least four (4) years prior to the filing of this action, as may
17 be proven;
- 18 6. For penalties pursuant to Labor Code § 226(e) for Employees, as may be proven;
- 19 7. For penalties pursuant to Labor Code § 226.3, as may be proven;
- 20 8. For penalties pursuant to Labor Code § 203 for all Employees who quit or were
21 fired in an amount equal to their daily wage times thirty (30) days, as may be proven;
- 22 9. For penalties pursuant to Labor Code § 227.3, as may be proven;
- 23 10. For penalties pursuant to Labor Code §§ 245 and 246, as may be proven;
- 24 11. For penalties pursuant to Labor Code § 1174.5, as may be proven;
- 25 12. For restitution for unfair competition pursuant to Business & Professions Code
26 § 17200 *et seq.*, including disgorgement or profits, as may be proven;
- 27 13. For compensatory damages in the amount of all previously unreimbursed business
28 expenditures necessarily incurred by Employees in the discharge of their job duties for Defendants

1 from four (4) years prior to the original filing of this action, as may be proven;

2 14. For an order enjoining Defendants and their agents, servants, and employees, and
3 all persons acting under, in concert with, or for them, from acting in derogation of any rights or
4 duties adumbrated in this Complaint;

5 15. For all general, special, and incidental damages as may be proven;

6 16. For an award of pre-judgment and post-judgment interest;

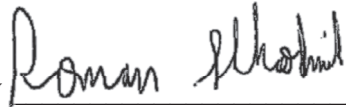
7 17. For an award providing for the payment of the costs of this suit;

8 18. For an award of attorneys' fees; and

9 19. For such other and further relief as this Court may deem proper and just.

10
11 DATED: December 4, 2023

D.LAW, INC.

12
13 By 

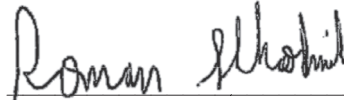
14 David Yeremian
15 Roman Shkodnik
16 Attorneys for Plaintiff
17 PETE CRUZ
18 and the putative class
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DEMAND FOR JURY TRIAL

Plaintiff hereby demands trial of his claims by jury to the extent authorized by law.

DATED: December 4, 2023

D.LAW, INC.

By 

David Yeremian
Roman Shkodnik
Attorneys for Plaintiff
PETE CRUZ
and the putative class

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7 Attorneys for Plaintiff JOSE HERNANDEZ

8 [Additional Counsel on the Following Page]

9
10 **SUPERIOR COURT OF CALIFORNIA**
11 **FOR THE COUNTY OF SANTA CLARA**
12

13 PETE CRUZ and JOSE HERNANDEZ,
14 individually and on behalf of all other
similarly situated employees,

15 Plaintiffs,

16 vs.

17 QUANTUMSCAPE, an entity of unknown
18 form; QUANTUMSCAPE CORPORATION,
19 a Delaware Corporation; QUANTUMSCAPE
BATTERY, INC., a Delaware Corporation;
20 and DOES 1 to 100, inclusive,

21 Defendants.
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Case No. 23CV427117
Related to Case No.: 24CV439603

*Assigned for All Purposes to Hon. Theodore C.
Zayner, Dept. 19*

CLASS ACTION

**DECLARATION OF JOSE HERNANDEZ IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: July 15, 2026
Time: 1:30
Dept.: 19
Judge: Hon. Theodore C. Zayner

Filed: December 4, 2023
FAC Filed: February 7, 2024
SAC Filed: December 9, 2025
Trial Date: None Set

1 **D.LAW, INC.**

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11 Pasadena, CA 91101-1639

12 Telephone: (818) 962-6465

13 Facsimile: (818) 962-6469

14 Attorneys for Plaintiff PETE CRUZ

1 I, Jose Hernandez, declare:

2 1. I am a competent adult and I have personal knowledge of the facts set forth in this
3 declaration. I am making this declaration on behalf of myself, as a named plaintiff, and in support of
4 Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement.

5 2. I worked for Defendants QuantumScape Corporation and QuantumScape Battery, Inc.,
6 ("Defendants") from approximately July 15, 2019, to September 22, 2023, as a non-exempt employee.
7 I was subject to all of Defendants' policies and practices that have been alleged as unlawful in the
8 Complaint and the notice sent to the Labor and Workforce Development Agency ("LWDA"), including
9 the following: failure to pay minimum wages, failure to pay wages and overtime wages, failure to
10 provide meal and rest periods, failure to pay vacation wages, failure to pay sick leave at the regular rate
11 of pay; failure to reimburse necessary business expenditures, failure to provide accurate wage
12 statements, failure to keep required payroll records, failure to timely pay wages, and failure to timely
13 pay final wages.

14 3. I have actively participated in the litigation of this case for the benefit of all Class
15 Members. Prior to obtaining an attorney, I contacted several law offices and researched potential
16 attorneys to bring the claims. I wanted to make sure the law firm chosen to bring the claims had
17 attorneys with experience and skill in bringing those types of claims. I also researched the typical
18 issues raised when litigating the potential claims. I wanted to make sure I could have an informed
19 discussion with an attorney and have a better idea of what to expect moving forward in litigation and
20 how to help the case proceed. After securing Shimoda & Rodriguez Law, PC, I continued to be
21 actively involved in the case to help ensure a positive outcome. I began working with Shimoda &
22 Rodriguez Law, PC, to investigate the claims on October 5, 2023, discussing the facts of the case,
23 showing and explaining the context behind the documents I had to support the claims, and discussing
24 potential witnesses to corroborate the information I was providing.

25 4. My attorneys explained to me the risks and benefits of bringing a class action and a
26 claim under the Private Attorneys General Act ("PAGA"). I understood that pursuing the case as a
27 class and PAGA action meant that it would take substantially longer than pursuing my claims only on
28 an individual basis, whether in Court or with the California Labor Commissioner, and that I risked

1 getting nothing in the end, but I believed it was important to make sure that Defendants followed the
2 law for everyone. I undertook a professional and financial risk in pursuing the claims as a class and
3 PAGA action because my name would be on a publicly available document showing that I had sued a
4 former employer at a time when I was unemployed and searching for a new job and, if unsuccessful in
5 bringing the claims, I would be obligated to pay Defendants' costs incurred over the course of this
6 complex litigation. My understanding is that this is a substantial risk because the costs associated with
7 litigation, in general, are very high and this cost is multiplied many times over in complex litigation
8 like class actions.

9 5. During the course of this litigation, I have given detailed accounts of all the facts related
10 to my employment. I provided my attorneys with extensive documentation that I believe supported the
11 claims brought against Defendants. I met with and assisted my attorneys in understanding these
12 documents and providing context for Defendants' payroll process as it applied to me and how I
13 believed it applied to Defendants' other employees within the class. I worked for Defendant for several
14 years in multiple positions and shifts, reporting to numerous and different supervisors, so I was able to
15 discuss the similarities of the wage and hour policies and practices among all Class Members.

16 6. The work I performed for this case included an extensive review of documents and
17 payroll practices to show and explain to my attorneys what was happening and why I thought it was
18 unlawful. For example, I explained to my attorneys my job duties and responsibilities, the type of tasks
19 and work performed in a typical day and any circumstances that would cause relevant differences to my
20 daily work that affected the class claims. We reviewed payroll and personnel file documents to see
21 whether and how any of the documents corroborated the validity of the claims and listed potential
22 witnesses related to any issues raised by the documents. Additionally, I reviewed a substantial amount
23 of paystubs and timesheets, to determine the extent to which deductions were made and evaluating and
24 rebutting the factual and legal arguments made by Defendants counsel. This addressed all the claims
25 alleged and we continued to discuss and review these items throughout the case as more information
26 was provided by Defendants. The review became even more detailed when reviewing and discussing
27 the payroll data sample that was produced as part of informal discovery for mediation. I also have
28 spent time working to identify potential witnesses and referring potential class members to my

1 attorneys. In addition, I have engaged in extensive follow-up on this case to remain informed of the
2 status of the proceedings.

3 7. I participated in the negotiations and settlement discussions in this case, including
4 participating in mediation via Zoom, speaking with my attorneys to answer questions, provide any
5 additional information needed to assist the negotiations, and discussing the potential terms of the
6 Agreement to evaluate its adequacy. Throughout the course of this litigation, I have asked questions
7 when I needed clarification about various aspects of this case to make sure steps were continually taken
8 to advance the interests of Class Members. I have reviewed the final Joint Stipulation of Class Action
9 and PAGA Settlement and Release, discussed the terms with my attorneys, and asked my attorneys any
10 questions I had. I believe the terms of the Settlement and allocations are fair and reasonable given the
11 facts of the case.

12 8. To date, I estimate that I have spent approximately 60-80 hours assisting my attorneys in
13 litigating the class and PAGA claims. I expect that the amount of time I spend on this case will
14 increase if preliminary approval is granted because Class Members will likely reach out to me about the
15 Settlement, the Notice of Settlement, and the process for receiving payment.

16 9. I believe I have experienced several substantial burdens as a result of filing this lawsuit
17 that other Class Members were not subject to. As noted above, I took on the professional risk of
18 lengthening my unemployment after working for Defendants because future employers were able to
19 see, from publicly available documents, that I sued my former employer. Additionally, I undertook the
20 risk of having to pay Defendants' litigation costs if the Court or jury ruled against us on the claims. I
21 have spent a substantial amount of time in this case, securing a monetary benefit for many individuals
22 who have not had to do anything whatsoever to have the opportunity to receive it. After I eventually
23 secured another job, the time I have spent on this case has had to occur during my lunch and/or break
24 times, after hours, and on my days off. Rather than spend this time with friends and family, I have
25 spent this time for the benefit of Class Members. I have further experienced the stress and anxiety of
26 litigation associated with the drawn-out timeline and uncertainty that this case has caused which has
27 negatively affected my mental health. I believe awarding the full Enhancement Payment is warranted
28

1 given the time I have spent on the case, the benefit secured for Class Members and the LWDA, and the
2 risks and burdens I have experienced as a result of this litigation.

3 10. I understand that any Enhancement Payment I may receive is for my participation as a
4 Class Representative and it is not contingent on my support or approval of this Agreement.

5 11. I have no interest in the designated *cy pres* beneficiary, Legal Aid At Work, whether
6 financial, in their governance, or otherwise.

7 I declare under penalty of perjury under the laws of the State of California that the foregoing is
8 true and correct. Executed on 07/06/2026 in Stockton, California.

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11 Jose L Hernandez

Jose L. Hernandez (Jul 6, 2026 17:19:11 PDT)

12 Jose Hernandez
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7 Attorneys for Plaintiff JOSE HERNANDEZ

8 [Additional Counsel on the Following Page]

9 **SUPERIOR COURT OF CALIFORNIA**

10 **FOR THE COUNTY OF SANTA CLARA**

11 PETE CRUZ and JOSE HERNANDEZ,
12 individually and on behalf of all other
13 similarly situated employees,

14 Plaintiffs,

15 vs.

16 QUANTUMSCAPE, an entity of unknown
17 form; QUANTUMSCAPE CORPORATION,
a Delaware Corporation; QUANTUMSCAPE
18 BATTERY, INC., a Delaware Corporation;
and DOES 1 to 100, inclusive,

19 Defendants.
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Case No. 23CV427117

Related to Case No.: 24CV439603

*Assigned for All Purposes to Hon. Theodore C.
Zayner, Dept. 19*

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PLAINTIFFS' MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND PAGA
SETTLEMENT**

Date: July 15, 2026

Time: 1:30

Dept.: 19

Judge: Hon. Theodore C. Zayner

Filed: December 4, 2023

FAC Filed: February 7, 2024

SAC Filed: December 9, 2025

Trial Date: None Set

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1 TO ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD:

2 The Motion for Preliminary Approval of Class Action and PAGA Settlement (“Motion”) in the
3 above referenced case came before this Court, on July 15, 2026, at 1:30 p.m., in Department 19 before
4 the Honorable Theodore C. Zayner, presiding. In the operative Complaint, Plaintiff Pete Cruz
5 (“Plaintiff Cruz”) and Plaintiff Jose Hernandez (“Plaintiff Hernandez”) (Plaintiff Cruz and Plaintiff
6 Hernandez collectively referred to as “Plaintiffs”) alleges that Defendants QuantumScape Corporation
7 and QuantumScape Battery, Inc., (collectively referred to as “Defendants”) violated California law by
8 failing to pay minimum wages, failing to pay wages and overtime wages, failing to provide meal and
9 rest periods, failing to pay vacation wages and sick leave wages at the regular rate of pay, failing to
10 reimburse necessary business expenses, failing to provide accurate wage statements, failing to keep
11 required payroll records, failure to timely pay wages, and failing to timely pay final wages. Plaintiffs
12 have also alleged Defendants are liable for civil penalties under the Private Attorneys General Act
13 (“PAGA”) based on these violations. Plaintiffs have also sought attorneys’ fees and costs. Defendants
14 have denied all of Plaintiffs’ claims and deny that this case is appropriate for class treatment other than
15 for settlement purposes. No class has been certified.

16 The Parties have agreed to settle the class and PAGA claims. Defendants will provide
17 monetary consideration in exchange for a release of claims consistent with the terms of the proposed
18 settlement as set forth in the Joint Stipulation Regarding Class Action and PAGA Settlement and
19 Release (“Agreement” or “Settlement”). Any capitalized terms herein shall have the same meaning as
20 set forth in the Agreement. The Court, having received and considered Plaintiffs’ Motion for
21 Preliminary Approval of Class Action and PAGA Settlement, the declarations in support, the
22 Agreement, the proposed Notice of Settlement, and other evidence, HEREBY ORDERS AND
23 MAKES DETERMINATIONS AS FOLLOWS:

24 **I. PRELIMINARILY CERTIFYING A SETTLEMENT CLASS; APPOINTMENT OF**
25 **CLASS REPRESENTATIVE; APPOINTMENT OF CLASS COUNSEL**

26 The Court finds that certification of the following class for settlement purposes only is
27 appropriate under the California Code of Civil Procedure and related case law:
28

1 All hourly, non-exempt employees who: a) only ever signed arbitration
2 agreements without a class waiver; b) did not sign any release, separation,
3 or settlement agreements waiving the claims alleged in the Actions
4 (inclusive of any waiver of rights to participate in any class or
representative PAGA settlement); and c) and worked for Defendant(s) in
the State of California at any point between March 1, 2020 through July 6,
2025

5 The Court recognizes that the foregoing definition is for Class Member identification purposes
6 only and is not intended to capture the claims at issue or limit or alter the released claims under the
7 Agreement.

8 The Court finds that Class Members meet the ascertainability and numerosity requirements since
9 the parties can identify with a matter of certainty, based on payroll records, individuals who fall within
10 the definition and the number of Class Members would make joinder impractical. The commonality and
11 predominance requirements are met for settlement purposes since there are questions of law and fact
12 common to Class Members. Plaintiffs also contend that the alleged violations caused derivative
13 violations for unfair competition and liability for civil penalties under the PAGA. Additionally, Class
14 Members seek the same remedies under state law. The typicality requirement for settlement purposes is
15 also satisfied since the wage and hour claims of the Class Representative are based on the same facts and
16 legal theories as those applicable to the Class Members.

17 The Court finds that preliminarily and conditionally certifying the settlement class is required to
18 avoid each Class Member from litigating similar claims individually. This Settlement will achieve
19 economies of scale for Class Members with relatively small individual claims and conserve the
20 resources of the judicial system.

21 The Court finds that Plaintiff Jose Hernandez his counsel, Galen T. Shimoda and
22 Justin P. Rodriguez, of Shimoda & Rodriguez Law, PC, to be adequate representatives for Class
23 Members. The Court appoints them as Class Representative and Class Counsel, respectively.

24 **II. PRELIMINARILY APPROVING CLASS ACTION AND PAGA SETTLEMENT**

25 The Court has reviewed the Agreement, which was submitted with Plaintiffs' Motion as Exhibit
26 A to the declaration of Justin P. Rodriguez. The Court finds, on a preliminary and conditional basis, that
27 the Settlement is fair, reasonable, and adequate and falls within a range of reasonableness that could
28 ultimately be given final approval by this Court. The Court finds the Settlement was agreed upon only

1 after extensive investigation, litigation, and arms-length negotiations by counsel experienced in complex
2 litigation, who took reasonable steps and measures to weigh the potential value of the disputed claims
3 against the risks of continued litigation. The Court also acknowledges that Class Members may present
4 any objections to the Settlement at a fairness hearing approved by this Court or opt-out of being bound
5 by the preliminarily approved Agreement. The Court preliminarily approves the Agreement and all
6 terms therein as if stated here in full, including the \$735,000 Gross Settlement Amount. The settlement
7 is non-reversionary and does not require Class Members to submit any claim form in order to
8 participate.

9 The Court approves of ILYM Group, Inc. acting as the Settlement Administrator in this case and
10 hereby appoints them to fulfill those duties in this case as outlined in the Agreement.

11 The Court finds that an award of fees under the common fund doctrine may be appropriate in this
12 case because there is a sufficiently identifiable class of beneficiaries (*i.e.* Class Members), the benefits
13 that Plaintiffs and Class Counsel were able to negotiate on behalf of Class Members can be accurately
14 traced as set forth in the Agreement, and the fee can be shifted with exactitude to those benefiting as the
15 fee request is a specific, lump-sum percentage of the Gross Settlement Amount. *See Laffitte v. Robert*
16 *Half Internat., Inc.*, 1 Cal.5th 480, 506 (2016); *Paul, Johnson, Alston & Hunt v. Graulity*, 886 F.2d 268,
17 271 (9th Cir. 1989); *Boeing Co. v. Van Gemert*, 444 U.S. 472, 477-478 (1980) (“A lawyer who recovers
18 a common fund for the benefit of persons other than . . . her client is entitled to a reasonable attorney’s
19 fee from the fund as a whole.”). The amounts allocated under the Agreement for attorney’s fees and
20 costs, an Enhancement Payment to the Class Representative, and Settlement Administrator Costs shall
21 be included in the Notice of Settlement to enable Class Members to review and comment thereon. The
22 Court will consider the reaction of Class Members when evaluating the reasonableness of the requested
23 amounts at final approval. *See In re Heritage Bond Litig.*, 2005 WL 1594403, *21 (C.D. Cal. 2005)
24 (“the absence of objections or disapproval by class members to class counsel’s fee request further
25 supports finding the fee request reasonable”). The Class Representative and Plaintiffs’ Counsel are
26 directed to provide information in connection with the motion for final approval that will enable the
27 Court to assess the appropriateness of any requested fee percentage, to perform a lodestar cross check of
28 the requested fee percentage, and to quantify the amount of time spent by the Class Representative on

1 this case and any further risks and/or burdens incurred as a result of acting as Class Representative.
2 Plaintiffs' Counsel are also directed to provide an updated declaration and itemization regarding actual
3 litigation costs incurred. The Settlement Administrator shall also submit a declaration attesting to
4 Settlement Administrator Costs incurred. The Court will review these amounts and allocations in
5 connection with the final approval hearing. To the extent the Court ultimately awards less than the
6 amounts allocated under the Agreement for attorney's fees and costs, any Enhancement Payment, and/or
7 Settlement Administrator Costs, the difference between the amounts awarded and the amounts requested
8 shall be added to the Net Settlement Amount for distribution to Participating Class Members pro rata as
9 set forth in the Agreement.

10 The Court finds that Plaintiffs have exhausted administrative remedies and are authorized to act
11 as representatives with respect to the alleged PAGA claims. The Court approves the \$218,750.00
12 PAGA Amount, which shall be paid from the Gross Settlement Amount, not in addition to the Gross
13 Settlement Amount, to resolve the alleged PAGA claims. Seventy-Five percent (75%) of the PAGA
14 Amount will be paid to the Labor and Workforce Development Agency ("LWDA") and Twenty-Five
15 percent (25%) will be paid to Aggrieved Employees on a pro rata basis as described in the Agreement.
16 The Court also finds that the Agreement provides a recovery that creates an effective, substantial
17 deterrent to any potential future non-compliance, furthering the purpose of the LWDA in enforcing the
18 California Labor Code.

19 The Court approves of the identified *cy pres* beneficiary and distribution plan wherein any
20 checks issued to Participating Class Members and/or Aggrieved Employees that are not cashed by the
21 deadline to do so shall be donated to Legal Aid At Work. *See In re Microsoft I-V Cases*, 135
22 Cal.App.4th 706, 718 (2006).

23 The releases and waivers for Class Members who do not opt out of being bound by the
24 Agreement, Aggrieved Employees, and the Class Representative are also approved by the Court as set
25 forth in the Agreement.
26
27
28

1 **III. APPROVAL OF THE NOTICE OF SETTLEMENT AND METHOD FOR**
2 **DISTRIBUTING THE NOTICE OF SETTLEMENT**

3 The Court finds that the proposed Notice of Settlement, attached to this Order as Exhibit 1 and
4 incorporated by reference, fairly and adequately advises Class Members and Aggrieved Employees of
5 the terms of Agreement, the rights being waived, Class Members' right to opt out, the ability to dispute
6 the number of workweeks and/or pay periods worked during the Class Period and/or PAGA Period, their
7 pro rata share of the settlement, how to participate in the settlement, how to file documentation in
8 opposition to the proposed settlement, and when to appear at the fairness hearing to be conducted on the
9 date set forth below. The Court further finds that the Notice of Settlement and proposed distribution of
10 it by first class mail to each identified Class Member and Aggrieved Employee at his or her most recent
11 address based on a National Change of Address database search from their last known address and a
12 skip trace on any Class Members who have the Notice of Settlement returned as "undeliverable" or "not
13 at this address" comports with all constitutional requirements, including those of due process.

14 The Court also finds that because there is a strong interest in providing Class Members the
15 opportunity to participate in the settlement, along with the Parties' efforts to minimize any intrusion on
16 privacy rights, the sharing of employment information as set forth in the Agreement is not a serious
17 intrusion on their privacy rights. Hence, the Court orders Defendants to provide Class Member and
18 Aggrieved Employee information to the Settlement Administrator as set forth in the Agreement and any
19 other information the Settlement Administrator needs to effectuate notice to Class Members and
20 Aggrieved Employees. The Class Member information will be provided to the Settlement Administrator
21 only, and not to Plaintiffs' Counsel, as contemplated within the Agreement and approved by this Order.
22 The Settlement Administrator shall only use this information for the purposes identified in the
23 Agreement and shall keep this information confidential consistent with the terms of the Agreement.

24 **IV. IMPLEMENTATION SCHEDULE**

25 Accordingly, with good cause shown, the Court hereby approves and orders that the following
26 implementation schedule be adhered to:

Last day for Defendants to provide Settlement Administrator with Class Member and Aggrieved Employee information (the “Class List”)	Within 14 calendar days after the Preliminary Approval Date
Last day for Settlement Administrator to complete NCOA search, update Class Member and Aggrieved Employee mailing information, and mail Notice of Settlement	Within 14 calendar days after the Settlement Administrators’ receipt of Class Members’ and Aggrieved Employees’ information from Defendants
Last day for Class Members to opt-out, submit disputes, submit objections, and submit data requests	60 calendar days after mailing of Notice of Settlement or within 10 days after Notice of Settlement is re-mailed, whichever is later
Last day for Settlement Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 14 calendar days after end of the Notice Period
Last day for Settlement Administrator to calculate the final Net Settlement Amount, the final Individual Settlement Amounts for Participating Class Members and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations to Plaintiffs’ Counsel and Defendants’ Counsel	Within 7 calendar days after the Effective Date
Last day for Defendants to fund settlement	Within 31 calendar days after the Effective Date
Last day for Settlement Administrator to deliver payment of Plaintiffs’ Counsel’s attorney’s fees and costs, Enhancement Payment, the LWDA Payment, Settlement Administrator Costs, payment to Participating Class Members, and payment to Aggrieved Employees	Within 7 calendar days after Defendants have funded the settlement

Last day for Participating Class Members and Aggrieved Employees to cash settlement checks	180 calendar days after issuance of checks to Participating Class Members and Aggrieved Employees
Last day for Settlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiary	Within 14 calendar days after settlement check cashing deadline
Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

V. FINAL APPROVAL AND HEARING

The Court hereby grants Plaintiffs' Motion and sets final approval hearing on the proposed date of November 20, 2026, at 1:30 p.m., with briefs and supporting documentation to be submitted according to the California Code of Civil Procedure, in this Department. Participating Class Members may object as set forth in the Agreement as well as appear and present such objections at the fairness hearing in person or by counsel.

If for any reason the Court does not grant final approval of the Agreement, all evidence and proceedings held in connection therewith shall be without prejudice to the status quo and rights of the parties to the litigation, including all challenges to personal jurisdiction and to class certification for any purpose other than approving a settlement class. The parties will revert to their respective positions as if no settlement had been reached at all.

IT IS SO ORDERED.

Date: _____

By: _____

Judge of the Superior Court

EXHIBIT 1

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

PETE CRUZ and JOSE HERNANDEZ, individually and
on behalf of all other similarly situated,

Plaintiffs,

vs.

QUANTUMSCAPE, an entity of unknown form;
QUANTUMSCAPE CORPORATION, a Delaware
corporation; QUANTUMSCAPE BATTERY, INC., a
Delaware corporation; and DOES 1 to 100, inclusive,

Defendants.

Case No. 23CV427117

Related to Case No.: 24CV439603

NOTICE OF PROPOSED CLASS ACTION AND PAGA
SETTLEMENT, AND HEARING DATE FOR FINAL
COURT APPROVAL OF SETTLEMENT

ATTENTION:

All hourly, non-exempt employees who: a) only ever signed arbitration agreements without a class waiver; b) did not sign any release, separation, or settlement agreements waiving the claims alleged in the Actions (inclusive of any waiver of rights to participate in any class or representative PAGA settlement) and worked for Defendant(s) in the State of California at any point between March 1, 2020 through July 6, 2025 ("Class Members").

All hourly, non-exempt employees who did not sign separation agreements with an individual or non-representative PAGA claims waiver and did not sign valid releases of individual PAGA claims and worked for Defendant(s) in the State of California at any point between December 4, 2022 through July 6, 2025 ("Aggrieved Employees" or "PAGA Employees").

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED CLASS ACTION AND PAGA SETTLEMENT AND POTENTIAL DISBURSEMENT OF SETTLEMENT FUNDS TO YOU. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO PARTICIPATE IN OR OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

You are receiving this notice pursuant to an order from the Santa Clara County Superior Court ("Court") granting Plaintiffs' motion for preliminary approval of a Class Action and Private Attorneys General Act ("PAGA") Settlement Agreement ("Agreement" or "Settlement") as fair, reasonable, and adequate. The Settlement was entered into by and between Plaintiffs Pete Cruz ("Cruz") and Jose Hernandez ("Hernandez") (both collectively referred to as "Plaintiffs"), on behalf of themselves, on behalf of all others similarly situated, and on behalf of all aggrieved employees, and Defendants QuantumScape Corporation ("QSC") and QuantumScape Battery, Inc. ("QSB") (collectively, "Defendants" or "QuantumScape"). Plaintiffs and Defendants are referred to herein individually as the "Party" and collectively as the "Parties." The terms of the Settlement are outlined herein.

You are receiving this notice because Defendants' records indicate that you fall within the definition of a "Class Member" and/or an "Aggrieved Employee" as defined above. Defendants' records indicate that you worked [REDACTED] workweeks between March 1, 2020, to July 6, 2025 (the "Class Period") as a Class Member. (If you worked during the Class Period but no amount of workweek is stated, then according to Defendants' records, you signed an arbitration agreement with a class waiver and are, therefore, not a Class Member.) Defendants' records also indicate that you worked [REDACTED] pay periods between December 4, 2022, to July 6, 2025 (the "PAGA Period") as an Aggrieved Employee. Based on these records, your total share of the settlement proceeds ("Individual Settlement Amount") is estimated to be [REDACTED]. Your actual share of the settlement proceeds may vary depending on the total number of Class Members that choose to participate in the Settlement and the resolution of any workweek disputes as described in this notice.

The terms of the Agreement and a description of the case are identified in this notice. Pursuant to the Court's order, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

I. BACKGROUND OF THE CASE

Plaintiffs are former QuantumScape employees. On December 4, 2023, Plaintiff Pete Cruz filed this class action lawsuit on December 4, 2023, in the Santa Clara County Superior Court, Case No. 23CV427117 ("*Cruz Action*"), alleging various wage and hour

claims against Defendants. Cruz later filed a First Amended Complaint on February 7, 2024, adding a claim for Private Attorneys General Act (“PAGA”) penalties based on the same California Labor Code violations alleged on behalf of the class. On March 1, 2024, Plaintiff Jose Hernandez filed a separate class arbitration with JAMS Arbitration, Ref. No. 5100001940 (“*Hernandez Arbitration*”), similarly alleging various wage and hour claims against Defendant QuantumScape Battery, Inc.. Plaintiff Hernandez also filed a separate lawsuit in the Santa Clara County Superior Court, Case No. 24CV439603 (“*Hernandez PAGA Action*”), on May 22, 2024, alleging a single cause of action for civil penalties under the PAGA based on the same California Labor Code violations alleged on behalf of the class in the *Hernandez Arbitration*. In order to streamline the cases and settlement negotiation process, Plaintiffs agreed to file a Second Amended Complaint (“*Complaint*”) in the *Cruz Action*, consolidating all wage and hour class and PAGA causes of action and allegations alleged in the *Cruz Action*, the *Hernandez Arbitration*, and the *Hernandez PAGA Action* (the “*Actions*”).

Plaintiffs, on behalf of themselves, Class Members, and Aggrieved Employees, allege that Defendants violated California state labor laws as a result of its alleged failure to, among other things: 1) failure to pay minimum wages, 2) failure to pay wages and overtime wages, 3) failure to provide meal periods or pay premiums in lieu thereof, 4) failure to provide rest periods or pay premiums in lieu thereof, 5) failing to pay vacation wages, 6) failure to pay sick time at the regular rate of pay, 7) failure to reimburse necessary business expenditures, 8) failure to provide accurate wage statements, 9) failure to keep required payroll records, 10) waiting time penalties, 11) violation of Business & Professions Code § 17200 *et seq.*, 12) penalties pursuant to Labor Code § 2699, *et seq.*, and 13) untimely payment of wages. All of the claims were actively litigated. There had been on-going investigations and exchange of extensive documentation and information. Furthermore, the Parties participated in an all-day, global mediation facilitated by a neutral third party. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class and PAGA settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Agreement, Defendants have denied, and continues to deny, all factual and legal allegations in the Complaint and believe that Defendants have valid defenses to these claims. Defendants have entered into this Settlement to fully, finally, and forever resolve the Actions as part of a compromise with Plaintiffs to avoid the burden and expense associated with ongoing litigation. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the Actions or that the Actions can or should proceed as class and/or PAGA actions.

The Agreement applies to any and all Class Members and Aggrieved Employees as defined above. If you are a Class Member, you have the opportunity to participate in the Settlement, or to exclude yourself (“opt out”) from the Settlement. This notice is to advise Class Members of how they can either participate or opt out from the Settlement. As set forth below, Aggrieved Employees cannot opt out of this Agreement as it relates to the PAGA Amount or Released PAGA Claims regardless of whether they opt out of being a Class Member. Aggrieved Employees will receive their share of the PAGA Amount regardless of whether they opt out of being a Class Member.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Agreement, Defendants have agreed to pay a total sum of Seven Hundred and Thirty-Five Thousand Dollars and Zero Cents (\$735,000.00) (“Gross Settlement Amount”) to settle underlying wage and hour class and PAGA claims. The Gross Settlement Amount is inclusive of 1) Plaintiffs’ Counsel’s attorneys’ fees (not to exceed one-third of the Gross Settlement Amount); 2) Plaintiffs’ attorneys’ costs (not to exceed \$32,500.00); 3) Settlement Administrator Costs (not to exceed \$12,500.00); 4) an Enhancement Payment to the Class Representative or Plaintiff Jose Hernandez (not to exceed \$10,000.00); 5) alleged PAGA penalties or the “PAGA Amount” (for \$218,750.00); and 6) “Net Settlement Amount” or amount available for distribution to Participating Class Members.

Any employer side taxes attributable to payments allocated as wages will be paid by Defendants in addition to the Gross Settlement Amount. As explained further below, the amount of each Class Member’s share of the Net Settlement Amount will depend on the number of workweeks worked by Participating Class Members during the Class Period. 75% of the PAGA Amount, or \$164,062.50, will be paid to the State of California Labor and Workforce Development Agency (“the LWDA Payment”). 25% of the PAGA Amount, or \$54,687.50, will be divided among Aggrieved Employees (“Employee PAGA Amount”). Each Aggrieved Employee’s share will depend on the number of pay periods worked by Aggrieved Employees during the PAGA Period.

The number of workweeks you worked during the Class Period, pay periods you worked during the PAGA Period, and your estimated total share of the Net Settlement Amount and PAGA Amount (“Individual Settlement Amount”) is stated on the first page of this notice. The actual amount received may be more or less than the amount stated depending on the actual number of workweeks worked by Participating Class Members (*i.e.*, those who do not opt out of the Settlement) and/or pay periods worked by Aggrieved Employees, the resolution of any disputes regarding workweeks and/or pay periods, and on the distributions finally approved and

allocated by the Court. However, whether Class Members opt out will have no effect on Aggrieved Employees' allocations for the PAGA claim.

B. Individual Settlement Amounts and Allocation Between Class Members and Aggrieved Employees

Defendants will pay Individual Settlement Amounts through the Settlement Administrator, as described below, to each Participating Class Member and to Aggrieved Employees. All Individual Settlement Amounts will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action that the amount payable to eligible Class Members from the Net Settlement Amount will be allocated and paid as 80% for disputed interest, statutory penalties, and other non-wage damages for which IRS Forms 1099-MISC and 1099-INT will issue and 20% for disputed wages for which an IRS Form W-2 will issue. The Employee PAGA Amount to Aggrieved employees will be paid as 100% for civil penalties.

Payment to Participating Class Members and Aggrieved Employees will not require the submission of a claim form. Each Participating Class Member's share will be determined by dividing their total workweeks worked within the Class Period by the total workweeks worked by all Participating Class Members within the Class Period. That fraction will then be multiplied by the Net Settlement Amount to arrive at the Class Member's individual share of the Net Settlement Amount. Each Aggrieved Employee's share of the Employee PAGA Amount (or \$54,687.50) will be determined by dividing their total pay periods worked within the PAGA Period by the total pay periods worked by all Aggrieved Employees within the PAGA Period. That fraction will then be multiplied by the Employee PAGA Amount to arrive at the Aggrieved Employee's individual share. Your share of the PAGA Amount is estimated to be [REDACTED]. This amount is included in your estimated Individual Settlement Amount stated on the first page of this notice, not in addition to it. You will still receive your share of the Employee PAGA Amount even if you opt out of being a Class Member. Receipt of the Individual Settlement Amounts will not entitle any Class Member or Aggrieved Employee to additional compensation or benefits under any compensation, retirement or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Defendants' Records and Resolution of Workweek and/or Pay Period Disputes

The amount payable will be calculated by the Settlement Administrator from Defendants' records. Defendants' records will be presumed correct unless evidence to the contrary is provided to the Settlement Administrator. Defendants' records and any additional evidence will be reviewed by the Settlement Administrator in the event of a dispute about the number of workweeks and/or pay periods worked by an individual Class Member and/or Aggrieved Employee. If you dispute the accuracy of Defendants' records, all supporting documents evidencing additional workweeks and/or pay periods must be submitted by the Class Member and/or Aggrieved Employee. The dispute must (a) identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c) be signed; and (d) be post-marked no later than [REDACTED]. The dispute will be resolved by the Settlement Administrator based on the records and evidence provided.

D. Release of Claims

For those Class Members who do not opt out and Aggrieved Employees, the Agreement contains the following releases:

Class members who do not opt out will be deemed to have released any and all claims that are alleged in the Complaint, and any additional claims that reasonably could have been brought based on the facts alleged in the Complaint, through the Class Period. This release excludes the release of claims not permitted by law (the "Released Class Claims").

Aggrieved Employees will be deemed to have released any and all claims that were alleged under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* in Plaintiffs' notice letters to the LWDA, and any additional wage and hour PAGA claims that reasonably could have been brought based on the facts alleged in Plaintiffs' notice letters to the LWDA during the PAGA Period. This release excludes the release of claims not permitted by law (the "Released PAGA Claims").

The individuals released ("Released Parties") Defendants QuantumScape Corporation and QuantumScape Battery, Inc., and each of their respective former, current, and future parents, subsidiaries, affiliates, joint ventures, directors, officers, shareholders, members, agents, principals, heirs, representative, insurers and reinsurers, and their respective predecessors, successors, and assigns.

Class Members and/or Aggrieved Employees can talk to Plaintiffs' Counsel (listed below) for free or talk to their own lawyer if they have questions about the released claims and what they mean.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Participating in the Settlement as a Class Member

If you wish to be a Participating Class Member and believe your workweek information is accurate, **you do not need to take any further action**. Payment will be automatically made to you consistent with the terms of the Agreement and Court Order. If you wish to dispute the workweek calculation, you may follow the procedures outlined in Section II.C above. California law protects Class Members from retaliation based on their decision to participate in the Settlement.

B. Excluding Yourself from the Settlement as a Class Member

The Court will exclude you from being a Class Member if you submit a valid and timely written request this by [redacted]. If you do not wish to be bound by the Settlement as a Class Member, you may request to be excluded (*i.e.* “opt out”) by submitting a timely written request to the Settlement Administrator expressly and clearly indicating so. The request to opt-out must (a) state your full name and date of birth; (b) a statement that you do not want to be a Class Member, do not want to participate in the Settlement, and/or want to be excluded from this Settlement; (c) identify the case name and number (*i.e.* *Cruz, et al. v. QuantumScape, et al.*, Case No. 23CV427117); (d) be signed; and (e) be post-marked no later than [redacted]. The request to opt out must be mailed by First Class U.S. Mail, or the equivalent, to:

[admin info]

If you submit a request to opt out which is not postmarked by [redacted], your request to opt out will be rejected, and you will be bound by the release and all other terms of the Agreement. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your request to opt out. Any Class Member who submits a complete and timely request to opt out shall, upon receipt by the Settlement Administrator, no longer be a Class Member and not receive their share of the Net Settlement Amount. Aggrieved Employees cannot opt out of this Agreement and will receive their share of the Employee PAGA Amount regardless of whether they opt out of being a Class Member.

C. Objection to Settlement

If you do not opt out of the Settlement, you can object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. You can ask the Court to deny approval by submitting an objection. You **cannot** ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. You may submit a written objection, which should (a) state your full name and date of birth; (b) provide evidence that you are, in fact, a Class Member; (c) state the reasons for the objection(s), including supporting documentation; (d) identify the case name and number (*i.e.* *Cruz, et al. v. QuantumScape, et al.*, Case No. 23CV427117); (e) be signed; and (f) be post-marked no later than [redacted]. Written objections must be sent to the Settlement Administrator at the address identified in Section III.B.

Additionally, or in the alternative to sending a written objection to the Settlement Administrator, you may appear at the final approval hearing to state your objection provided you notify the Court of your intention to do so by filing a notice of intent to appear at the final approval hearing. A notice of intent to appear at the final approval hearing may be filed with the Court at 191 N. 1st Street, San Jose, California 95113. Any Class Member who does not request exclusion may, if the Class Member so desires, enter an appearance through an attorney. If you appear through your own attorney, you are responsible for paying that attorney.

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

If the Court grants final approval of the Settlement, the Court will make and enter judgment consistent therewith. A notice of entry of judgment will be filed with the Court and available online at <https://portal.scscourt.org/search>. Simply, enter in the case number (23CV427117) in the “Case Number Search” box provided on the webpage, which will redirect you to the case information webpage. Copies of all filed documents may then be found under the “Events” tab. The judgment, whether favorable or not, will bind all Class Members who do not request exclusion. After final approval, each and every Class Member who does not opt out of the Settlement and Aggrieved Employee, will release Defendants and the Released Parties from the Released Class Claims and the Released PAGA Claims described above. In other words, if you were employed as a Class Member by Defendants in California during the Class Period, and you do not exclude yourself from the Settlement, you will be deemed to have entered into these releases and to have released

the above-described claims. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 19, 161 North First Street, San Jose, California, 95113, on [redacted] at [redacted] to determine whether the Agreement should be finally approved as fair, reasonable and adequate. The Court will also be asked to approve Plaintiffs' Counsel's request for attorneys' fees and costs, Settlement Administrator Costs, and the Class Representative's Enhancement Payment. The hearing may be continued without further notice. It is not necessary for you to appear at this hearing.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, Complaint, and Plaintiffs' Counsel's motion for preliminary approval may be examined either (a) online at <https://portal.sccscourt.org/search>, or (b) in person at Records, Superior Court of California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday. You can also contact Plaintiffs' Counsel or Defendants' Counsel as follows:

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On behalf of Defendants

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE ADMINISTRATION PROCESS. IF YOU HAVE ANY QUESTIONS, CALL [redacted]

BY ORDER OF THE COURT