

HAINES LAW GROUP, APC

Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Sean M. Blakely (SBN 264384)
sblakely@haineslawgroup.com
Joel M. Gordon (SBN 280721)
jgordon@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355

Attorneys for Plaintiff

ELECTRONICALLY

FILED

5/2/2025 3:33 PM

SAN LUIS OBISPO SUPERIOR COURT
BY 
Julie Viera, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN LUIS OBISPO

JOSE GONZALEZ, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

CALIFORNIA CUSTOM POWER SPORTS,
INC., a California corporation; and DOES 1
through 100,

Defendants.

Case No.: 24CVP-0190

*[Assigned for all purposes to the Hon.
Michael C. Kelley, Paso Robles Dept. 2]*

**DECLARATION OF SEAN M.
BLAKELY IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

7-29-25

Date: ~~May 29, 2025~~

Time: 9:00 a.m.

Dept: P2, Paso Robles Branch

Action Filed: May 31, 2024

Trial Date: None Set

1 I, SEAN M. BLAKELY, declare as follows:

2 1. I am a Partner at Haines Law Group, APC, and counsel for the named Plaintiff
3 Jose Gonzalez ("Plaintiff") and the proposed Settlement Class in the above-captioned matter. I
4 am a member in good standing of the bar of the State of California and am admitted to practice
5 in this Court. I have personal knowledge of the facts stated in this declaration and could testify
6 competently to them if called upon to do so.

7 2. I am a 2008 graduate of Southwestern Law School. I was admitted to the California
8 State Bar in September 2009. From December 2010 to September 2011, I worked as a Law Clerk
9 for Rose, Klein & Marias, a civil litigation firm in Long Beach, California. At Rose, Klein &
10 Marias I assisted trial attorneys in employment and personal injury cases. From September 2011
11 to May 2016, I worked as an associate at the employment law firm of Mahoney Law Group, APC
12 in Long Beach, California. The vast majority of my work at Mahoney Law Group, APC focused
13 on representing employees in wage and hour class actions. My work at Mahoney Law Group,
14 APC also included representing employees in individual claims for wrongful termination,
15 harassment, discrimination, and retaliation. Although non-exhaustive, the types of work I
16 performed at Mahoney Law Group, APC included: conducting client intakes performing pre-
17 filing research and analysis, drafting complaints, attending court hearings, corresponding with
18 opposing counsel, drafting and responding to written discovery, preparing for and taking and
19 defending depositions, analyzing payroll and timekeeping records and employee handbooks,
20 opposing motions for summary judgment, as well as a variety of other motions such as motions
21 for remand, demurrers and motions to dismiss, motions to strike, motions to compel, motions to
22 quash, and motions for class certification, drafting mediation briefs, attending mediations,
23 drafting long-form settlement agreements, drafting motions for preliminary and final settlement
24 approval, and overseeing the notice process.

25 3. Since November 8, 2016, I have worked at my current firm, Haines Law Group,
26 APC, where, in 2020, I became a Partner. I am currently responsible for managing over forty
27 (40) active wage and hour class and representative actions in both state and federal court.

28 4. The following is a non-exhaustive list of wage and hour class actions in which I

1 have been appointed as class counsel and/or played a significant role in prosecuting the litigation,
2 and which have received final approval: *Santimateo v. Sun Healthcare Group, Inc., et al*, Case
3 No. BC471884, California Superior Court, Los Angeles County, Judge Jane L. Johnson presiding
4 (granted final approval of settlement on behalf of employees at rehabilitation facility involving
5 claims for unpaid wages and meal and rest period violations, and other claims, in which I was
6 approved at an hourly rate of \$325 for work performed in 2012-2013); *Teyuca v. Pacific Alliance*
7 *Medical Center, Inc.*, California Superior Court, Los Angeles County, Judge William F.
8 Highberger presiding (granting final approval of settlement on behalf of healthcare workers for
9 unpaid wages, meal and rest period violations, and other claims, in which I was approved at an
10 hourly rate of \$325 for work performed in 2012-2013); *Arteaga v. Command Center Security,*
11 *Inc.*, Case No. BC480496, California Superior Court, Los Angeles County, Judge John Shepard
12 Wiley, Jr. presiding (granting final approval of settlement on behalf of security guards involving
13 claims for unpaid overtime, meal and rest period violations, and other claims, in which I was
14 approved at an hourly rate of \$425 for work performed in 2012-2015); *Casadine v. Maxim*
15 *Healthcare Services, Inc.*, Case No. CV 12-10078-DMG (CWx), United States District Court,
16 Central District of California, Judge Dolly M. Gee presiding (granting final approval of settlement
17 on behalf of home health care employees involving claims for unpaid wages and other claims, in
18 which I was approved at an hourly rate of \$425 for work performed in 2012-2015); *Guzman v.*
19 *Andrew Lauren Interiors, Inc., et al.*, Case No. BC567757, California Superior Court, Los
20 Angeles County, Judge Elihu M. Berle presiding (granting final approval of settlement on behalf
21 of construction workers involving claims for unpaid wages, meal and rest period violation, and
22 other claims, in which I was approved at an hourly rate of \$425 for work performed in 2014-
23 2016); *Booker v. The Goodyear Tire and Rubber Company*, Case No. BC498399, California
24 Superior Court, Los Angeles County, Judge Amy Hogue presiding (granting final approval of
25 settlement on behalf of tire mechanics involving claims for unpaid wages, meal and rest period
26 violations, and other claims, in which I was approved at an hourly rate of \$425 for work performed
27 in 2013-2015); *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior
28 Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of

1 settlement on behalf of IT support workers for overtime, meal and period, reimbursement, and
2 related violations, approved at hourly rate of \$475 for work performed in 2016 and 2017); *Galvan*
3 *v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California
4 Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of
5 settlement on behalf of non-exempt employees of a chemical manufacturing company involving
6 claims for unpaid overtime and waiting time penalties); *Razon v. TTM Technologies, Inc., et al.*,
7 Case No. 37-2016-00038326-CU-OE-CTL, California Superior Court, San Diego County, Judge
8 Gregory W. Pollack presiding (granting final approval of settlement involving claims for unpaid
9 overtime wages, wage statement violations, and meal period violations); *Blank v. Coty, Inc., et*
10 *al.*, Case No. BC624850, California Superior Court, Los Angeles County, Judge Williams F.
11 Highberger presiding (granting final approval of settlement involving claims for wage statement
12 violations, meal period violations, and other claims); *Morales v. Caremeridian, LLC, et al.*, Case
13 No. BC593191, California Superior Court, Los Angeles County, Judge William F. Highberger
14 presiding (granting final approval of settlement on behalf of direct support professionals
15 involving claims for unpaid wages, meal and rest period violations, wage statement violations,
16 and other claims); *Aguilar v. Act Fulfillment, Inc.*, Case No. RIC1616643, California Superior
17 Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement
18 on behalf of non-exempt factory workers involving claims for meal period violations); *Sandoval*
19 *v. AMCOR Flexibles Inc.*, Case No. BC617499, California Superior Court, Los Angeles County,
20 Judge Kenneth R. Freeman presiding (granting final approval of settlement on behalf of
21 manufacturing employees involving claims for unpaid wages, meal period violations, rest period
22 violations, and waiting time penalties); *Le v. GBW Railcar Services, L.L.C.*, Case No.
23 RIC1612209, California Superior Court, Riverside County, Judge Sharon J. Waters presiding
24 (granting final approval of settlement on behalf of non-exempt employees of a freight railcar
25 manufacturer involving claims for unpaid overtime and minimum wages, meal period violations,
26 and rest period violations); *Silva v. ADJ Products, LLC*, Case No. BC618581, California Superior
27 Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of
28 settlement involving claims for unpaid overtime and minimum wages, rest period violations,

wage statement violations, and waiting time penalties); *Lira v. Discus Dental, LLC, et al.*, Case No. CIVDS1620402, California Superior Court, San Bernardino County, Judge David Cohn presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and other claims); *Gonzales v. PathPoint*, Case No. BC657147, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt direct support professionals involving claims for meal and rest period violations and other claims); *Duran v. PRADA USA CORP.*, Case No. BC644319, California Superior Court, Los Angeles County, Judge Maren E. Nelson presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid overtime wages, meal and rest period violations, failure to reimburse for necessary expenditures, and other claims); *Banegas v. UPM, Inc.*, Case No. BC644438, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid wages, meal and rest period violations, and other claims); *Palafox v. Pacific Line Clean-Up, Inc.*, Case No. 30-2017-00921632-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime wages, meal and rest period violations, and other claims); *Janet Arroyo v. AST Sportswear, Inc., dba Bayside Apparel Manufacturing, Inc.*, Case No. 30-2017-00909663-CU-OE-CXC, California Superior Court, Orange County, Judge Glenda Sanders presiding (granting final approval of settlement on behalf of non-exempt garment employees involving claims for unpaid minimum wages, meal and rest period violations, and other claims); *Carlos Garcia v. Fabrica International, Inc.*, Case No. 30-2017-00949461-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and statutory penalties); *Jonathan Leon v. Piercey West, Inc.*, Case No. BC656874, California Superior Court, Los Angeles County, Judge Amy D. Hogue presiding (granting final approval of settlement on behalf

1 of non-exempt commissioned salespersons and other employees involving claims for unpaid
2 wages, meal and rest period violations, unreimbursed business expenses, and other claims); and
3 *Matthew Tovar, et al. v. Rentokil North America, Inc.*, Case No. BC676386, California Superior
4 Court, Los Angeles County, Judge Daniel J. Buckley presiding (granting final approval of
5 settlement on behalf of non-exempt employees involving claims for unpaid overtime, meal and
6 rest break violations, and other claims); *Seungmin Samantha Lee v. Infor (US) Inc.*, Case No.
7 CGC-18-566393, California Superior Court, San Francisco County, Judge Ethan P. Schulman
8 presiding (granting final approval of settlement on behalf of sales development representatives
9 involving claims for unpaid overtime, meal and rest period violations, and penalty claims); *Tracy*
10 *Aguilar, et al. v. Aero Port Services, Inc.*, Case No. BC659234, California Superior Court, Los
11 Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf
12 of non-exempt employees involving claims for meal and rest period violations, and other claims);
13 *Carlos Perez, et al. v. Moss Bros. Auto Group, Inc., et al.*, Case No. RIC1709905, California
14 Superior Court, Riverside County, Judge Sunshine S. Sykes presiding (granting final approval of
15 settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid
16 wages, meal and rest period violations, other claims); and *Julio Alfaro v. Orange Automotive*
17 *d/b/a Kia of Orange*, Case No. 30-2017-00945105-CU-OE-CXC, California Superior Court,
18 Orange County, Judge Randall J. Sherman presiding (granting final approval settlement on behalf
19 of non-exempt commissioned employees involving claims for unpaid wages, meal and rest period
20 violations, unreimbursed business expenses, and penalty claims).

21 5. I have also moved to certify and have received an order certifying a class action in
22 *Ontiveros v. Safelite Fulfillment, Inc., et al.*, Case No. CV 15-7118-DMG (RAOx), United States
23 District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six
24 classes of employees for rest period violations, wage statement violations, meal period violations,
25 and overtime and double-time violations); and *Vazquez v. Kraft Heinz Foods Company*, Case No.
26 16-CV-02749-WQH (BLM), United States District Court, Southern District of California,
27 Honorable William Q. Hayes, presiding (certifying unpaid wages classes, meal period classes,
28 wage statement class, and waiting time penalty class).

1 6. In 2018-2023, Thomson Reuters recognized me as a Top Young Attorney in
2 Southern California in the annual Rising Star Edition of Super Lawyers. This is an honor awarded
3 to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in Southern
4 California each year.

5 7. As counsel for Plaintiff and the proposed Settlement Class, I have been intimately
6 involved in this case since its inception and I believe that the proposed Settlement is a favorable
7 result for the Settlement Class.

8 8. In business since 1984, Defendant California Custom Power Sports, Inc.
9 (“California Custom”) specializes in the sale and service of trailers, power sports vehicles, and
10 marine products and operates multiple locations throughout the State of California.

11 9. On May 31, 2024, Plaintiff filed this class action asserting causes of action for: (1)
12 failure to pay all overtime wages; (2) meal period violations; (3) rest period violations; (4) wage
13 statement violations; (5) failure to indemnify for all necessary business expenditures; (6) waiting
14 time penalties; (7) failure to pay sick pay; and (8) unfair competition in violation of Cal. Business
15 & Professions Code § 17200, *et seq.* On June 3 2024, Plaintiff sent his Private Attorneys General
16 Act, Cal. Labor Code § 2698 *et seq.* (“PAGA”) notification letter to the Labor & Workforce
17 Development Agency (“LWDA”). Attached hereto as **Exhibit B** is a true and correct copy of the
18 June 3 2024 LWDA Letter. Subsequently, on August 8, 2024, Plaintiff filed a First Amended
19 Class and Representative Action Complaint (“FAC”) adding a cause of action for civil penalties
20 under the PAGA. As a condition of the Settlement, the Parties stipulated to the filing of the
21 operative Second Amended Class and Representative Action Complaint (“SAC”), which added a
22 claim for failure to pay all minimum wages and added certain factual allegations pertaining to
23 California Custom’s alleged rounding and timekeeping policies and/or practices. The SAC was
24 filed on April 14, 2025.

25 10. In connection with mediation, California Custom provided my office with
26 timekeeping and payroll records for approximately 20% of the non-exempt employees employed
27 during the Class Period. California Custom also provided relevant data points such as the total
28 number of putative class members and workweeks worked during the Class Period, along with its

1 written policies and/or procedures in use during the Class Period. My office hired a labor
2 economist with a Ph.D. in economics to assist us in conducting a comprehensive analysis and
3 extrapolation of the payroll and timekeeping data produced by California Custom to create a
4 detailed exposure analysis for all claims at issue. This discovery allowed the Parties to assess the
5 merits and value of Plaintiff's claims, the chances of certification of Plaintiff's claims, and
6 California Custom's potential defenses.

7 11. On January 9, 2025, the Parties participated in a full-day mediation with Michael
8 Ludwig, Esq., a well-respected wage and hour class action mediator. During mediation, the
9 Parties vigorously debated their opposing legal positions, the likelihood of certification of
10 Plaintiff's claims, and the legal basis for the claims and defenses. At the conclusion of mediation,
11 Mr. Ludwig issued a mediator's proposal for a class-wide settlement, which was accepted by both
12 sides. During the months that followed, the Parties finalized the terms of the Settlement and
13 executed the Joint Stipulation and Settlement Agreement now before the court. A true and correct
14 copy of the Joint Stipulation and Settlement Agreement is attached hereto as **Exhibit A**. The
15 proposed Class Notice and Notice of Estimated Individual Settlement Payment are attached as
16 **Exhibits 1 and 2** respectively, to the Settlement Agreement.

17 12. The monetary terms of the Settlement are summarized below:

18	• Gross Settlement Amount:	\$600,000.00
19	• Minus Court-approved attorneys' fees:	\$200,000.00
20	• Minus Court-approved verified costs (up to):	\$30,000.00
21	• Minus Court-approved Enhancement Payment:	\$10,000.00
22	• Minus amount set aside as PAGA penalties:	\$20,000.00
23	• <u>Minus estimated settlement administration costs:</u>	<u>\$8,000.00</u>
	Net Settlement Amount:	\$332,000.00
	• Plus 25% "PAGA Amount" to Settlement Class:	\$5,000.00
	Total Amount Paid to Class Members:	\$337,000.00

24 13. According to California Custom, there are approximately 188 Class Members.
25 Therefore, the average Individual Class Payment from the Net Settlement Amount is projected to
26 be approximately \$1,765.96. There are also approximately 107 Aggrieved Employees during the
27 PAGA Period who will receive an average of approximately \$46.73 from the PAGA Penalties.

28 14. Plaintiff alleges California Custom failed to provide legally compliant first meal

1 periods because California Custom's policies/practices failed to provide Plaintiff and other non-
2 exempt employees with a timely, duty-free, and uninterrupted 30-minute meal period
3 commencing before the end of the fifth hour of work. Plaintiff further alleges that California
4 Custom failed to record meal periods altogether for many shifts during the Class Period and
5 automatically deducted 30-60 minutes on those workdays for a purported meal period, even
6 though Class Members were not always provided with a timely compliant meal period on those
7 shifts. Based on Plaintiff's review and extrapolation of the timekeeping records California
8 Custom produced, of the records where employees were recording their meal periods, 11,258 first
9 meal periods show a facial meal period violation. Furthermore, 10,284 shifts reflect a missing
10 first meal period due to California Custom's auto-deduct practices. California Custom's records
11 further reflect that it paid approximately 34 meal period premium payments during the Class
12 Period. Therefore, Plaintiff calculated California Custom's maximum exposure for first meal
13 period violations at approximately \$423,493 ([21,542 non-compliant first meal periods * \$19.69
14 average meal period premium] – 34 meal period premiums paid). California Custom counters that
15 it maintained compliant meal period policies throughout the Class Period, and that the company
16 always provided compliant meal periods in line with those policies. California Custom further
17 contends that it always provided employees the opportunity to take meal periods and is not
18 required to ensure they are taken. Finally, California Custom argues that these claims are not
19 suited for class treatment, as individual inquiries would be needed to assess which employees
20 took non-compliant meal periods or missed meal periods, how many meal periods were non-
21 compliant or missed, and the reasons why a particular employee did not take a compliant meal
22 period on a particular shift. In light of these defenses and arguments, Plaintiff discounted
23 California Custom's maximum exposure by 25% for the risk of non-certification, and an
24 additional 30% to account for California Custom's defenses on the merits or failing to recover the
25 full amount sought, to arrive at an estimated total of approximately \$222,334.

26 15. Plaintiff further alleges that Class Members were not provided with second meal
27 periods when they worked shifts in excess of 10.0 hours in a workday. Plaintiff's analysis of the
28 timekeeping data showed that during the Class Period, there were approximately 456 shifts

1 worked in excess of 10.0 hours where a second meal period violation occurred. Therefore,
2 Plaintiff calculates California Custom's maximum exposure for second meal period violations at
3 approximately \$8,979 (456 second meal period violations * \$19.69 meal period premium).
4 However, Plaintiff's theory of liability carried significant risks of both non-certification and on
5 the merits if Plaintiff was able to certify this claim, based on, *inter alia*, California Custom's
6 argument that it has maintained compliant written meal period policies throughout the Class
7 Period, and Class Members voluntarily waived their second meal period on shifts in excess of
8 10.0 hours but less than 12.0 hours per Labor Code § 512. In light of these risks, Plaintiff
9 discounted the maximum amount that the class could potentially recover by 35% for a risk of
10 non-certification, and an additional 50% for a risk of losing on the merits, or having exposure
11 reduced due to California Custom's waiver arguments, to arrive at estimated exposure of
12 approximately \$2,918.

13 16. Plaintiff contends that for at least a portion of the Class Period, California Custom
14 utilized a timekeeping system that systematically underpaid wages to Class Members.
15 Specifically, Plaintiff contends that although California Custom's timekeeping system recorded
16 hours worked to the minute, California Custom rounded employee timekeeping entries, resulting
17 in an underpayment of wages to Class Members. Based on Plaintiff's analysis of California
18 Custom's timekeeping and payroll data, Plaintiff estimates that Class Members were underpaid
19 by approximately 821.5 hours during the Class Period. Since employees were generally scheduled
20 for eight-hour shifts, unpaid wages should be calculated using the applicable overtime rate.
21 Accordingly, Plaintiff calculates California Custom's liability for this claim at approximately
22 \$24,267 (821.5 unpaid hours * \$29.54 average overtime rate). However, California Custom
23 counters that its timekeeping policies/practices complied with California law and that it has
24 always properly compensated Class Members for all hours worked throughout the Class Period.
25 California Custom also asserts that it stopped its rounding policies/practices, thereby cutting off
26 any liability for this claim. California Custom asserts that this claim is not amenable to class
27 certification due to the individualized inquiries that would be required into whether each Class
28 Member was in fact underpaid, or potentially overpaid, for each workday in question, including

1 whether they were performing compensable work while clocked in for their shift. In light of
2 California Custom's arguments and defenses, Plaintiff discounted the maximum recovery on this
3 claim by 40% to account for the risk of non-certification and an additional 55% to account for
4 being unsuccessful on the merits or failure to recover the full amount sought, for a projected total
5 of approximately \$6,552.

6 17. Plaintiff alleges that California Custom failed to pay all overtime wages owed by
7 not including the value of all non-discretionary remuneration into the regular rate of pay.
8 Specifically, Plaintiff alleges that he and other non-exempt employees were paid sales-related
9 bonuses identified on employees' paychecks as "Sales Incentives," "Shop Incentive," "Bonus,"
10 and "2% Sales Setup Initiative." Plaintiff contends California Custom failed to include the value
11 of these payments into the regular rate of pay for purposes of calculating overtime, and as a result,
12 underpaid overtime wages. Based on Plaintiff's review of payroll records, overtimes wages owed
13 to employees due to the failure to include various payments into the regular rate was
14 approximately \$41,935. California Custom contends that it properly included all forms of
15 remuneration when calculating the regular rate of pay, and therefore, paid all overtime wages to
16 Class Members. California Custom further argues that Class Members received different types of
17 bonuses throughout the Class Period, creating substantive differences among the Class Members
18 with respect to the incentives received, making class certification unlikely. In light of these
19 defenses, Plaintiff discounted the maximum amount that the class could potentially recover by
20 15% for risk of non-certification and discounted an additional 20% for risk of being unsuccessful
21 on the merits or failure to recover the full amount sought, to arrive at an estimated total of
22 approximately \$28,516.

23 18. Plaintiff alleges that California Custom failed to authorize and permit legally
24 compliant off-duty rest periods to Plaintiff and other Class Members. Specifically, Plaintiff
25 contends that employees were regularly prevented from taking off-duty rest periods due to chronic
26 understaffing and work demands imposed by California Custom. Based on Plaintiff's analysis and
27 extrapolation of employee timekeeping records, there were approximately 51,363 shifts in excess
28 of 3.5 hours worked by Class Members during the Class Period. As such, Plaintiff calculates

1 California Custom's maximum exposure for rest period violations at approximately \$1,011,337
2 (51,363 rest period eligible shifts * \$19.69 average premium). California Custom counters that it
3 maintained and enforced lawful rest period policies/practices during the Class Period, and has, in
4 fact, authorized and permitted all required rest periods to Class Members. California Custom
5 further argues that Plaintiff's rest period claim is not amenable to class treatment, since individual
6 inquiries would be required to determine which employees failed to take rest periods, how many
7 rest periods they failed to take, and the reasons why each employee failed to take rest period(s)
8 on a particular shift. These manageability concerns are especially pertinent with respect to rest
9 period claims, California Custom argues, given that rest periods are not recorded. Given these
10 defenses, Plaintiff discounted this maximum amount by 50% for risk of non-certification, and an
11 additional 60% for a risk of being unsuccessful on the merits or of failing to recover the full
12 amount sought, to arrive at an estimated realistic exposure of approximately \$202,268.

13 19. Plaintiff contends that California Custom required Class Members to use their
14 personal cellphones for a variety of work activities, including but not limited to, communicating
15 with supervisors, but were not reimbursed for these business expenses. Based on California
16 Custom's data, Plaintiff estimated that Class Members worked approximately 11,780 aggregate
17 workweeks during the Class Period. Assuming a \$2.50 reimbursement per workweek for cellular
18 phone data, Plaintiff calculated California Custom's maximum exposure at approximately
19 \$29,450 (\$2.50 unreimbursed cellular phone data * 11,780 workweeks). California Custom
20 maintains that Class Members were not required to use their personal cellular phones as part of
21 their job. California Custom further argues that any expenses incurred by Class Members were
22 minimal, given the wide availability of low-cost cellular phone plans. Lastly, California Custom
23 argues this claim is not suitable for class treatment, as it would require individualized
24 determinations as to whether each Class Member used a personal cellular phone for work-related
25 purposes, and if so, how much of that use was a reasonable percentage of their individual monthly
26 phone bill. Therefore, in light of these arguments and the presence of the arbitration agreements,
27 Plaintiff discounted the maximum exposure by 50% for the risk of non-certification, and an
28 additional 65% for risk of losing on the merits, to arrive at an estimated exposure of \$5,154.

1 20. As a result of the unpaid wages and unpaid meal and rest period premium wages
2 described above, Plaintiff alleges that California Custom is liable for wage statement penalties.
3 Plaintiff's analysis reflected that there were approximately 107 unique employees and
4 approximately 2,199 pay periods worked during the liability period applicable to Plaintiff's wage
5 statement claim. Plaintiff, therefore, calculated California Custom's potential wage statement
6 exposure at approximately \$214,550 (107 "initial" violations * \$50 penalty) + (2,092
7 "subsequent" violations * \$100 penalty). In light of California Custom's arguments that no
8 violations occurred, that employees suffered no "injury," that any alleged violations were not
9 "knowing and intentional," that the wage statements always accurately reflected hours worked
10 and amounts paid to employees, as well as risks associated with Plaintiff's underlying claims
11 discussed above, Plaintiff discounted the maximum exposure by 45% for risk of non-certification,
12 and by an additional 60% for risk of being unsuccessful on the merits, for an estimated realistic
13 exposure of approximately \$47,201.

14 21. As a further result of the unpaid wages and unpaid meal and rest period premium
15 wages described above, Plaintiff alleges that California Custom failed to comply with its final
16 pay obligations set forth in Labor Code §§ 201-203. Based on an hourly rate of \$19.69, Plaintiff
17 estimated the average waiting time penalty per former employee to be approximately \$4,726
18 ($\$19.69 * 8 \text{ hours per day} * 30 \text{ days}$). Therefore, Plaintiff calculated California Custom's
19 maximum exposure for potential waiting time penalties to be approximately \$524,586 (111
20 former employees * \$4,726 average penalty). California Custom argues that it possesses strong,
21 good-faith defenses to Plaintiff's underlying claims, thus precluding recovery of waiting time
22 penalties, which are only available for the "willful" failure to pay wages. Moreover, because the
23 waiting time claim is derivative of Plaintiff's underlying wage claims, Plaintiff would need to
24 overcome California Custom's defenses, both as to class certification and on the merits, as to his
25 underlying claims. To account for California Custom's defenses, Plaintiff discounted the
26 maximum exposure by 50% for the risk of non-certification and an additional 65% for the risk of
27 losing on the merits and/or not receiving the maximum penalties sought, to arrive at an estimated
28 exposure of approximately \$91,803.

1 22. As a result of the foregoing Labor Code violations, Plaintiff alleges that California
2 Custom is liable for civil penalties under the PAGA. Based on Plaintiff's analysis and
3 extrapolation, Plaintiff estimated a maximum total PAGA exposure of approximately \$219,900
4 (2,199 pay periods * \$100 "initial" penalty). Since Plaintiff's PAGA claim is derivative of
5 Plaintiff's underlying wage claims, California Custom asserts the PAGA claim would fail with
6 those claims. California Custom further maintains that, given its good-faith defenses, this Court
7 would exercise its discretion to substantially reduce any PAGA penalties if it were to find
8 California Custom liable for any of Plaintiff's claims. Therefore, Plaintiff discounted the
9 maximum figure by 60% for the risk of losing on the merits and/or not recovering a PAGA penalty
10 for each and every pay period, and an additional 70% to account for the possibility of this Court
11 reducing penalties, to arrive at an estimated exposure of approximately \$26,388.

12 23. Using these estimated figures for each of the claims described above, Plaintiff
13 predicted that the potential realistic recovery for the Settlement Class would be approximately
14 \$633,134. The proposed Settlement of \$600,000 therefore represents approximately 94.7% of the
15 reasonably forecasted recovery for the Settlement Class.

16 24. Although the Parties engaged in significant informal discovery prior to mediation,
17 the Parties still had significant formal discovery to complete had the matter not been settled. This
18 would have required the expenditure of substantial time and resources by both Parties that would
19 have very likely spanned several years. Even if Plaintiff were to certify the proposed classes, the
20 Parties would incur considerably more attorneys' fees and costs through a possible decertification
21 motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying
22 expense.

23 25. My office will also apply for an attorneys' fees award of one-third of the Gross
24 Settlement Amount, which is currently estimated to be \$200,000.00, and up to \$30,000.00 in
25 verified costs reimbursement. Plaintiff submits the requested fee is fair compensation for
26 undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee
27 basis. My office has incurred substantial attorneys' fees conducting pre-filing investigation,
28 analyzing Plaintiff's claims, conducting legal research, conducting extensive informal discovery,

1 analyzing Class Members' timekeeping and payroll records with the assistance of a retained
2 expert, creating a comprehensive damages model, preparing for and attending mediation,
3 negotiating and preparing the long-form Joint Stipulation and Settlement Agreement, preparing
4 this Motion, and otherwise litigating the case. We expect to expend additional attorney time in
5 attending the hearing on this Motion, overseeing the Notice process and fielding questions from
6 Class Members, preparing the Final Approval papers, and attending the Final Approval hearing.

7 26. Plaintiff will apply for a Class Representative Enhancement Payment at the time
8 of seeking final approval of the proposed class action settlement in the amount of \$10,000.00 for
9 his service to the Settlement Class. As will be fully briefed at the time of final approval, Plaintiff's
10 requested Enhancement Payment is intended to recognize the time and effort Plaintiff expended
11 on behalf of the Settlement Class, including providing substantial factual information and
12 documents to my office, discussing the claims and theories at issue in the litigation, actively
13 participating in the prosecution of his claims, as well as the significant risks Plaintiff undertook
14 by agreeing to serve as the named plaintiff in this case

15 I declare under penalty of perjury under the laws of the State of California that the
16 foregoing is true and correct. Executed on May 2, 2025, at El Segundo, California.

17 
18 _____
19 Sean M. Blakely
20
21
22
23
24
25
26
27
28

EXHIBIT A

JOINT STIPULATION AND SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Jose Gonzalez (“Plaintiff”), individually and on behalf of the putative class, the State of California, and the allegedly aggrieved employees, and Defendant California Custom Power Sports, Inc. (“California Custom”). The Agreement refers to Plaintiff and California Custom collectively as “Parties,” or individually as a “Party.”

1. DEFINITIONS.

- 1.1. **“Action”** means Plaintiff’s lawsuit alleging wage and hour violations against California Custom, captioned *Jose Gonzalez v. California Custom Power Sports, Inc.*, Case No. 24CVP-0190, initiated on May 31, 2024, and pending in the Superior Court of California, County of San Luis Obispo.
- 1.2. **“Administrator”** means ILYM Group, Inc., the neutral third-party administrator which the Parties have agreed to appoint to administer the Settlement, pursuant to Court approval.
- 1.3. **“Administration Expenses Payment”** means the amount the Administrator will be paid from the Gross Settlement Amount (subject to Court approval) to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. **“Aggrieved Employees”** means all current and former non-exempt employees who worked for California Custom in California from June 3, 2023 through the date the Court enters an Order granting preliminary approval of the settlement.
- 1.5. **“Class”** means all current and former non-exempt employees who worked for Defendant California Custom Power Sports, Inc. in California at any time during the Class Period.
- 1.6. **“Class Counsel”** means Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC.
- 1.7. **“Class Counsel Litigation Expenses Payment”** means the Court-approved amount allocated to Class Counsel for reimbursement of reasonable and actual litigation costs up to Thirty Thousand Dollars and Zero Cents (\$30,000.00) incurred to prosecute the Action.
- 1.8. **“Class Data”** means Class-Member-identifying information in California Custom’s possession, including each Class Member’s name, address, phone number, social security number, position held, and workweek information.
- 1.9. **“Class Member”** means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10. **“Class Member Address Search”** means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. **“Class Notice”** means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation, in the form, without material variation, attached as **Exhibit A** to this Agreement, and incorporated by reference into this Agreement.
- 1.12. **“Class Period”** means the period from May 31, 2020 through the date the Court enters an Order granting preliminary approval of the settlement.
- 1.13. **“Class Representative”** means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. **“Class Representative Enhancement Payment”** means the payment to the Class Representative for initiating the Action and providing services in support of the Action, which will not exceed Ten Thousand Dollars and Zero Cents (\$10,000.00).
- 1.15. **“Court”** means the Superior Court of California, County of San Luis Obispo.
- 1.16. **“Defense Counsel”** means Aaron B. Silva and Matthew H. Green of Murphy Austin Adams Schoenfeld, LLP.
- 1.17. **“Effective Date”** means the earliest date by which both of the following have occurred: (a) the Court enters a Judgment based on its Final Approval of the Settlement; and (b) the Judgment becomes final. The Judgment becomes final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; or (b) if one or more Participating Class Members object to the Settlement, the first day when the Judgment can no longer be appealed, which is either (i) the day after the deadline for filing a notice of appeal from the Judgment, if no timely appeal from the Judgment is filed, or (ii) the day after the appellate court affirms the Judgment and issues a remittitur, if an appeal from the Judgment is timely filed.
- 1.18. **“Fee Award”** means the Court-approved award of attorneys’ fees to be paid to Class Counsel for the services they rendered on behalf of Plaintiff, the Class, and the Aggrieved Employees. Class Counsel will not seek, and California Custom will not oppose, attorneys’ fees of more than one-third of the Gross Settlement Amount, or \$200,000.00, as their Fee Award.
- 1.19. **“Final Approval”** means the Court’s order granting final approval of the Settlement and entering judgment.

- 1.20. **"Final Approval Hearing"** means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.21. **"Final Judgment"** means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. **"Gross Settlement Amount"** means the non-reversionary total amount that California Custom shall pay in connection with this Settlement, in exchange for the release of claims described in Paragraph 5 of this Agreement. The Gross Settlement Amount is the gross sum of Six Hundred Thousand Dollars and Zero Cents (\$600,000.00), plus California Custom's share of payroll taxes on the portions of the Gross Settlement Amount attributed to wages (which shall be paid separately). The Gross Settlement Amount comprises the total amount California Custom agrees to pay, can ever be required to pay, or can ever cause to be paid, under the Settlement. The Gross Settlement Amount will be used to fund the following payments: (a) the Individual Class Payments, (b) the Individual PAGA Payments, (c) the LWDA PAGA Payment, (d) the Fee Award, (e) the Class Counsel Litigation Expenses Payment, (f) the Class Representative Enhancement Payment, and (g) the Administration Expenses Payment. No portion of the Gross Settlement Amount will revert to California Custom for any reason.
- 1.23. **"Individual Class Payment"** means each Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked by each participating Class Member during the Class Period.
- 1.24. **"Individual PAGA Payment"** means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA period by each Aggrieved Employee.
- 1.25. **"Judgment"** means the judgment entered by the Court upon granting Final Approval.
- 1.26. **"LWDA"** means the California Labor and Workforce Development Agency.
- 1.27. **"LWDA PAGA Payment"** means the 75% of the PAGA Penalties paid to the LWDA pursuant to California Labor Code § 2699(i).
- 1.28. **"Net Settlement Amount"** means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: (a) the Individual PAGA Payments, (b) the LWDA PAGA Payment, (c) the Class Representative Enhancement Payment, (d) the Fee Award, (e) the Class Counsel Litigation Expenses Payment, and (f) the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. **"Non-Participating Class Member"** means any Class Member who opts out of the Settlement's release of class action claims by sending the Administrator a valid and timely Request for Exclusion.

- 1.30. **"PAGA Pay Period"** means any pay period during which an Aggrieved Employee worked for California Custom for at least one day during the PAGA Period.
- 1.31. **"PAGA Period"** means the period from June 3, 2023 through the date the Court enters an Order granting preliminary approval of the settlement.
- 1.32. **"PAGA"** means the Private Attorneys General Act of 2004, at California Labor Code §§ 2698 *et seq.*
- 1.33. **"PAGA Notice"** means Plaintiff's June 3, 2023 notice to California Custom and the LWDA providing notice pursuant to California Labor Code § 2699.3(a).
- 1.34. **"PAGA Penalties"** means the total amount of \$20,000.00 in PAGA penalties to be paid from the Gross Settlement Amount, 25% of which (\$5,000.00) shall be paid to the Aggrieved Employees, and 75% of which (\$15,000.00) shall be paid to the LWDA in settlement of the Released PAGA Claims.
- 1.35. **"Participating Class Member"** means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. **"Plaintiff"** means Jose Gonzalez, the named Plaintiff in the Action.
- 1.37. **"Preliminary Approval"** means the Court's Order Granting Preliminary Approval of the terms and conditions of this Settlement.
- 1.38. **"Preliminary Approval Order"** means the proposed Order Granting Preliminary Approval of the Settlement.
- 1.39. **"Released Class Claims"** means the claims being released as described in Paragraphs 5.2 and 5.4 below.
- 1.40. **"Released PAGA Claims"** means the claims being released as described in Paragraph 5.3 and 5.4 below.
- 1.41. **"Released Parties"** means California Custom Power Sports, Inc. and any of its past, present, and future parents, subsidiaries, divisions, and/or affiliated companies and entities, and each of its/their past, present, and future owners, officers, directors, members, managers, employees, consultants, partners, subsidiaries, shareholders, attorneys, insurers, joint venturers, agents, successors, assigns, legal representatives, and/or any other persons acting on its/their behalf.
- 1.42. **"Request for Exclusion"** means a Class Member's timely and valid submission of a written request to be excluded from the Settlement's release of class action claims signed by the Class Member.
- 1.43. **"Response Deadline"** means 60 days after the Administrator mails Class Notices to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Released Class

Claims of the Settlement, or (b) fax, email, or mail written objections to class components of the Settlement. For Class Members to whom Class Notices are re-mailed after having been returned undeliverable to the Administrator, the Response Deadline shall be extended by an additional 14 days.

- 1.44. **“Settlement”** means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. **“Workweek”** means any week during which a Class Member worked for California Custom for at least one day during the Class Period.

2. **RECITALS.**

- 2.1. On May 31, 2024, Plaintiff filed a putative class action against California Custom in this Court captioned *Jose Gonzalez v. California Custom Power Sports, Inc.*, Case No. 24CVP-0190.
- 2.2. On August 8, 2024, Plaintiff filed a First Amended Class and Representative Action Complaint alleging the following claims against California Custom: (1) Failure to Pay All Overtime Wages under California Labor Code §§ 204, 510, 1194, and 1198; (2) Meal Period Violations under California Labor Code §§ 226.7, 512, and 558; (3) Rest Period Violations under California Labor Code §§ 226.7, 516, and 558; (4) Wage Statement Violations under California Labor Code § 226, *et seq.*; (5) Failure to Indemnify for All Necessary Business Expenditures under California Labor Code §§ 2802 and 2804; (6) Waiting Time Penalties under California Labor Code §§ 201-203; (7) Failure to Pay Sick Pay Wages under California Labor Code § 246; (8) Unfair Competition under California Business & Professions Code §§ 17200 *et seq.*; and (9) Civil Penalties under California Private Attorneys General Act of 2004, § 2698, *et seq.* As a condition of the Settlement, the Parties will stipulate to the filing of a Second Amended Class and Representative Action Complaint (“SAC”) which will add a claim for failure to pay all minimum wages and certain factual allegations pertaining to California Custom’s rounding and timekeeping policies/practices. The SAC shall be the operative complaint in the Action.
- 2.3. Pursuant to California Labor Code § 2699.3(a), Plaintiff gave written notice to California Custom and the LWDA by sending the PAGA Notice.
- 2.4. On January 9, 2025, the Parties participated in an all-day mediation presided over by mediator Michael Ludwig, Esq., which led to this Agreement to settle the Action. The Parties represent that, prior to mediation, they conducted significant investigation of the facts and law through informal discovery. California Custom produced documents relating to its policies, practices, and procedures regarding its wage and hour practices, paying non-exempt employees for all hours worked, meal and rest period policies, meal premiums paid, and payroll and operational policies. As part of California Custom’s production, Class Counsel represent they also reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Class Counsel to understand the number of

workweeks and pay periods in the Class Period and the PAGA Period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged within the course and scope of the Parties' mediation, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

- 2.5. The Court has not yet granted class certification.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. **MONETARY TERMS.**

- 3.1. **Gross Settlement Amount.** California Custom agrees to pay a total sum of Six Hundred Thousand Dollars and Zero Cents (\$600,000.00) as the Gross Settlement Amount. Under no circumstances will California Custom be required to pay or cause to be paid greater than the Gross Settlement Amount under the terms of this Settlement, except as to California Custom's share of payroll taxes for that portion of the Gross Settlement Amount attributed as wages (which shall be paid separately). California Custom has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to California Custom.
- 3.2. **Payments from the Gross Settlement Amount.** The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
 - 3.2.1. **To Plaintiff:** Class Representative Enhancement Payment, subject to Court approval, of no more than Ten Thousand Dollars and Zero Cents (\$10,000.00) to the Class Representative in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member and/or Aggrieved Employee. California Custom will not oppose Plaintiff's request for Class Representative Enhancement Payment that does not exceed this amount. Plaintiff will seek Court approval for any Class Representative Enhancement Payment. If the Court approves an amount of Class Representative Enhancement Payment that is less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Enhancement Payment using IRS Form 1099. Plaintiff

assumes full responsibility and liability for all employee taxes owed on his Class Representative Enhancement Payment.

- 3.2.2. To Class Counsel: A Class Counsel Fee Award, subject to Court approval, in an amount up to one-third of the Gross Settlement Amount, which is currently estimated to be \$200,000.00, which will compensate Class Counsel for all work performed and to be performed in the Action. In addition, Class Counsel shall, subject to Court approval, request reimbursement of the Class Counsel Expense Payment. California Custom will not oppose requests for these payments that do not exceed these amounts.
- 3.2.3. The Administrator will pay the Class Counsel Fee Award and Class Counsel Litigation Expense Payment using IRS Forms 1099. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fee Award and the Class Counsel Litigation Expenses Payment and holds Released Parties harmless, and indemnifies Released Parties, from any dispute or controversy regarding any division or sharing of these Payments.
- 3.2.4. To the Administrator: Settlement Administration costs shall not exceed \$8,000.00, except for a showing of good cause and as approved by the Court. To the extent the Settlement Administration costs are less, or the Court approves payment of less than \$8,000.00, the Administrator will allocate the remainder to the Net Settlement Amount.
- 3.2.5. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by the total Workweeks worked by each Participating Class Member during the Class Period.
- 3.2.5.1. Tax Allocation of Individual Class Payments. Settlement payments made from the Net Settlement Amount to eligible Class Members will be attributed as 20% wages (reported by W-2), 40% interest and 40% penalties (reported by 1099). The Class Members are responsible for their share of the payroll taxes, which shall be deducted from their individual settlement payments. California Custom is responsible for the employer share of payroll taxes, outside of the Gross Settlement Amount, and these taxes will not be deducted from the Gross Settlement Amount and will be paid separately by California Custom.
- 3.2.5.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. However, Non-Participating Class Members will still receive an Individual PAGA Payment (to the extent otherwise applicable based on the terms of this Settlement) regardless of whether they submit a valid and timely

Request for Exclusion).

3.2.6. To the LWDA and Aggrieved Employees: PAGA Penalties in the total amount of \$20,000.00 to be paid from the Gross Settlement Amount. 75% of PAGA Penalties (\$15,000.00) shall be allocated to the LWDA PAGA Payment, and 25% of PAGA Penalties (\$5,000.00) shall be allocated to the Individual PAGA Payments.

3.2.6.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$5,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees, and (b) multiplying the result by the total PAGA Pay Periods worked by each Aggrieved Employee. Each Aggrieved Employee assumes full responsibility and liability for any taxes owed on his or her Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Estimated Class Workweeks and PAGA Pay Periods. Based on a review of its records to date, California Custom estimates at the time of mediation that there were approximately 184 Class Members who collectively worked a total of 11,780 Workweeks during the Class Period, and 107 Aggrieved Employees who collectively worked a total of 2,199 PAGA Pay Periods during the PAGA Period.

4.1.1. Escalator Clause: California Custom represents that there are an estimated 11,780 total collective workweeks worked during the Class Period, as of the date of mediation. If the number of workweeks during the Class Period exceeds this figure by more than 10% (i.e., if there are 12,959 or more workweeks), California Custom shall increase the Gross Settlement Amount on a proportional basis above the 10% threshold (i.e., if there was a 12% increase in the number of workweeks, California Custom shall increase the Gross Settlement Amount by 2%). Alternatively, California Custom has the option of shortening the Class Period end date to where total workweeks do not exceed 110% of the workweek representation identified above.

4.2. Delivery of Class Data. Within 30 calendar days after the Court grants Preliminary Approval, California Custom will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to

effect and perform under this Agreement. California Custom has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which California Custom must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. California Custom shall fully fund the Gross Settlement Amount, including all amounts necessary to fully pay California Custom's share of payroll taxes, by transmitting such funds to the Administrator no later than 30 calendar days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 10 business days after California Custom funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fee Award, the Class Counsel Litigation Expenses Payment, and the Class Representative Enhancement Payment. Disbursement of the Class Counsel Fee Award, the Class Counsel Litigation Expenses Payment and the Class Representative Enhancement Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

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

4.4.2. The Administrator must conduct a Class Member Address Search for all other Participating Class Members and Aggrieved Employees whose checks are returned undeliverable without USPS forwarding addresses. Within 3 business days of receiving a returned check, the Administrator must re-mail checks to the forwarding address provided by USPS, or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Participating Class Members

and Aggrieved Employees whose re-mailed checks are returned as undeliverable. The Administrator shall promptly send a replacement check requested by any Participating Class Member or Aggrieved Employee whose original check was lost or misplaced prior to the check void date.

4.4.3. California Custom shall fully discharge its obligations to those Class Members to whom they will pay a Settlement Award through the mailing of a Settlement check, regardless of whether such checks are actually received and/or negotiated by Class Members. Any check that is not negotiated within one hundred eighty (180) days of mailing to a Class Member shall be transferred to cy pres recipient - Legal Services of Northern California.

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

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

5.1. **Plaintiff's Release.** Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties, in exchange for consideration provided in this Agreement, from any and all causes of action, claims, rights, damages, punitive or statutory damages, penalties, interest, attorneys' fees, costs, liabilities, expenses, and losses arising from or related to all facts, transactions, and occurrences which occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged based on the facts alleged in the Action and facts alleged in Plaintiff's PAGA Notice; (b) all claims that were, or reasonably could have been, ascertained during the Action, and (c) all claims released pursuant to Paragraph 5.4 below ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or to claims or actions based on occurrences outside the Class Period. Plaintiff acknowledges that he may discover facts or law different from, or in addition to, the facts or law that he now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts, his discovery of those facts.

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

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

- 5.2. **Release by Participating Class Members Who Are Not Aggrieved Employees:** All Class Members who have not opted out will release and discharge California Custom from liability for all claims that were pled or could have been pled in the Action based on the factual allegations therein, that arose during the Class Period ("Released Class Claims"), including claims for: (1) minimum wages; (2) overtime wages; (3) meal period violations; (4) rest period violations; (5) failure to reimburse for all necessary business expenditures; (6) wage statement penalties; (7) waiting time penalties; (8) failure to pay sick pay; (9) unfair competition; and (10) civil penalties under the PAGA. Except as set forth in Paragraph 5.4 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.
- 5.3. **Release by Non-Participating Class Members Who Are Aggrieved Employees:** All Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA civil penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Action and the PAGA Notice, and ascertained in the course of the Action, including, but not limited to, any right or claim for PAGA penalties predicated on: (1) minimum wages; (2) overtime wages; (3) meal period violations; (4) rest period violations; (5) failure to reimburse for all necessary business expenditures; (6) wage statement penalties; (7) waiting time penalties; (8) failure to pay sick pay; (9) any violation or breach of the California Labor Code arising from or related to the conduct or omission alleged, or could have reasonably been alleged, in the Action and the conduct or omission ascertained in the course of the Action, including without limitation, any violation or breach of California Labor Code §§ 201-204, 226 et seq., 226.7, 245.5, 246, 510, 512, 516, 558, 1194, 1198, 2802, 2804, or any other similar wage orders ("Released PAGA Claims").
- 5.4. **Release by Participating Class Members Who Are Aggrieved Employees:** All Participating Class Members who are Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties, in exchange for consideration provided in this Agreement, from all Released Class Claims set forth in Paragraph 5.2 above and all Released PAGA Claims set forth in Paragraph 5.3 above.
6. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff shall prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

- 6.1. **Plaintiff's Responsibilities.** Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code § 2699 (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval, Granting Conditional Certification of the Class for settlement purposes only, and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with any Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve as Class Representative and disclosing all facts relevant to any actual or potential conflicts of interest with any Class Members and/or the Administrator; (vi) a signed declaration from Class Counsel attesting to its competency to represent the Class; its timely transmission to the LWDA of all necessary PAGA documents, including Plaintiff's PAGA Notice, the Operative Complaint, this Agreement; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator..
- 6.2. **Responsibilities of Counsel.** Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval, which they expect will occur no later than 30 days after the full execution of this Agreement. Class Counsel are responsible for obtaining from the Court a prompt hearing date for the Motion for Preliminary Approval and appearing in Court to advocate in favor of the Motion for Preliminary Approval, delivering the Court's Preliminary Approval to the Administrator, and submitting copies of the Motion for Preliminary Approval of the Settlement to the LWDA on the same day that it is filed with the Court.
- 6.3. **Duty to Cooperate.** If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1. **Selection of Administrator.** The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration

Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
 - 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.
 - 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, with Spanish translation, substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate (1) the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and (2) the number of Workweeks and/or PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update the Class Members' addresses using the National Change of Address database.
 - 7.4.3. No later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undeliverable, the Administrator shall re-mail the Class Notice, via first-class USPS mail, using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notices are returned by the USPS a second time.
 - 7.4.4. For all Class Members whose Class Notices are re-mailed after having been returned to the Administrative as undeliverable, their Response Deadline to submit written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended by an additional 14 days beyond the Response Deadline otherwise provided in the Class Notice. The Administrator

shall inform the Class Member in writing of the extended Response Deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, California Custom, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement no later than 14 days after their respective receipt of the Class Notices, or the Response Deadline provided in the Class Notices, whichever is later.

7.5. Class Members' Requests for Exclusion (Opt-Outs).

7.5.1. Class Members who wish to exclude themselves from (or opt-out of) the Settlement's release of class action claims must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion no later than the Response Deadline – *i.e.*, 60 days after the Administrator mails the Class Notice (plus an additional 14 days for any Class Member whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's choice to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. A Class Member who does not request timely exclusion from the Class Settlement will be deemed a Settlement Class Member and will be bound by all terms of the Class Settlement, if the Settlement is granted Final Approval by the Court.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all of the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under

Paragraphs 5.2 and 5.4 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are also Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and will still receive an Individual PAGA Payment based on the terms of this Agreement.

7.5.5. Challenges to Calculation of Workweeks and PAGA Pay Periods. Each Class Member and Aggrieved Employee shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed after having been returned undeliverable to the Administrator) to challenge the number of Workweeks and/or PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member and/or Aggrieved Employee may communicate such a challenge with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member and/or Aggrieved Employee to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and/or PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or each Aggrieved Employee's allocation of PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.6. Objections to Class Action Components of the Settlement.

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

7.6.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline – *i.e.*, 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for

Class Members whose Class Notice was re-mailed after having been returned as undeliverable).

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

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

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

7.7.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. No later than five (5) days after the expiration of the Response Deadline, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (the "Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

7.7.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned as undeliverable, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.7.4. Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges to the calculation of Workweeks and/or all Aggrieved Employee challenges to the calculation of PAGA Pay

Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.7.5. Administrator's Declaration. No later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undeliverable, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.7.6. Final Report by Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. MOTION FOR FINAL APPROVAL. No later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code § 2699(1), a Proposed Final Approval Order, and a proposed Judgment (collectively "Motion for Final Approval").

8.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

8.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material modification to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Enhancement Payment, Class Counsel Fee Award, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 8.3. Continuing Jurisdiction of the Court. The Parties agree that, pursuant to Code of Civil Procedure § 664.6, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or the Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.
- 8.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fee Award and Class Counsel Litigation Expenses Payment set forth in this Agreement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 8.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the reviewing Court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after any such remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Enhancement Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
9. AMENDED JUDGMENT. If any amended judgment is required under California Code of Civil Procedure § 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.
10. ADDITIONAL PROVISIONS.
- 10.1. Submissions to the LWDA. At the same time as they submit this Settlement Agreement to the Court for Preliminary Approval, Class Counsel shall submit a copy of this Agreement to the LWDA, as required by California Labor Code § 2699(1)(2). Within ten (10) days following the Effective Date, Class Counsel shall submit a copy

of the Final Approval Order and Judgment entered by the Court to the LWDA, as required by California Labor Code § 2699(1)(3).

- 10.2. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by California Custom that any of the allegations in the Operative Complaint have merit or that California Custom has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that California Custom's defenses in the Action have merit. The Parties agree that class certification and representative treatment are for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval, or enter Judgment, California Custom reserves the right to contest certification of any class, and the manageability of any representative claim, for any reasons, and California Custom reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest California Custom's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation, except for proceedings to enforce or effectuate the Settlement and this Agreement
- 10.3. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, California Custom and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; (5) in response to an inquiry or subpoena issued by a state or federal government agency; or (6) to the extent disclosure is required, as determined by a Party's counsel, by applicable law or regulation. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, California Custom and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 10.4. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Action (including with respect to California Code of Civil Procedure § 583.310), except such proceedings necessary to implement and complete the Settlement. Further, without further order of the Court, the Parties may agree in writing to

reasonable extensions of time to carry out any of the provisions of the Settlement.

- 10.5. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of the Settlement, to object to the Settlement, or appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members
- 10.5. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit(s) shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party concerning the Settlement or the Action.
- 10.6. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and California Custom, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.7. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of Mr. Ludwig and/or the Court for resolution.
- 10.8. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.9. No Tax Advice. Neither Plaintiff, Class Counsel, California Custom, nor Defense Counsel is providing any advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.
- 10.10. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court. A waiver or amendment of any provisions of this Agreement will not constitute a waiver of any other provision.

- 10.11. Rescission of Settlement Agreement (by California Custom). If more than ten percent (10%) of the Class Members opt-out of the Settlement by submitting Request for Exclusion forms, California Custom may, at their option, rescind and void the Settlement and all actions taken in furtherance of it will be null and void. California Custom must exercise this right of rescission, in writing, to Class Counsel within fourteen (14) calendar days after the Administrator notifies the Parties of the total number of Request for Exclusion forms received by the Response Deadline. If the option to rescind is exercised, California Custom shall be solely responsible for all costs of the Administrator accrued to that point.
- 10.12. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Agreement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Agreement will likewise be treated as void from the beginning. In such event, if the Court rejects the Settlement despite the Parties' best efforts, the Parties will be equally liable for Administrator costs incurred. If the Court rejects the Settlement for reasons related to the conduct of one Party, that Party will be liable for all the Administrator's costs.
- 10.13. Termination of Settlement. Subject to the obligation(s) of cooperation set forth herein, either Party may terminate this Settlement if the Court declines to enter the Preliminary Approval Order in substantially the form agreed by the Parties, or the Agreement as agreed does not become final because of appellate court action. The Party terminating the Agreement shall give to the other Party (through its counsel) written notice of its decision to terminate no later than ten (10) business days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:
- 10.13.1. The Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms;
- 10.13.2. In the event the Settlement is terminated, California Custom shall have no obligation to make any payments to any Party, Class Member or Class Counsel, except that the Party terminating the Agreement shall pay the Administrator for services rendered up to the date the Administrator is notified that the settlement has been terminated;
- 10.13.3. The Preliminary Approval Order, including any order of class certification, shall be vacated;
- 10.13.4. The Agreement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Action prior to the settlement
- 10.13.5. Neither this Settlement, nor any ancillary documents, actions, statements or

filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Action or any other action for any purpose whatsoever.

- 10.14. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.15. Applicable Law. All terms and conditions of this Agreement and its exhibit(s) will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.
- 10.16. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was its drafter or participated in its drafting.
- 10.17. Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or scanned copies of the signature page which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be on and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.18. No Signature Required by Class Members. Only the Plaintiff will be required to execute this Settlement Agreement. The Settlement Notice will advise all Class Members of the binding nature of the release, and such shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.
- 10.19. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.20. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by California Custom in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final disbursement of the Gross Settlement Amount, Plaintiff shall destroy, all paper and electronic versions of Class Data received from California Custom unless, prior to the Court's discharge of the Administrator's obligation, California Custom makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 10.21. Invalidity of Any Provision; Severability. Before declaring any provision of this Settlement invalid, the Parties request that the Court first attempt to construe the provisions valid, to the fullest extent possible, consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected.
- 10.22. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.23. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.24. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed delivered by United States mail, by overnight mail, by email, or by messenger, to the addresses set forth below:

To Plaintiff Jose Gonzalez:	HAINES LAW GROUP, APC Paul K. Haines (phaines@phaineslawgroup.com) Sean M. Blakely (sblakely@haineslawgroup.com) Joel M. Gordon (jgordon@haineslawgroup.com) 2155 Campus Drive, Suite 180 El Segundo, CA 90245
To California Custom:	MURPHY AUSTIN ADAMS SCHOENFELD, LLP Aaron B. Silva (asilva@murphyaustin.com) Matthew H. Green (mgreen@murphyaustin.com) 555 Capital Mall, Suite 850 Sacramento, CA 95814

IT IS SO AGREED.

For Plaintiff Jose Gonzalez:

Dated: 03/19/25, 2025

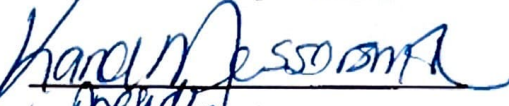


Jose Gonzalez (Mar 19, 2025 09:46 PDT)
Jose Gonzalez

For Defendant:

Dated: 3/27/25, 2025

California Custom Power Sports, Inc.

By: 
Its: President

APPROVED AS TO FORM

Dated: March 19, 2025

HAINES LAW GROUP, APC

By: 

Paul K. Haines
Sean M. Blakely
Joel M. Gordon

Attorneys for Plaintiff

Dated: 3/31/, 2025

MURPHY AUSTIN ADAMS
SCHOENFELD, LLP

By: 

Aaron B. Silva
Matthew H. Green

Attorneys for Defendant

EXHIBIT 1

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN LUIS OBISPO

JOSE GONZALEZ, as an individual and on behalf of
all others similarly situated,

Plaintiff,

vs.

CALIFORNIA CUSTOM POWER SPORTS, INC., a
California corporation; and DOES 1 through 100,

Defendants.

Case No. 24CVP-0190

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

To: All current and former non-exempt employees who worked for Defendant California Custom Power Sports, Inc. in California at any time from May 31, 2020 through <<PRELIM APPROVAL DATE>>.

**PLEASE READ THIS NOTICE CAREFULLY
THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The San Luis Obispo County Superior Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in the case of *Jose Gonzalez v. California Custom Power Sports, Inc.*, San Luis Obispo County Superior Court Case No. 24CVP-0190 (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant California Custom Power Sports, Inc.'s ("California Custom") records show that you were employed at California Custom as a non-exempt employee in the State of California between May 31, 2020 through <<PRELIM APPROVAL DATE>> (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Jose Gonzalez ("Plaintiff") brought this Action against California Custom, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for California Custom in the State of California at any time during the Class Period. Plaintiff is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

In the Action, Plaintiff alleges that California Custom: (1) failed to pay all minimum wages; (2) failed to pay all overtime wages; (3) failed to provide all meal periods, or premium pay for non-compliant meal periods; (4) failed to authorize and permit all rest periods, or premium pay for non-compliant rest periods; (5) failed to furnish accurate, compliant, and itemized wage statements; (6) failed to indemnify all necessary business expenditures; (7) failed to timely pay all wages due or all final wages due; (8) failed to pay sick pay wages;

(9) engaged in unfair, unlawful business practices; and (10) is liable for civil penalties under the Private Attorneys' General Act ("PAGA").

California Custom denies all liability to Class Members, denies the factual and legal allegations in the Action, and believes that it has valid defenses to Plaintiff's claims. California Custom has entered into the Settlement solely for the purposes of resolving this dispute. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of California Custom, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with its business operations, California Custom has concluded that it is in its best interests and the interests of Class Members to settle the Action on the terms summarized in this Notice. After California Custom provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to California Custom, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by California Custom, your decision about whether to participate in the Settlement will not affect your employment. California law and California Custom's policy strictly prohibit unlawful retaliation. California Custom will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff/Settlement Class: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com Joel M. Gordon jgordon@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Defendant California Custom Power Sports, Inc.: MURPHY AUSTIN ADAMS SCHOENFELD, LLP Aaron B. Silva asilva@murphyaustin.com Matthew H. Green mgreen@murphyaustin.com 555 Capital Mall, Suite 850 Sacramento, California 95814 Tel: (916) 446-2300 Fax: (916) 503-4000 murphyaustin.com
---	--

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees who worked for California Custom in the State of California during the Class Period. Class Members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against California Custom as described below.

California Custom has agreed to pay \$600,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including payments to Class Members, requested attorneys' fees and expenses, settlement administration costs, the amount designated as PAGA civil penalties, and the Class Representative's Enhancement Payment.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount, which is currently estimated to be \$200,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$30,000.00 for verified costs Class Counsel incurred in connection with the Action.

Settlement Administration Costs. The Court has approved ILYM Group, Inc. to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$8,000.00 from the Gross Settlement Amount to pay the settlement administration costs.

Enhancement Payment to Class Representative. Class Counsel will ask the Court to award an enhancement payment in the amount of \$10,000.00 for Plaintiff to compensate him for his service and extra work provided on behalf of the Settlement Class members.

To the LWDA and Aggrieved Employees: PAGA Penalties in the total amount of \$20,000.00 to be paid from the Gross Settlement Amount. \$15,000.00 will be paid to the California Labor & Workforce Development Agency ("LWDA"), representing 75% of the \$20,000.00 the parties have agreed to allocate to the settlement of Plaintiff's claims on behalf of aggrieved employees under the PAGA. The remaining \$5,000.00 will be payable to Aggrieved Employees as "Individual PAGA Payments."

Calculation of Settlement Class Members' Individual Class Payments. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount is estimated at approximately \$332,000.00 and will be divided as follows:

- (i) Individual Class Payments to All Participating Class Members: The Settlement Administrator will calculate Individual Class Payments from the Net Settlement Amount based on each Class Member's proportionate Workweeks worked during the Class Period. Specifically, each Individual Class Payment will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by the total Workweeks worked by each Participating Class Member during the Class Period.
- (ii) In addition to the Net Settlement Amount, \$5,000.00 of the Gross Settlement Amount has been allocated to the Individual PAGA Payments and will be allocated to all Class Members (regardless of whether they submit a timely and valid Request for Exclusion) who worked for California Custom at any time from June 3, 2023 through <<PRELIM APPROVAL DATE>> (the "PAGA Period"), in proportion to the number of PAGA Pay Periods that each Class Member worked for California Custom in California as a non-exempt employee during that time period.

Payments to Class Members. If the Court grants final approval of the Settlement, Individual Class Payments will be mailed to all Class Members who did not submit a valid and timely Request for Exclusion. Settlement checks will be valid for 180 days from the date the Settlement Administrator mails it. Any funds payable to Class Members whose checks were not cashed within 180 days after mailing shall be distributed to Legal Services of Northern California as a *cy pres* beneficiary pursuant to Cal. Code Civ. Proc. § 384.

Allocation and Taxes. For tax purposes, each Individual Class Payment will be treated as follows: twenty percent (20%) as "wages," for which an IRS form W-2 will be issued; forty percent (40%) as penalties and forty percent (40%) as interest, for which an IRS form 1099 will be issued. Class Members are responsible for the proper income tax treatment of the Individual Class Payments. The Settlement Administrator,

California Custom and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, upon the Effective date and the complete funding of the Gross Settlement Amount, all Class Members who did not submit a timely and valid Request for Exclusion, will fully release and discharge California Custom and any of its past, present, and future parents, subsidiaries, divisions, and/or affiliated companies and entities, and each of its/their past, present, and future owners, officers, directors, members, managers, employees, consultants, partners, subsidiaries, shareholders, attorneys, insurers, joint venturers, agents, successors, assigns, legal representatives, and/or any other persons acting on its/their behalf (collectively the “Released Parties”), as follows: all Class Members who have not opted out will release and discharge California Custom from liability for all claims that were pled or could have been pled in the Action based on the factual allegations therein, that arose during the Class Period (“Released Class Claims”), including claims for: (1) minimum wages; (2) overtime wages; (3) meal period violations; (4) rest period violations; (5) failure to reimburse for all necessary business expenditures; (6) wage statement penalties; (7) waiting time penalties; (8) failure to pay sick pay; (9) unfair competition; and (10) civil penalties under the PAGA.

In addition, all Class Members (regardless of whether they opt-out) who worked for California Custom at any time from period from June 3, 2023 through <<PRELIM APPROVAL DATE>> (the “PAGA Period”) are “Aggrieved Employees.” All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA civil penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Action and the PAGA Notice, and ascertained in the course of the Action, including, but not limited to, any right or claim for PAGA penalties predicated on: (1) minimum wages; (2) overtime wages; (3) meal period violations; (4) rest period violations; (5) failure to reimburse for all necessary business expenditures; (6) wage statement penalties; (7) waiting time penalties; (8) failure to pay sick pay; (9) any violation or breach of the California Labor Code arising from or related to the conduct or omission alleged, or could have reasonably been alleged, in the Action and the conduct or omission ascertained in the course of the Action, including without limitation, any violation or breach of California Labor Code §§ 201-204, 226 et seq., 226.7, 245.5, 246, 510, 512, 516, 558, 1194, 1198, 2802, 2804, or any other similar wage orders (“Released PAGA Claims”).

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period as stated in the accompanying Notice of Estimated Individual Class Payment. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Estimated Individual Class Payment. Your Individual Class Payment is based on the number of workweeks you worked during the Class Period. The information contained in California Custom’s records regarding the number of workweeks you worked during the Class Period, along with your estimated Individual Class Payment, is listed on the accompanying Notice of Estimated Individual Class Payment. If you disagree with the information in your Notice of Estimated Individual Class Payment, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Individual Class Payment. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Class Members. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Class Payment. The Settlement Administrator's determination of the eligibility for and amount of any Individual Class Payment will be binding on the Class Member and the Parties.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or card postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, and your signature.

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Class Member, shall be barred from participating in any portion of the class action Settlement, and shall receive no benefits from the class action Settlement. However, all Aggrieved Employees who worked for California Custom during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion of the PAGA penalties. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to 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. If you wish to object to the Settlement, or any portion of it, you should mail a written objection to the Settlement Administrator. Your written objection should include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Objections should be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department P2 of the San Luis Obispo County Superior Court, Paso Robles Branch, located at 901 Park Street, Paso Robles, California 93446. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *Jose Gonzalez v. California Custom Power Sports, Inc.*, San Luis Obispo County Superior Court Case No. 24CVP-0190. You do not need to object in writing to be heard at the Final Approval Hearing.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department P2 of the San Luis Obispo County Superior Court, Paso Robles Branch, located at 901 Park Street, Paso Robles, California 93446. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Enhancement Payment to the Class Representative. The Final Approval Hearing may be postponed without further notice to the Settlement Class. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the San Luis Obispo County Superior Court, Paso Robles Branch, located at 901 Park Street, Paso Robles, California 93446, during regular court hours. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, CALIFORNIA CUSTOM, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

EXHIBIT 2

NOTICE OF ESTIMATED INDIVIDUAL CLASS PAYMENT

JOSE GONZALEZ V. CALIFORNIA CUSTOM POWER SPORTS, INC.
SAN LUIS OBISPO COUNTY SUPERIOR COURT CASE NO. 24CVP-0190

Please complete, sign, date and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Individual Class Payment:

According to California Custom Power Sports, Inc.'s ("California Custom") records:

- (a) you worked [REDACTED] workweeks for California Custom in the State of California between May 31, 2020 and <<PRELIM APPROVAL DATE>>; and
- (b) you worked [REDACTED] pay periods for California Custom in the State of California between June 3, 2023 and <<PRELIM APPROVAL DATE>>.

Based on the above, your Individual Class Payment is estimated at \$ [REDACTED].

(IV) If you disagree with item (a) and/or (b) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from California Custom's records, California Custom's records will control unless you are able to provide documentation that establishes otherwise and that California Custom's records are mistaken. If there is a dispute about whether California Custom's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Settlement Administrator as described in the "Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval" that accompanies this Form.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>.**

Signature: _____

Date: _____

EXHIBIT B

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

June 3, 2024

VIA LWDA WEBSITE

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

Re: *Jose Gonzalez v. California Custom Power Sports, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Jose Gonzalez (“Mr. Gonzalez”) in claims arising from his employment with California Custom Power Sports, Inc., a California corporation; and DOES 1-100, inclusive (collectively, “Defendants”). Mr. Gonzalez is an “aggrieved employee” as defined by Labor Code Section 2698, *et seq.* (“PAGA”), due to Defendants’ violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. The “aggrieved employees” whom Mr. Gonzalez seeks to represent are all current and former non-exempt employees of Defendants who performed work for Defendants in the State of California during the one year immediately preceding the date of this letter through the present.

Defendants engage in the selling and maintenance of various recreation and utility vehicles and equipment. Mr. Gonzalez was employed by Defendants as a non-exempt “Lot Porter” in their Sales/Service Department from approximately October 2023 until approximately April 2024. Throughout Mr. Gonzalez’s employment with Defendants, Mr. Gonzalez worked at Defendants’ Paso Robles location.

During Mr. Gonzalez’s employment with Defendants, Mr. Gonzalez worked in excess of 8.0 hours per workday and/or in excess of 40.0 hours per workweek, but did not receive overtime compensation at one and one-half times his regular rate of pay for working overtime hours. Specifically, Mr. Gonzalez and other aggrieved employees received bonuses, including “2% Sales Setup Incentive,” “Shop Incentive,” and/or other forms of pay that must be included in the “regular rate” of pay (collectively, “Incentive Pay”). However, despite Defendants’ payment of Incentive Pay to Mr. Gonzalez and other aggrieved employees, Defendants have failed to properly incorporate Incentive Pay into Mr. Gonzalez’s and other aggrieved employees’ “regular rate” of pay when calculating overtime compensation, thereby underpaying overtime wages to Mr. Gonzalez and other aggrieved employees.

Defendants failed to provide Mr. Gonzalez and other aggrieved employees with all legally compliant meal periods due to Defendants' unlawful meal period policies/practices that resulted in late (commencing after the fifth hour of work), short (less than 30 minutes of net rest) and missed meal periods. Specifically, Mr. Gonzalez and other aggrieved employees routinely received "late" (i.e., starting after the completion of the fifth hour of work) meal periods, because Mr. Gonzalez's and other aggrieved employees' work demands frequently prevented them from taking a meal period until after the completion of five hours of work. Mr. Gonzalez's and other aggrieved employees' meal periods were also often "short" (less than 30 minutes) because Mr. Gonzalez and other aggrieved employees were required to cut their meal periods short in order to perform work-related tasks. Mr. Gonzalez and other aggrieved employees were also not provided with uninterrupted meal periods as their meal periods were constantly interrupted due to work demands imposed by Defendants. On those occasions when Mr. Gonzalez and other aggrieved employees were not provided with all legally-required meal periods to which they were entitled, Defendants did not compensate Mr. Gonzalez and other aggrieved employees with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, during at least a portion of the putative class period, Defendants maintained no payroll code for paying meal period premiums under Labor Code § 226.7.

Defendants have also failed to authorize and permit all required rest periods for Mr. Gonzalez and other aggrieved employees as Defendants' rest period policies/practices failed to authorize and permit employees to take an off-duty rest period of at least 10 minutes for every four hours worked, or major fraction thereof. Specifically, based upon information and belief, Defendants never authorized or permitted Mr. Gonzalez and other aggrieved employees to take any off-duty rest periods. Moreover, based upon information and belief, Mr. Gonzalez and other aggrieved employees were required to remain on the premises during off-duty rest periods. Further, on occasions when Mr. Gonzalez and other aggrieved employees were not authorized and permitted to take all lawful rest periods to which they were entitled, Defendants failed to pay Mr. Gonzalez and other aggrieved employees an additional hour of premium pay at their respective regular rates of pay, which includes Incentive Pay, for each workday in which a rest period violation occurred, as required by Labor Code section 226.7. Upon information and belief, Defendants failed to maintain pay codes for the payment of rest period premium payments as required by Labor Code section 226.7.

Defendants also failed to reimburse Mr. Gonzalez and other aggrieved employees for all reasonable and necessary work expenditures, including, but not limited to, personal cellular phone expenses. Specifically, Mr. Gonzalez and other aggrieved employees were required to participate in a group chat using their personal cell phones for work-related communications. Mr. Gonzalez's supervisor called and/or sent text messages to Mr. Gonzalez and other aggrieved employees in this group chat every workday; however, Defendants failed to reimburse Mr. Gonzalez and other aggrieved employees for their cell phone expenses. As a result, Mr. Gonzalez and other aggrieved employees were not reimbursed for these work-related expenditures as required pursuant to Labor Code § 2802.

Upon information and belief, Defendants' policies and/or procedures failed to properly provide for sick pay in a manner that fully complies with Labor Code § 246. For example, during the entire duration of Mr. Gonzalez's employment with Defendants, Mr. Gonzalez's paystubs consistently and uniformly showed an accrual of exactly twenty-four (24) hours of sick leave. Defendants did not provide Mr. Gonzalez with sick pay wages in compliance with California law.

As a result of Defendants' failure to compensate Mr. Gonzalez and other aggrieved employees for all overtime wages, all meal and rest period premium wages, as well as Defendants' failure to properly list and pay all accrued sick pay, Defendants maintained inaccurate payroll records and failed to issue accurate, compliant, itemized wage statements. As a further result of Defendants' failure to pay all overtime wages and failure to pay all meal and rest period premium wages, Defendants failed to timely pay all final wages to Mr. Gonzalez and other former employees upon their separation of employment from Defendants. Additionally, Defendants failed to pay Mr. Gonzalez and other aggrieved employees all sick time at the separation of Mr. Gonzalez's and other aggrieved employees' employment with Defendants.

Additionally, Defendants required Mr. Gonzalez to sign an "Authorization for Background Checks" when Mr. Gonzalez was hired by Defendants, which required Mr. Gonzalez to provide his authority and access to a consumer report in addition to a background report or investigate consumer report. Labor Code § 1024.5 provides that an employer or prospective employer shall not use a consumer credit report for employment purposes unless the position is a managerial position, a position in the state Department of Justice, or other conditions. None of those conditions listed in Labor Code § 1024.5 apply to Mr. Gonzalez. Furthermore, Labor Code § 432.5 provides that no employer shall require any employee to agree, in writing, to any term or condition which is known by such employer to be prohibited by law. Mr. Gonzalez alleges that Defendants violated Labor Code § 432.5 by requiring Mr. Gonzalez and other aggrieved employees to agree, in writing, to an illegal term or condition by agreeing to authorize a consumer report despite not seeking a position for which such consumer reports may be sought.

As described above, Defendants committed, and continues to commit, the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 7 ("Wage Order 7"):

Overtime Violations

Defendants were, and are, required to properly compensate aggrieved employees, including Mr. Gonzalez and other aggrieved employees, for all overtime hours worked pursuant to Labor Code §§ 204, 510, 558, 1194, 1198 and Wage Order 7. Wage Order 7, § 3 requires an employer to pay an employee "one and one-half (1½) times [the] employee's regular rate of pay" for work in excess of 8 hours per workday or over 40 hours in a workweek, and for the first eight (8) hours and/or in excess of 40 hours of work in the workweek, and "double the employee's regular rate of pay" for all hours worked in excess of 12 hours in a workday or in excess of 8 hours on the seventh day of a workweek.

As alleged herein, Defendants have caused Mr. Gonzalez and other aggrieved employees to work overtime and/or double-time hours but have not compensated Mr. Gonzalez or other aggrieved employees at one and one-half times (or two times, in the case of double-time) their “regular rate” of pay for such hours.

Meal Period Violations

As alleged above, Defendants have failed, and continue to fail, to provide Mr. Gonzalez and other aggrieved employees with all required and compliant meal periods, due to Defendants’ meal period policies/practices that often fail to provide legally-compliant, 30-minute first meal periods before the end of the fifth hour of work, and which fail to provide second meal periods for shifts of over 10.0 hours, to Mr. Gonzalez and other aggrieved employees. *See* Labor Code §§ 226.7 512, 558, 1198; Wage Order 7, § 11. As a result, Mr. Gonzalez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with...[an] order of the Industrial Welfare Commission...the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”). As alleged above, Defendants have failed to pay them the premium wages to which they are legally entitled.

Rest Period Violations

As alleged above, Defendants have failed, and continue to fail, to authorize and permit Mr. Gonzalez and other aggrieved employees to take all rest periods to which they are legally entitled. *See* Labor Code §§ 226.7, 516, 558, 1198; Wage Order 7, § 12. As a result, Mr. Gonzalez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”). As alleged above, Defendants have failed to pay them the premium wages to which they are legally entitled.

Wage Statement Violations

As alleged herein, Defendants have knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish aggrieved employees with complete and accurate wage statements with respect to their total hour worked, total gross wages earned, total net wages earned, each hourly rate in effect during the pay period, and total hours worked at each hourly rate, in violation of Labor Code § 226 *et seq.* Defendants’ failure to furnish aggrieved employees with complete and accurate itemized wage statements resulted in injury, as said failures led to, among other things, the non-payment of all earned

wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data.

Failure to Indemnify for All Necessary Business Expenses

Defendants failed to indemnify Mr. Gonzalez and other aggrieved employees for all necessary business expenses incurred, including, among other things, personal cellular phone usage. As a proximate result of Defendants' policies and/or practices in violation of Labor Code §§ 2802 and 2804, Mr. Gonzalez and other aggrieved employees are entitled to damages, attorneys' fees and costs of suit, and interest thereon, in sums to be shown according to proof at trial, pursuant to Labor Code § 2802.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendants failed to timely pay Mr. Gonzalez and other aggrieved employees all of their final wages at the time of separation, which included all overtime and double-time wages as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, Defendants' failure to pay all final wages due to Mr. Gonzalez and other aggrieved employees was willful and, consequently, entitles Mr. Gonzalez and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Defendants failed to pay their final wages after their separation, up to a maximum of thirty days.

Failure to Pay Sick Pay at the Legal Pay Rate

Defendants' pattern, practice and uniform administration of corporate policy regarding illegal employee compensation as described herein is unlawful and creates an entitlement, pursuant to Labor Code §§ 246, 248.5 and/or Labor Code §§ 2699, *et seq.*, to recovery by Mr. Gonzalez and other aggrieved employees, in a civil action, to the extent allowed by law.

Labor Code §246(a) states: "(a) An employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section." Labor Code § 246(b)(1) states: "An employee shall accrue paid sick days at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment or the operative date of this article, whichever is later, subject to the use and accrual limitations set forth in this section." Labor Code §246(l) states: "For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations: (1) Paid sick time for non-exempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek. (2) Paid sick time for non-exempt employees shall be calculated by dividing the employee's total wages,

not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment. (3) Paid sick time for exempt employees shall be calculated in the same manner as the employer calculates wages for other forms of paid leave time."

Defendants, as a matter of established company policy and procedure, at each and every one of the individual facilities owned and/or operated by Defendants, during the relevant time period: (a) administered a uniform company policy and practice as to the pay policies regarding Mr. Gonzalez and other aggrieved employees; and (b) failed to pay Mr. Gonzalez and other aggrieved employees for paid sick days in a manner that fully complies with Labor Code § 246(l), failed to pay sick days at the regular rate of pay, and/or unlawfully paid sick days at the straight time or base rate of pay.

Labor Code § 432.5

Labor Code § 1024.5 provides that an employer or prospective employer shall not use a consumer credit report for employment purposes unless the position is a managerial position, a position in the state Department of Justice, or other conditions. None of those conditions listed in Labor Code § 1024.5 apply to Mr. Gonzalez. Furthermore, Labor Code § 432.5 provides that no employer shall require any employee to agree, in writing, to any term or condition which is known by such employer to be prohibited by law. Mr. Gonzalez alleges that Defendants violated Labor Code § 432.5 by requiring Mr. Gonzalez and other aggrieved employees to agree, in writing, to an illegal term or condition by agreeing to authorize a consumer report despite not seeking a position for which such consumer reports may be sought.

Mr. Gonzalez is informed and believes, and based thereon alleges, that the violations alleged herein are continuing to the present. As an "aggrieved employee," Mr. Gonzalez will initiate a civil action on behalf of himself, the State of California, and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Gonzalez's own investigation, and on information and belief, Defendants have committed the following Labor Code violations:

- a. Defendants have violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Gonzalez and other aggrieved employees all overtime and/or double-time compensation earned;
- b. Defendants have violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide all legally required meal periods and by failing to pay meal period premiums to Mr. Gonzalez and other aggrieved employees;
- c. Defendants have violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit all legally required rest periods and by failing to pay rest period premiums to Mr. Gonzalez and other aggrieved employees;

- d. Defendants have violated Labor Code § 226 by failing to issue accurate itemized wage statements to Mr. Gonzalez and other aggrieved employees;
- e. Defendants violated Labor Code §§ 2802 and 2804 by failing to indemnify Mr. Gonzalez and other aggrieved employees for all necessary expenditures incurred;
- f. Defendants have violated Labor Code §§ 201-203 by failing to pay other aggrieved former employees all wages due at the end of their employment;
- g. Defendants have violated Labor Code §§ 245 *et seq.*, 246, 1194, 1194.2 and 1197 by failing to pay Mr. Gonzalez and other aggrieved employees sick pay at the employee's regular rate of pay.
- h. Defendants violated Labor Code § 204 by failing to pay Mr. Gonzalez and other aggrieved employees all wages earned at least twice during each calendar month;
- i. Defendants violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Gonzalez and other aggrieved employees; and
- j. Defendants violated Labor Code § 432.5 by requiring Mr. Gonzalez and other aggrieved employees to agree, in writing, to an illegal term or condition by agreeing to authorize a consumer report despite not seeking a position for which such consumer reports may be sought.

Pursuant to Labor Code section 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: California Custom Power Sports, Inc. (via certified mail)

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 06/04/2024

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8364 2780 62

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 06/03/2024 16:54

ORIGINAL INTENDED RECIPIENT:

CALIFORNIA CUSTOM POWER SPORTS INC

C/O: SARAH KARRIN BLEVINS

13461 MARENGO RD

GALT CA 95632-8429



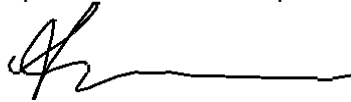
Mailer: Haines Law Group

Date Produced: 07/09/2024

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8364 2780 62. Our records indicate that this item was delivered on 07/08/2024 at 04:54 p.m. in EL SEGUNDO, CA 90245. The scanned image of the recipient information is provided below.

Signature of Recipient :


ANDREA PARDO SANTOS

Address of Recipient :

2155 CAMPUS DR / 80
EL SEGUNDO CA

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

CALIFORNIA CUSTOM POWER SPORTS INC
C/O: SARAH KARRIN BLEVINS
13461 MARENGO RD
GALT CA 95632-8429

Customer Reference Number: C5066696.30528150

CERTIFIED MAIL

Haines Law Group
2155 Campus Drive, Suite 180
El Segundo CA 90245

USPS CERTIFIED MAIL



9214 8901 9403 8364 2780 62

CALIFORNIA CUSTOM
C/O: SARAH KARRIN E
13461 MARENGO RD
GALT CA 95632-8429

902452656



quodient

FIRST-CLASS MAIL

\$007.60

06/03/2024 ZIP 90245
044K33218676

POSTAGE

MI XIE

SEE DE 1

0607/04/24

RETURN TO SENDER
UNCLAIMED
UNABLE TO FORWARD

BC: 90245265630

*0762-00914-03-45



65-24