Brian J. Mankin, Esq. [CSB No. 216228]
brian@lmlfirm.com
Peter J. Carlson, Esq. [CSB No. 295611]
peter@lmlfirm.com
LAUBY, MANKIN & LAUBY LLP
5198 Arlington Avenue, PMB 513
Riverside, CA 92504
Tel: (951) 320-1444 | Fax: (951) 320-1445

Attorneys for Plaintiff, on a representative basis and on behalf of all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

JASWINDER AUJLA, individually, on a representative basis, and on behalf of all others similarly situated; Plaintiff, vs. BEST BAY TRUCKING CORPORATION, a California Corporation; and DOES 1 through 20, inclusive; Defendants.	Case No.: CVRI2404644 *[Assigned to Hon. Harold Hopp, Dept 1. for all purposes]* **DECLARATION OF PETER J. CARLSON, ESQ., IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Hearing Date: December 7, 2026 Time: 8:30 a.m. Dept.: 1

I, Peter J. Carlson, state and declare:

1. I am an attorney duly licensed to practice law in the State of California and am a senior associate at Lauby, Mankin & Lauby LLP, attorneys of record for Plaintiff. I am fully familiar with the facts of this case and submit this declaration in support of Plaintiff's Motion for Preliminary Approval. The matters set forth herein are based upon my personal knowledge and, if called upon as a witness, I could and would give competent testimony with respect to the matters contained herein.

COUNSEL'S EXPERIENCE

2. I graduated from the University of Oregon School of Law in May 2013 and have been a member, in good standing, of the State Bar of California since January 2014. I am licensed to practice before all courts of the State of California and am admitted to practice in the United States District Court for the Central District of California and have litigated cases in various courts and counties throughout California, including successful briefing and argument in the Court of Appeal.

3. I began working at Fernandez & Lauby LLP (the predecessor of Lauby, Mankin & Lauby LLP) in March 2016 and, since that time, my practice has consisted solely of representing employees. The vast majority of my cases have been litigated as class actions, representative PAGA actions, or a combination of the two.

4. I have been the handling attorney on over 215 class action and/or representative PAGA actions. And, on these cases, myself and/or my firm have been appointed Class Counsel on over half of these cases and have helped negotiate settlements totaling over $150,000,000 for my clients, the employees, and the State of California.

5. I was the handling attorney for the second largest PAGA-only settlement in California's history – a $12.5 million-dollar court approved settlement, which followed extensive litigation, summary adjudication and writs to the CA Supreme Court against a Fortune 50 company (*Garcia v. Macy's*, San Bernardino Superior Court Case No. CIVDS1516007).

6. I have tried two major class and PAGA cases against Fortune 100 companies, both of which were appealed. In 2018, I was the handling attorney on a PAGA-only case in Orange County where my firm succeeded on a motion for summary adjudication and litigated through trial to obtain a $425,000 judgment for over 1,600 aggrieved employees. Also, in 2019, I was the handling attorney for my firm on a class action against Walmart, where we obtained class certification on behalf of over 5,000 employees. After extensive litigation, the matter went to trial, and the jury returned a verdict of approximately $6.1 million on the meal period claims.

7. Additionally, I have handled approximately 6 cases for which we received class certification orders following contested certification motions concerning similar claims.

8. In 2022, 2023, and 2024, I was also selected as a Super Lawyers Rising Star.

9. My partner, Brian Mankin, manages the employment department at the firm and has been in practice for nearly 25 years, with most of those years handling complex litigation. And, for over the last 19 years, his practice has almost entirely consisted of handling class action wage and hour matters. Additionally, he was named by the LA Times as one "Southern California Leading Lawyers" in the May 2023 issue of Consumer Attorney's of Southern California (a recognition given to 17 employment/labor law attorneys in 2023). For the last 6 consecutive years, he was selected by peers as a "Super Lawyer" in Employment Litigation, a distinction that only 5% of lawyers receive.

BRIEF SUMMARY OF THE SETTLEMENT

10. Following mediation and a mediator's proposal, Plaintiff and Defendants (collectively, the "Parties") entered into a Class Action and PAGA Settlement Agreement and Release of Claims resolving the wage and hour claims of the putative class (the "Settlement Agreement" or "S.A."), which is attached hereto as **Exhibit A**.

11. The Settlement Agreement seeks to release and discharge Defendants from the claims brought against it in exchange for Defendants' agreement to pay $700,000 on a non-reversionary, non-claims made basis (each Class Member will receive his/her share of the Net Settlement Amount without having to submit a claim form or take any action, except for those who opt-out).

12. Plaintiff seeks to represent a class of all current and former California resident truck drivers who performed services as independent contractors for Defendant Best Bay Trucking Corporation in the State of California during the Class Period (August 8, 2020, through June 23, 2026).

13. Under the terms of the Settlement Agreement, Defendants will not oppose Plaintiff's Counsel's application for a reasonable award of attorneys' fees not to exceed one-third of the Settlement Amount, litigation expenses not to exceed $25,000, Settlement Administrator Costs of $10,500, PAGA penalties of $35,000 (with 65% to the LWDA and 35% to the Aggrieved Employees on a pro rata basis), and a Service Payment of $10,000 to Plaintiff. After

subtracting these deductions from the Settlement Amount, approximately $386,166.67 will be available to pay individual settlement amounts to approximately 275 Class Members who do not opt-out of the settlement, as follows:

Settlement Amount	**$ 700,000.00**
Attorneys' Fees (1/3)	$ 233,333.33
Litigation Costs (not to exceed)	$ 25,000.00
Administrator Costs	$ 10.500.00
PAGA Penalties	$ 35,000.00
Class Representative Service Award	$ 10,000.00
Net Settlement Amount	**$ 386,166.67**

14. Assuming 275 total Class Members, the average payment will be approximately $1,404,24 ($386,166.67 / 275). However, the actual payments will be calculated on a pro-rata basis according to the number of Weeks Worked by each Class Member during the Class Period. And each Class Member will receive the Class Notice, explaining the nature of the case, and the process for participating, objecting and opting-out, and advising of his/her estimated settlement payment and the number of Work Weeks he/she is credited with working during the applicable periods. True and correct copies of the Class Notice, Request for Exclusion Form, Objection Form, and Dispute Form are attached hereto as **Exhibits B, C, D**, **and E** respectively.

PROCEDURAL BACKGROUND

15. My office has performed considerable work and diligently investigated and prosecuted this case to a successful conclusion. Our work has resulted in the creation of a significant settlement fund for the benefit of the Class. We efficiently communicated and exchanged information informally with Defense counsel which enabled the parties to successfully settle the case. Because of the risks involved in litigating the case and the contested legal and factual issues, my office believes this settlement to be fair, reasonable, and adequate.

16. After being retained by Plaintiff, we submitted letters to Defendant requesting the production of personnel and timekeeping records to further evaluate his wage and hour claims, along with demands to preserve evidence.

17. On August 8, 2024, Plaintiff filed this class action, alleging that Defendant violated various sections of the Labor Code. Plaintiff later filed a First Amended Complaint

adding causes of action under PAGA and filed Doe amendments adding the additional Defendants identified herein.

18. Defendant retained counsel and immediately began to defend the case. During the early stages of the case, the Parties agreed to attend mediation, which was scheduled for May 2025. However, that mediation was ultimately cancelled, so Plaintiff sought and was granted permission to move forward with discovery. Then, in September 2025, the Court ordered Defendants to produce all contact information for Class Members to allow the *Belaire-West* notice process to proceed.

19. After discussions among counsel, the Parties agreed to attend private mediation in an effort to avoid contested litigation and the class certification process. In preparation for mediation, the Parties informally exchanged documents and information that allowed both sides to calculate the potential damages and evaluate potential risk, including policies and procedures pertaining to the claims, statistics relating to the number of current and former Class Members, relevant Class and PAGA metrics, and information related to work performed and amounts paid to the Class Members. This information enabled both parties to take a deep dive into the claims. Additionally, during this process, Plaintiff and his counsel analyzed, researched, and investigated the potential issues, including matters related to the calculation of damages, trial, and appellate issues and risks.

20. On June 23, 2026, the Parties attended private mediation with Michael Strauss, a well-respected wage-and-hour mediator. Ultimately, the matter resolved via mediator's proposal and the Parties entered into the Settlement Agreement submitted herewith. The Parties now seek the Court's preliminary approval of the Settlement.

SUMMARY OF THE CLAIMS AND DEFENSES

21. Plaintiff alleged numerous wage and hour violations on behalf of the Class. However, Defendants vigorously contested and denied each of Plaintiff's material allegations on the merits and as to the propriety of a class action or PAGA representative action. Still, Plaintiff believed there were several strong claims.

22. For instance, Plaintiff alleged that Defendants classified the Class Members as independent contractors despite that, under applicable standards of California law, these workers should have been classified as employees. However, Defendants vehemently denied liability for misclassification and argued that the Class Members were, at all times, properly classified as independent contractors.

23. Plaintiff also argued that Defendants violated California law due to a piece-rate pay plan that subjected the Class Members to recurring unpaid wages for non-driving tasks like pre-trip inspections, refueling, detention time, and completing paperwork. But Defendants raised strong challenges and defenses to this claim, including that: (1) at the class certification stage, this claim would fail as it requires the prototypical "individualized issues" for which certification must be denied, and (2) on the merits, this claim fails because Defendants properly and contractually defined the scope of their piece-rate compensation system in line with *Ayala v. U.S. Xpress Enters., Inc.* (9th Cir. 2021) 851 Fed.Appx. 53, 54 and *Oman v. Delta Air Lines, Inc.* (2020) 9 Cal.5th 762, 782.

24. Plaintiff further alleged other claims (which Defendants disputed), such as the failure to reimburse business expenses, failure to timely pay wages each period and upon separation of employment and failure to provide accurate itemized wage statements.

25. Despite the disputed nature of the claims, the Parties concluded that further litigation of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled to limit further risk, expense, and protracted litigation.

CMO COMPLIANCE

26. In accordance with CMO ¶ G, this section will specifically identify and address each CMO requirement.

CMO ¶ G(3)(a)(i)

27. Based on information obtained through informal discovery and analysis *b*efore mediation, we estimated that there were approximately 253 individuals that fall within the Class definition and 160 of those individuals are also PAGA "Aggrieved Employees."

/ / /

CMO ¶ G(3)(a)(ii), CMO ¶ G(3)(a)(iii), CMO ¶ G(9)(b)

28. The following paragraphs provide the maximum and risk-adjusted value for each claim, and this includes all claims on a class and PAGA basis as required by the CMO.

29. The calculations below are based upon data points obtained through informal discovery, from which Plaintiff's counsel and expert estimated the following *through mediation*: (1) 253 Class Members, (2) 150 *former* Class Members for Labor Code § 203, (3) 12,000 workweeks, (4) 60,000 shifts worked, and (4) approximately 6,000 wage statements during the PAGA Period.

Willful Misclassification

30. Plaintiff's claim for "willful misclassification" arise from the allegation that Defendants classified the Class Members as independent contractors despite that, under applicable California law, they should have been classified as employees.

31. However, Defendants raised several defenses to this claim, including that they satisfied the ABC Test of Labor Code § 2775 or, alternatively, that the Class Members were subject to the "business-to-business" exception to the ABC Test found at Labor Code § 2776. And, of course, Defendants raised the same merits and threshold arguments discussed above.

32. CMO ¶ G(3)(a)(ii) and CMO ¶ G(3)(a)(iii): These sections do not apply because there is no private right of action for "willful misclassification" claims under Labor Code § 226.8 and, thus, no valuation on a class action basis. Instead, this claim is pursued on a PAGA basis (the remedy for a violation is enforceable either through PAGA or the Labor Commissioner).

33. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff calculated that the maximum possible penalty was $4,000,000 based on the maximum penalty of $25,000 under Labor Code § 226.8 multiplied by the 160 misclassified Contractor Subclass members in the PAGA Period. We then considered the risks, Defendants' strong defenses, and further recognized that there were certain factors that would reduce the possible value at trial and result in a discretionary reduction from the maximum PAGA penalties. As a result, we calculated a PAGA risk-adjusted value of $500,000 for the willful misclassification claims.

/ / /

Unpaid Wage Claims

34. Plaintiff's unpaid wage claims were based on the allegation that Defendants paid Plaintiff and the Class Members under a piece-rate pay plan that subjected the Class Members to recurring unpaid wages for non-driving tasks like pre-trip inspections, refueling, detention time, and completing paperwork.

35. But Defendants raised strong challenges and defenses to this claim, including that: (1) at the class certification stage, this claim would fail as it requires the prototypical "individualized issues" for which certification must be denied, and (2) on the merits, this claim fails because Defendants properly and contractually defined the scope of their piece-rate compensation system in line with *Ayala v. U.S. Xpress Enters., Inc.* (9th Cir. 2021) 851 Fed.Appx. 53, 54 and *Oman v. Delta Air Lines, Inc.* (2020) 9 Cal.5th 762, 782

36. CMO ¶ G(3)(a)(ii): Based on the pre-mediation sampling and an analysis of relevant data, we calculated the maximum potential damages for the unpaid wage claims as $900,000 (0.5 hours unpaid time per shift x 60,000 shifts x $20 per hour).

37. CMO ¶ G(3)(a)(iii): in analyzing the risk-adjusted value of these unpaid wage claims, we considered the strength of the claims, Defendants' various defenses as to threshold issues, class certification, and on the merits, and also by analyzing evidentiary issues and burdens of proof. As a result, we calculated the risk-adjusted value of the unpaid wage claims as $576,000.

38. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, we estimated the maximum potential PAGA penalty as $600,000 based on a 100% violation rate. We then applied a merits risk similar to the above and further recognized that there were certain factors that reduce the possible value at trial. Specifically, when considering the amount of discretionary reduction to apply against the maximum penalties, we believe the Court would consider that: (a) if this claim succeeded, the Class would already be receiving compensation for the same violations [and would thus apply a smaller penalty because otherwise it is a double penalty], and (b) there were several "good faith" defenses. As a result, we calculated a PAGA risk-adjusted value of $40,000 for these unpaid wage claims.

Business Expense Claims

39. Plaintiff alleged that he and the Class Members often had to use personal cell phones to perform their work for Defendants, without reimbursement.

40. CMO ¶ G(3)(a)(ii): Plaintiff valued this claim at an estimated $120,000 (based on $10 unreimbursed expenses per week for 12,000 workweeks).

41. CMO ¶ G(3)(a)(iii): Defendants raised many strong defenses to this claim, primarily focused on the argument that the Class Members were not required to use their own cell phones. Defendants also argued against possible certification of this claim by arguing a lack of manageability since analysis of this claim would require highly individualized testimony from Class Members about whether they had to use their own cell phones and why they did so (because if it was not "required" or "necessary" then it does not lead to liability). Further, even if the claim was certified, Defendants would argue that there was an evidentiary issue in proving the amount of expenses that were not reimbursed. As a result, for this claim, Plaintiff calculated a risk-adjusted value of $20,000.

42. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff calculated the maximum potential PAGA penalty at trial as $600,000 based on a 100% violation rate. However, we applied the same merits risk and, even though there is no requirement for "knowing and intentional" under PAGA, we assumed that the Court would apply a large discretionary reduction of 90% based on Defendants' likely argument (if liability was found) that they were already liable for damages to the Class for the overarching violations that triggered the violations. Thus, the total risk-adjusted PAGA penalties for these violations are $20,000.

Wage Statement Claims

43. Plaintiff alleged that Defendants subjected the Class to "derivative" wage statement violations that arise because of the violations above.

44. CMO ¶ G(3)(a)(ii): based on the formula under Labor Code § 226(e) ($50 for initial violation and $100 for subsequent violations and a cap of $4,000 per employee), we calculated the maximum class wage statement penalties as $592,000.

/ / /

45. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of the class wage statement claims as $142,080. This analysis incorporated Defendants' arguments and defenses from above and also accounted for the fact that violations were "derivative" as opposed to "direct" wage statement violations (*i.e.*, because these claims were entirely derivative of the claims above, they only had merit if the claims for unpaid wages or meal/rest breaks were successful). Moreover, Defendants argued that "derivative" violations cannot trigger liability under § 226 and, even if there was a "technical" violation, Plaintiff would be unable to prove the required "knowing and intentional" and "injury" elements.

46. CMO ¶ G(9)(b): as for the PAGA penalty claims on these issues, Plaintiff calculated the maximum potential PAGA penalty at trial as $600,000 for wage statement claims. However, like above, the risk-adjusted value must consider the difference between the direct and derivative claims. Thus, we applied the same merits risk and, even though there is no requirement for "knowing and intentional" under PAGA, we assumed that the Court would apply a large discretionary reduction based on Defendants' likely argument (if liability was found) that it was already liable for damages to the Class and for PAGA penalties for the overarching violations that triggered the derivative wage statement violations. Thus, the total risk-adjusted PAGA penalties for wage statement violations are $20,000.

Waiting Time Penalty Claims

47. Plaintiff's claim for failure to timely pay final wages (and for waiting time penalties under Labor Code § 203) was entirely derivative of the claims above (*e.g.*, because Defendants failed to pay all wages and premiums owed, Defendants did not timely pay all final wages owed because there are still amounts due and payable).

48. CMO ¶ G(3)(a)(ii): we calculated the maximum potential value of this claim as $1,080,000 based on 150 *former* employees who were paid $240 per day (150 employees x $240 daily pay x 30-day penalty = $1,080,000).

49. CMO ¶ G(3)(a)(iii): we calculated the risk-adjusted value of the waiting time penalty claim as $604,800. The valuation had to account for the fact that this claim was derivative of the misclassification and unpaid wage claims and, if those claims failed at

certification or on the merits, there would be no waiting time penalties owed, so the same risks for those claims applied to this claim. Furthermore, Plaintiff would have to prove that the violations (if any existed) were "willful" under the meaning of Labor Code § 203. And, here, Defendants argued there was no "willful" violation since they believed their 1099 classification and wage policies complied with California law, which leads to a "good faith" defense that prevents imposition of the waiting time penalties.

50. CMO ¶ G(9)(b): as for the PAGA penalty claims, Plaintiff calculated the maximum potential PAGA penalty at trial as $5,000 based on an estimated 50 Aggrieved Employees that were terminated within the PAGA Period. But we had to incorporate the same risks as above and also assumed that, given Defendants' good faith attempts at compliance with California law, that the Court would also apply a discretionary reduction in PAGA penalties, setting the risk-adjusted PAGA penalty value at $1,000.

Collective Maximum and Risk-Adjusted Class Damages/Penalties and PAGA Penalties CMO ¶¶ G(3)(a)(ii)(C), CMO G(3)(a)(iii)(C), and CMO ¶ G(9)(b)(iii and iv)

51. The table below provides the total sums (for all claims) of the maximum and risk-adjusted class damages and penalties and the total maximum and risk-adjusted PAGA penalties.

Claim	***Class Values***		***PAGA Values***	
	Maximum	Risk-Adjusted	Maximum	Risk-Adjusted
Willful Misclassification	n/a	n/a	$4,000,000	$500,000
Unpaid Wages	$900,000	$576,000	$600,000	$40,000
Business Expenses	$120,000	$20,000	$600,000	$20,000
Wage Statement	$592,000	$142,080	$600,000	$20,000
Waiting Time Penalties	$1,080,000	$604,800	$5,000	$1,000
Totals	**$2,692,000**	**$1,342,880**	**$5,805,000**	**$581,000**

CMO ¶ G(3)(a)(iv)

52. Based on an assumed Net Settlement Amount of $386,166.67, and an estimated 275 Class Members, the average payment will be $1,404.24. However, the actual amounts payable to the Class will be calculated on a pro-rata basis according to the number of Weeks Worked by each Class Member during the Class Period. While we cannot generate an exact

"range of recoveries" right now since the Class Data will not be provided to the Settlement Administrator until after Preliminary Approval, I can provide reasonable estimates of the high and low payments as follows.

53. Based on our analysis, we estimate that there 275 Class Members participating in the Settlement, who will reach receive a share of the settlement based on weeks worked. Based on an estimated 12,000 workweeks during this period, we can assume an average per-workweek value of $32.18 ($386,166.67 / 12,000). Thus, on the low end, a Class Member that worked only 2 weeks during the Class Period will receive $64.36 ($32.18 x 2). And, at the high end, a Class Member that worked for the entire Class Period (307 calendar weeks) will receive an estimated high payment of $9,879.26 ($32.18 x 307).

54. Given that these are only preliminary estimates, the Settlement Administrator will fill in the average, high, and low payments in the Class Notice (if necessary) after Preliminary Approval and after calculating those figures from the Class Data.

CMO ¶ G(3)(a)(v)

55. From the data and analysis conducted prior to mediation, derived through informal discovery, we estimated the following recoveries by the Aggrieved Employees. First, given that we estimate 160 Aggrieved Employees, those individuals will receive an estimated average share of $76.56 ($12,250 / 160). Then, based on an estimated 6,000Work Weeks during the PAGA Period, we estimate the value of each PAGA Work Week as $2.04 ($12,250 / 6,000). If an Aggrieved Employee worked only 2 weeks in the PAGA Period, the low payment would be $4.08 and, if an Aggrieved Employee worked the maximum weeks during the PAGA Period (150), then the maximum PAGA payment will be $306.

CMO ¶ G(3)(a)(vi)

56. My office conducted substantial informal discovery to investigate the size of the class and strength of the claims. Specifically, in preparation for mediation, we demanded and received informal discovery, including documents and information that allowed us calculate the potential damages and evaluate potential risk, including policies and procedures pertaining to the claims, statistics relating to the number of current and former workers, number of shifts, pay

periods worked and other things, and other payment records for Class Members.

CMO ¶ G(3)(a)(vii)

57. I am not aware of any other class, representative, or collective action in this or any other court that asserts claims similar to those asserted in this action or behalf of a class or group of individuals, some or all of whom would also be members of this Class. I have also made reasonable inquiry of other members of my firm and none of the other attorneys are aware of any such similar actions.

CMO ¶ G(3)(c)(i)

58. The Court, at CMO ¶ G(C)(i), states that it "believes that redistribution of the value of uncashed settlement check(s) to those class members who have cashed their checks will better serve the public interest and the interest of the class than distribution in the manner otherwise prescribed by [CCP § 384(b)]" (*i.e.*, payments to a *cy pres*).

59. Here, the Parties are not sending the value of uncashed checks to a *cy pres*. Instead, any uncashed checks will be sent to the California State Controller in the name of the Class Member (or Aggrieved Employee). Thus, those funds are – and always will be – paid to and available for collection by the Class Member (or Aggrieved Employee) at any point in the future. This does not fall under the umbrella of CCP § 384(b), as that section only relates to payment of residue to "nonprofit organizations or foundations to support projects that will benefit the class or similarly situated persons, or that promote the law consistent with the objectives and purposes of the underlying cause of action, to child advocacy programs, or to nonprofit organizations providing civil legal services to the indigent."

60. I do not believe there is a need for the Parties to "explain[] the factual basis for the disagreement" with the Court's proposed method of redistributing funds, because the Court's proposal is, by its plain language, only applicable in lieu of a *cy pres* (not where the uncashed funds are still paid to the Class Member, essentially held in trust by the State Controller).

61. However, in an abundance of caution and to prevent a delay, I want to explain why we do not want to redistribute uncashed checks to class members that did cash checks.

62. First, the process to carry out the Court's proposed redistribution is not as simple as it sounds. Under the CMO's proposed method, after 180 days have passed, the uncashed funds would be redistributed to Class Members that cashed their checks. That step, on a standalone basis, is not concerning. However, that is nowhere near the end of the process. Indeed, after the second checks are issued, there will be another batch of checks that go uncashed, as there always are in these class actions. What, then, happens to the funds from the uncashed second checks? Are those amounts redistributed again? And to whom? Should the third round of checks only go to those who cashed the first and second checks? Regardless of the answer to these questions, the problem will continue because some of the third checks will likely go uncashed as well, meaning that this process can repeat over and over – each time with a 180-day check cashing period.

63. Second, the Court's proposal to redistribute uncashed checks to class members is also problematic because it will greatly increase the cost of settlement administration. After all, the administrator will have to keep banking and taxing accounts open for a much longer period, possibly for multiple years, and will have to issue multiple tax forms with each new payment. But how much extra will the Administrator charge to be exact? And how many additional checks will be mailed a second and third time? How will this be priced? And once the court has approved a specific amount of money for the Settlement Administrator, who will pay for the increased costs, and who will be responsible for ensuring that the increased costs are fair, reasonable and adequate - because after all, this entire process is occurring after the Court has entered judgment.

CMO ¶ G(3)(d)

64. In accordance with CMO ¶ G(3)(d), we requested bids from four different settlement administrators, which resulted in the following bids: CPT Group ($25,000), Xpand ($10,800), Phoenix ($10,500) and ILYM ($9,350). Although Phoenix was not the lowest bid, the difference is not large in relation to the settlement, and it has performed well with approvals in Riverside Superior Court, so the Parties agreed to retain Phoenix based on its all-in (fixed) fee to administer the settlement for $10,500. The concurrently filed Declaration of Mike Moore of

Phoenix Settlement Administrators covers the other information required in CMO ¶ G(3)(d)(ii).

CMO ¶ G(9)(b)

65. The paragraphs above provide the information requested in CMO ¶ G(9)(b)(i-iv); this section addresses the remaining requests under CMO ¶ G(9)(b)(v-viii).

66. CMO ¶ G(9)(b)(v): I'd first like to point out that a finding of "knowing and intentional" is not necessary under claims for PAGA penalties; that is a required element of wage statement violations (on a class, not PAGA, basis) under Labor Code § 226(e). However, with that said, we believe there is an argument that Defendants' unpaid wage claims would not be found "knowing and intentional" (for purposes of Labor Code § 203, for instance). Additionally, we believed that Defendants had a good argument that the derivative wage statement violations were not "knowing and intentional."

67. CMO ¶ G(9)(b)(vi): If this action proceeded to trial, Defendants would have argued for a discretionary reduction in PAGA penalties because the assessment of significant PAGA penalties would be "unjust, arbitrary and oppressive, or confiscatory" in light of "the facts and circumstances of [this] case." *See* Labor Code § 2699(h). Defendants' reliance on several Labor Code exemptions presents a "mistake of law" fact pattern, and similar cases have applied large reductions in PAGA penalties in such situations. *See, e.g.*, *Cotter v. Lyft, Inc*. (N.D. Cal. 2016) 193 F.Supp.3d 1030, 1037 (97.5% reduction in PAGA penalties "appropriate" based on the "unjust, arbitrary and oppressive, or confiscatory" factors because (i) the employer did not "deliberately evad[e] a clear obligation to provide legally required pay and benefits to employees," (ii) the employer did not "negligently fail to learn about its obligations under the wage and hour laws," and (iii) the employer's obligations were "genuinely unclear" because "there is no straight answer to the question").

68. CMO ¶ G(9)(b)(vii): The parties only reached settlement and the agreed-upon PAGA penalties after extensive informal discovery and arms-length negotiation between the parties and through an experienced mediator. Notably, Defendants raised many defenses which, if accepted by the Court, could result in a significant reduction of penalties, or the elimination of penalties altogether through dispositive motions. As such, an assessment of penalties greater

than those agreed-upon would be unjust at this stage because this settlement reflects an informed, fundamentally fair, and reasonable settlement of the PAGA claims herein based on the unique facts, defenses, and risks in this case.

69. CMO ¶ G(9)(b)(viii): the sections above show that the amount of the agreed-upon penalties is fair.

THE SETTLEMENT IS FAIR, JUST, AND REASONABLE

70. The settlement was the product of extensive arm's length negotiations, facilitated by an experienced mediator and the eventual resolution was reached through the mediator's proposal. Though cordial and professional, the settlement negotiations were adversarial and non-collusive in nature. The settlement reached is the product of substantial effort by the parties and their counsel. Although we believed that there was a possibility of certifying the claims, we recognized the potential risk, expense, and complexity posed by litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that can take several more years to litigate.

71. The settlement will result in a fair payment to each class member based on the number of weeks worked. Plaintiff and my firm have diligently investigated the claims and defenses on behalf of the Class Members and worked to achieve a resolution of the claims to maximize the recovery by avoiding further expenditure of attorneys' fees and costs. After evaluating the significant risks attendant with further litigation described above and weighing them against the benefits of a known compromise and settlement as set forth in the Settlement Agreement, settlement on the terms agreed to is believed to be in the best interest of Plaintiff and the Class, and is a fair and reasonable resolution of the claims alleged.

72. My firm brought to bear a great deal of experience in negotiating the settlement of this case. We engaged in the necessary discovery and investigation, making it possible to exercise informed judgment throughout the settlement process, including significant document review (*e.g.*, documents pertaining to Defendants' policies and procedures, among others), and conducted an extensive analysis of the detailed class-wide data provided by Defendants.

/ / /

73. Based on my experience in other cases, including wage and hour matters, I believe I am qualified to evaluate the class claims and viability of defenses in this class action. In this case, the recovery for each class member is reasonable, fair, and adequate, and this settlement is in the best interests of the class. The settlement provides each class member with compensation for the alleged violations when viewed in relation to the costs and risks inherent in obtaining class certification and proceeding to trial.

74. My firm, as well as defense counsel, fully endorse the terms and conditions of the settlement as set forth in the abovementioned Settlement Agreement.

75. Of course, the settlement amount represents a compromise figure, taking into account the various risks surrounding class certification and the merits of Defendants' asserted defenses. Nevertheless, the settlement provides for fair and adequate payments to the class members, with no reversion to Defendants.

PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENT

76. Plaintiff seeks an enhancement payment of $10,000 for his service to the Class. Plaintiff came forward and brought this case in an effort to effectuate a policy and practice change that benefitted all other Class Members (and to recover unpaid wages and other damages). He ultimately succeeded despite significant risk.

77. Plaintiff provided invaluable assistance to my office and the Class in this case, including providing factual background; reviewing the litigation documents; providing information and documents about Defendants' policies and practices; participating in phone calls to discuss litigation and settlement strategy; making himself available throughout the litigation to assist with analyzing the claims and defenses; helping Class Counsel prepare for the mediation; making himself available for a full-day mediation, and reviewing the settlement documents. Plaintiff agreed to participate in this case with no guarantee of personal benefit.

78. The Class Representative also assumed significant risk in bringing this litigation—namely, had he lost, he would have been ordered to pay Defendants' costs. And, as part of the negotiations, Plaintiff put the interests of the class ahead of his interests and agreed to a general release as part of the settlement (whereas the Class will only release the claims

alleged).

ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE REQUESTED FEES AND COSTS

79. As set forth above, I have handled over 215 class and representative actions, have been appointed as class counsel and have successfully resolved over half of those cases, and many others remain pending and will successfully resolve in the future.

80. When this case was taken on a contingency fee basis, with my firm agreeing to assume responsibility for all litigation costs, the ultimate result was far from certain. In the course of this litigation, my firm paid all costs including filing fees, court costs, research fees, and mediation costs. There was never a guarantee that we would recoup those expenditures.

81. It is my experience that attorney fee awards of one-third of a common fund settlement is the standard in California. In this case, my firm agreed to seek one-third of the Settlement Amount for attorneys' fees. Defendants do not oppose this fee request. The fee is further warranted because it is within the range of reasonableness typically awarded in class actions. The litigation costs are reasonably capped at $25,000 and will be based on the actual amount of costs incurred at the time of final approval.

SETTLEMENT ADMINISTRATOR

82. The Parties request that the Court appoint Phoenix Settlement Administrators as the Settlement Administrator. In accordance with CMO ¶ G(3)(d), we requested bids from four different settlement administrators, which resulted in the following bids: CPT Group ($25,000), Xpand ($10,800), Phoenix ($10,500) and ILYM ($9,350). Although Phoenix was not the lowest bid, the difference is not large in relation to the settlement, and it has performed well with approvals in Riverside Superior Court, so the Parties agreed to retain Phoenix based on its all-in (fixed) fee to administer the settlement for $10,500. The Declaration of Mike Moore of Phoenix Settlement Administrators covers the other information required in CMO ¶ G(3)(d)(ii).

SUBMISSION TO THE LWDA

83. Plaintiff has concurrently submitted the settlement and all moving papers to the LWDA in accordance with Labor Code § 2699(l)(2). The proof of submission is attached hereto

as **Exhibit G.**

EXHIBITS AND CONCLUSION

84. A true and correct copy of the Settlement Agreement is attached as **Exhibit A**.

85. The proposed Class Notice is attached as **Exhibit B**.

86. The proposed Request for Exclusion Form is attached as **Exhibit C**.

87. The proposed Objection Form is attached as **Exhibit D**.

88. The proposed Dispute Form is attached as **Exhibit E.**

89. A true and correct copy of the notice letter we submitted on behalf of Plaintiff to the LWDA is attached as **Exhibit F**.

90. The LWDA's confirmation of receipt of this Motion and Declarations is attached hereto as **Exhibit G.**

91. Counsel has reviewed both the terms and the terminology of the order and the accompanying forms (notice, objection form, exclusion form and dispute form) to confirm that the various documents are internally consistent, consistent with each other, and consistent with the settlement agreement.

92. For the foregoing reasons, it is respectfully requested that the Court grant preliminary approval of the settlement as being fair, reasonable, and in the best interests of the class, as well as preliminarily approve the requested attorneys' fees, costs, and enhancement payment to the Class Representative.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on November 10, 2026, at Riverside, California.

By: _____
Peter J. Carlson, Esq.

EXHIBIT “A”

Brian J. Mankin, Esq. [CSB No. 216228]
brian@lmlfirm.com
Peter J. Carlson, Esq. [CSB No. 295611]
peter@lmlfirm.com
LAUBY, MANKIN & LAUBY LLP
5198 Arlington Avenue, PMB 513
Riverside, CA 92504
Tel: (951) 320-1444 | Fax: (951) 320-1445

Attorneys for Plaintiff, on a representative basis and on behalf of all others similarly situated

MANDEEP S. RUPAL (SBN 279664)
mrupal@rupallaw.com
NATALIE A. ANTEMATE (SBN 346837)
natalie@rupallaw.com
LAW OFFICE OF MANDEEP S. RUPAL
4740 Green River Rd., Suite 209
Corona, CA 92878
T: (951) 460-0830 | F: (951) 963-9920

Attorneys for Defendants Best Bay Trucking Corporation, Parampreet Singh, and Rajwinder Singh

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

JASWINDER AUJLA, individually, on a representative basis, and on behalf of all others similarly situated;

Plaintiff,

vs.

BEST BAY TRUCKING CORPORATION, a California Corporation; and DOES 1 through 20, inclusive;

Defendants.

Case No.: CVRI2404644
[Assigned to Hon. Harold Hopp, Dept 1. for all purposes]

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Class Action and PAGA Settlement Agreement and Release of Claims is entered into by and between Plaintiff Jaswinder Aujla ("Plaintiff"), individually and on behalf of all others similarly situated, and on behalf of the State of California, and Defendants Best Bay Trucking Corporation, Rajwinder Singh, and Parampreet Singh ("Defendants"), and is approved by their respective counsel of record, subject to the terms and conditions hereof and the Court's approval.

A. Definitions

1. "Action" or "Lawsuit" means and refers to the case entitled *Aujla v. Best Bay Trucking Corporation*, Riverside County Superior Court, Case No. CVRI2404644.

2. "Aggrieved Employee(s)" means all current and former California resident truck drivers who performed services as independent contractors for Defendant Best Bay Trucking Corporation in the State of California during the PAGA Period.

3. "Agreement" or "Settlement Agreement" or "Settlement" shall mean this Class Action and PAGA Settlement Agreement and Release of Claims.

4. "Class" means all current and former California resident truck drivers who performed services as independent contractors for Defendant Best Bay Trucking Corporation in the State of California during the Class Period.

5. "Class Member(s)" refers to individual members of the Class.

6. "Class Counsel" refers to Brian Mankin and Peter Carlson of Lauby, Mankin & Lauby LLP.

7. "Class Data" means a complete list that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator on one spreadsheet which shall include, for each Class Member: (a) individual's full name; (b) last known address; (c) Social Security Number; and (d) total Weeks Worked during the PAGA Period and the Class Period.

8. "Class Period" is deemed to be any time during the period of August 8, 2020, through June 23, 2026.

9. "Class Representative" or "Plaintiff" means and refers to Plaintiff Jaswinder Aujla.

10. "Complaint" refers to the operative First Amended Complaint along with the Doe amendments thereto.

11. "Court" (or "Judge") means the California Superior Court, County of Riverside.

12. "Defendants" means and refers to Defendants Best Bay Trucking Corporation, Parampreet Singh, and Rajwinder Singh.

13. "Defendants' Counsel" or "Defense Counsel" means and refers to The Law Office of Mandeep S. Rupal.

14. "Effective Date" means the latest of the following dates: (i) if no Class Member timely and properly intervenes or files a motion to vacate the Judgment under Code of Civil Procedure § 663, then the date the Court enters an order granting Final Approval of the Settlement; (ii) if a Class Member intervenes or files a motion to vacate the Judgment, then sixty-one (61) calendar days following the date the Court enters an order granting Final Approval, assuming no appeal is filed; or (iii) if a Class Member timely and properly intervenes or files a motion to vacate the Judgment under Code of Civil Procedure § 663 or initiates another collateral attack, and if a timely appeal is filed, then the date of final resolution of that appeal or other collateral attack (including any requests for rehearing and/or petitions for *certiorari*), resulting in final judicial approval of the Settlement.

15. "Escalator Clause:" Defendants represent that there are approximately 253 Class Members who performed work for Defendants during the Class Period. If the total number of Class Members (as contained in the Class Data) exceeds 278 (which is 10% more than Defendants' representation), then the Settlement Amount shall increase by $2,766.80 for each additional Class Member above 278.

16. "Final Approval" refers to the order of the Court granting final approval of this Settlement Agreement and entering a judgment approving this Agreement on substantially the terms provided herein or as may be modified by subsequent agreement of the Parties.

17. "Individual Class Payment" refers to each Participating Class Members share of the Net Settlement Amount, as further discussed in Paragraph 47 below.

18. "Individual PAGA Payment" refers to each Aggrieved Employees' share of the PAGA Penalties, as further discussed in Paragraph 47 below.

19. "Net Settlement Amount" shall have the meaning ascribed to it in Paragraph 47 below.

20. "Notice" means the notice of proposed class settlement that will be sent to the Class Members, and which will advise each Class Member of the settlement and his or her estimated Individual Class Payment and Individual PAGA Payment, total Weeks Worked, and will further advise of the setting of a Final Approval Hearing.

21. "Notice Packet" means the Notice, Request for Exclusion Form, Objection Form, and Dispute Form to be sent to all Class Members in English and Spanish.

22. "Objecting Class Member" means a Class Member, other than Plaintiff, who submits a valid and timely objection to the terms of this Agreement, pursuant to Paragraph 66 below.

23. "PAGA Penalties" means the amount that the Parties have agreed to pay to the California Labor and Workforce Development Agency ("LWDA") in connection with the Labor Code Private Attorneys General Act of 2004 (Lab. Code section 2698, *et seq.*, "PAGA"), as well as the individual PAGA payment allocated to each Aggrieved Employee.

24. "PAGA Period" is deemed to be any time during the period of August 8, 2023, through June 23, 2026.

25. "Participating Class Member" means any and all Class Members who are deemed to participate and receive an Individual Class Payment and do not opt-out by submitting timely valid Requests for Exclusion.

26. "Parties" or "Settling Parties" mean Plaintiff and Defendants, collectively.

27. "Preliminary Approval Date" means the date the Court approves the Settlement Agreement and enters the Preliminary Approval Order.

28. "Preliminary Approval Order" means the judicial Order to be entered by the Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement and approving the PAGA Settlement and providing for the issuance of the Notice Packet to the Class, an opportunity to opt out of the Settlement, an opportunity to submit timely objections to the Settlement, and setting a final approval hearing on the fairness of the terms of Settlement,

including approval of attorneys' fees and costs. Provided that the motion is consistent with the terms herein, Defendants will not object to Plaintiff's motion for preliminary approval but will be provided with an opportunity to review and comment upon the motion before it is filed.

29. "QSF" means the Qualified Settlement Fund set up by the Settlement Administrator for the benefit of the Participating Class Members and Aggrieved Employees, and from which the settlement payments shall be made.

30. "Released Class Claims" or "Class Claims" means the claims stated in the Complaint and those based solely upon the facts in the Complaint, including: (1) failure to pay wages, (2) failure to pay for nonproductive time under Labor Code § 226.2, (3) failure to reimburse business expenses, (4) failure to timely pay final wages, (5) failure to provide accurate itemized wage statements, and (6) unfair and unlawful competition. The time period governing the Released Class Claims shall be the Class Period.

31. "Released PAGA Claims" means the PAGA claims that Plaintiff alleged against the Released Parties, based on the facts stated in the relevant LWDA notice letter and only to the extent that they are alleged in the Complaint, including all PAGA claims seeking civil penalties premised upon: (1) willful misclassification, (2) failure to pay wages, (3) failure to pay for nonproductive time under Labor Code § 226.2, (4) failure to reimburse business expenses, (5) failure to timely pay wages, (6) failure to timely pay final wages, (7) failure to provide accurate itemized wage statements, and (8) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged in the LWDA notice letters and Complaint. The time period governing the PAGA Released Claims shall be the PAGA Period. The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties. The Released PAGA Claims shall bind only Plaintiff and the State of California.

32. "Released Parties" means Defendants, together with their officers, directors, employees, and agents.

33. "Response Deadline" is 30 calendar days from the date the Notice is mailed to the Class Members.

34. "Request for Exclusion" shall have the meaning ascribed to it in Paragraph 66 below.

35. "Settlement Amount" is $700,000, subject to the Escalator Clause as further discussed in Paragraph 47 below.

36. "Service Payment" or "Service Award" means the amount approved by the Court to be paid to the Class Representative in addition to his Individual Class Payment as Participating Class Members and Individual PAGA Payments as Aggrieved Employee.

37. "Settlement Administrator" means and refers to Phoenix Settlement Administrators, the third-party class action settlement administrator agreed to by the Parties, that will provide the Notice Packet to the Class Members and distribute the settlement amounts as described in this Agreement.

38. "Settlement Administration Costs" means the costs payable from the Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, translating, distributing, and tracking documents for this Settlement, tax reporting, and deposit of the employee and employer share of payroll taxes (if any), unclaimed property due diligence, reporting and remittance obligations, distributing the Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs shall be paid from the Settlement Amount, and shall not exceed the amount approved by the Court, regardless of any additional costs that the Settlement Administrator may request or feel is necessary to administer the Settlement.

39. "Work Weeks" or "Weeks Worked" in the context of a Class Members means any and all work weeks during the Class Period during which the Class Member worked at least one (1) day for Defendants in California. Likewise, in the context of Aggrieved Employees, it means any and all weeks worked during the PAGA Period during which the Aggrieved Employee worked at least one day for Defendants in California.

B. <u>General Terms</u>

40. On August 8, 2024, Plaintiff filed the instant class action, alleging that Defendant violated various sections of the Labor Code. Plaintiff also gave written notice by online filing to

the LWDA and by certified mail to Defendant of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violations. Plaintiff then filed the operative first amended complaint, alleging putative class and representative PAGA claims against Defendant, and later filed Doe amendments adding the individual Defendants identified herein.

41. Defendants deny Plaintiff's claims and allegations and contend that the Action is not suitable for class certification.

42. The Class Representative believes he can proceed with the representative and class claims, that the Action is meritorious, and that class certification is appropriate.

43. The Parties have conducted a thorough investigation into the facts of the Action. This includes an extensive exchange of informal discovery, including an analysis of documents and data relevant to the claims. Class Counsel is both knowledgeable about and has done extensive research with respect to the applicable law and potential defenses to the claims of the Class. Class Counsel has diligently pursued an investigation of the Class Members' claims against Defendants. Based on the foregoing data and on their own independent investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendants, and numerous potential appellate issues.

44. On June 23, 2026, the Parties participated in a full-day mediation with Michael Strauss, Esq., a well-respected wage-and-hour mediator. Ultimately, the Parties reached terms on this Settlement after issuance and acceptance of a mediator's proposal.

45. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts to be performed or judgment to be entered pursuant to the terms of the Settlement and Agreement, shall be construed as an admission by Defendants of any wrongdoing or violation of any statute or law or liability on the claims or allegations in the Action.

46. Stipulation for Class Certification. For settlement purposes only, Defendants will stipulate that the Class Members described herein who do not Request Exclusion from the Class may be conditionally certified as a Class. This stipulation to certification is in no way an admission that class action certification is proper and shall not be admissible in this action except for the sole purposes of enforcing this Agreement. Should, for whatever reason, the Court fail to issue Final Approval, the Parties' stipulation to class certification as part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not be admissible in this Action in connection with, the issue of whether certification would be appropriate in a non-settlement context. Defendants expressly reserve their rights and declare that they would continue to oppose class certification and the substantive merits of the case should the Court fail to issue Final Approval. Plaintiff expressly reserves his rights and declares that he will continue to pursue class certification and a trial should the Court fail to issue Final Approval.

C. Terms of Settlement

47. The financial terms of the Settlement are as follows:

(a) Settlement Amount: The Parties agree to settle this Action for the Settlement Amount, which is the maximum amount that will be paid by Defendants unless the Escalator Clause is triggered. The Settlement Amount includes payments to the Participating Class Members, PAGA Penalties (to the Aggrieved Employees and LWDA), Attorneys' Fees and Costs Award, Service Payment to the Class Representative, and Settlement Administration Costs.

(b) Net Settlement Amount: The "Net Settlement Amount" is defined as the Settlement Amount, less the Attorneys' Fees and Costs Award, Service Payment to the Class Representative as awarded by the Court, Settlement Administration Costs, and PAGA Penalties. If the Court reduces the Attorneys' Fees and Costs Award, Service Awards, or Settlement Administrator Costs, or either increases or decreases the amount allocated to the PAGA Penalties, the difference shall be placed in the Net Settlement Amount and allocated to the Participating Class Members.

(c) Individual Class Payments. Individual Class Payments for the Class will be calculated and apportioned from the Net Settlement Amount based on the number of Weeks Worked by a Class Member during the Class Period. Thus, each specific Individual Class Payment will be calculated by: (a) dividing the Net Settlement Amount by the total number of Weeks Worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each Participating Class Members' Weeks Worked. The amount actually distributed to Participating Class Members shall equal one hundred percent (100%) of the Net Settlement Amount.

(d) Allocation of Individual Class Payments: Because the Class Members performed contract services for Defendants as independent contractors, rather than as employees, and because Defendants fully dispute the allegations alleged herein, the Parties agree that the Individual Class Payments will be allocated and paid as contract compensation, interest, and penalties from which no state or federal taxes will be withheld or deducted.

(e) Service Payment to Class Representative: The amount, if any, awarded to the Class Representative as Service Payment will be set by the Court in its discretion, not to exceed $10,000 to Plaintiff, in exchange for the service that Plaintiff performed on behalf of the Class. Defendants agree not to oppose this request. The Service Payment to Plaintiff will be paid out of the Settlement Amount. The Class Representative will be issued an IRS Form 1099 for this payment. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on this payment. The Parties agree that any amount awarded as the Service Payment to Plaintiff less than the requested amount shall not be a basis for Class Counsel to void this Settlement Agreement. Should the Court approve a lesser amount for the Service Payment, the difference shall be added to the Net Settlement Amount for distribution to Participating Class Members.

(f) Attorneys' Fees and Costs Award: Defendants agree to not oppose a request by Class Counsel to the Court for an award of attorneys' fees of one-third of the Settlement Amount, plus reasonable litigation costs of up to $25,000, subject to proof ("Attorney's Fees and Cost Award"). Defendants agree not to oppose any contention by Class Counsel that attorneys' fees should be based on the catalyst and/or common fund theory. The Attorney's Fee and Cost

Award shall be paid from the Settlement Amount, and, except for this award, Defendants shall have no further obligation to pay any attorneys' fees, costs or expenses to Class Counsel. Should the Court approve a lesser amount than what is sought by Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to the Participating Class Members. Any Court order awarding less than the amount sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise void the Settlement. The Settlement Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the Court.

(g) Settlement Administration Costs: The fees and other charges of the Settlement Administrator will be paid from the Settlement Amount, not to exceed $10,500, unless (i) the Escalator Clause is triggered (whereby any reasonable increase in Settlement Administration Costs shall be paid from the increased Settlement Amount, subject to Court approval), or (ii) as otherwise approved by all Parties and the Court.

(h) PAGA Penalties: The Parties agree that $35,000 is allocated to PAGA Penalties, and is to be paid from the Settlement Amount, subject to Court approval. Of this amount, $22,750 (65%) shall be paid to the LWDA in satisfaction of civil penalties under the Private Attorney General Act of 2004 ("PAGA") and $12,250 (35%) will form the Individual PAGA Payments to the Aggrieved Employees, which shall be calculated and allocated pro-rata on a Work Week basis, treated entirely as civil penalties, and which shall be reported as required on an IRS Form 1099. Class Counsel shall give proper notice to the LWDA of the Settlement. The Settlement Administrator will calculate Individual PAGA Payments by: (1) dividing $12,250 by the total number of Weeks Worked by all Aggrieved Employees during the PAGA Period and (2) multiplying the result by the number of Weeks Worked by each individual Aggrieved Employee during the PAGA Period.

(i) Tax Liability: Class Counsel and Defendants make no representations as to the tax treatment or legal effect of settlement amounts called for hereunder, and Plaintiff and the Class Members are not relying on any statement or representation by Class Counsel or Defendants in this regard. Plaintiff, Participating Class Members, and Aggrieved Employees

understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on their respective Individual Class Payments and Individual PAGA Payments, described herein. An IRS Forms 1099 will be distributed in the manner required by the Internal Revenue Code of 1986 ("Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendants into compliance with any such changes. Plaintiff, Participating Class Members, and Aggrieved Employees understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on their respective payments described herein.

(j) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION

THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

(k) "Non-Reversionary" Settlement. This is a "non-reversionary" settlement. Under no circumstances will any portion of the Settlement Amount revert to Defendants. Participating Class Members and Aggrieved Employees will not have to make a claim to receive an Individual Class Payment or Individual PAGA Payment. Distributions, in the form of Individual Class Payment or Individual PAGA Payments will be made directly to each Participating Class Member and Aggrieved Employee. The Settlement Administrator shall be responsible for accurately and timely reporting and remittance obligations with respect to unclaimed funds as a result of a Participating Class Member and/or Aggrieved Employee not cashing any checks delivered pursuant to the Settlement by the check cashing deadline.

(l) Class Counsel and Plaintiff believe that the Settlement is fair and reasonable and will so represent same to the Court.

D. Release by the Participating Class Members

48. Upon the Effective Date occurring and Defendants fully funding the Settlement Amount, Plaintiff and the Participating Class Members will fully release and discharge the Released Parties from the Released Class Claims for the Class Period.

49. Each Participating Class Member will be deemed to have made the foregoing Release as if by manually signing it.

50. Class Representative, on behalf of himself and the Class, acknowledges and agrees that the claims for unpaid wages and untimely payment of wages in the Action are disputed, and that the payments set forth herein constitute payment of all sums allegedly due to them. Class Representative, on behalf of himself and the Class, acknowledges and agrees that Labor Code section 206.5 is not applicable to the Parties or Settlement. Labor Code section 206.5 provides in pertinent part as follows: "An employer shall not require the execution of any release of any claim

or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made."

E. Release of PAGA Claims

51. Upon the Effective Date occurring and Defendants fully funding the Settlement Amount, Plaintiff – in his individual capacity and on behalf of the State of California and LWDA – shall completely release and discharge the Released Parties from the Released PAGA Claims for the PAGA Period.

52. Regardless of submitting a valid Request for Exclusion, neither Plaintiff nor any Aggrieved Employee shall have the right to opt out or exclude themselves from releasing the PAGA portion of the Settlement.

53. It is the intent of the Parties that the Final Approval Order shall have full equitable and collateral estoppel and res judicata effect to the fullest extent permitted by law.

F. Release by Plaintiff

54. Plaintiff does hereby, for himself and his spouses, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and assigns, forever and completely releases and discharges the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and costs) arising from the work Plaintiff performed for Defendants, from the beginning of time through the execution of this Agreement, whether known or unknown, suspected or unsuspected, including but not limited to all claims arising out of, based upon, or relating to Plaintiff's work performed for Defendants or the remuneration for or termination from such work performed (the "Plaintiff's Claims").

55. Plaintiff expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and does so understanding and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of California states:

> 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.

Plaintiff acknowledges and agrees that this knowing and voluntary waiver is an essential and material term of this Settlement Agreement, and the Settlement Agreement would not have been entered into without such a waiver.

G. Interim Stay of Proceedings

56. Pending completion of all prerequisites necessary to effectuate this Settlement, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action except such as are necessary to effectuate the Settlement.

H. Notice Process

57. Appointment of Settlement Administrator. The Parties have agreed to the appointment of the Settlement Administrator to perform the duties of a settlement administrator, including mailing the Notice Packet, using standard devices to obtain forwarding addresses, independently reviewing and verifying documentation associated with any claims or opt-out requests, resolving any disputes regarding the calculation or application of the formula for determining the Individual Settlement Amounts, drafting and mailing the settlement checks to Participating Class Members and Aggrieved Employees, issuing all necessary tax forms, and performing other tasks as set forth herein or as the Parties mutually agree or the Court orders.

58. Disputes Regarding Settlement Administration. Any and all disputes relating to administration of the Settlement by the Settlement Administrator (except for disputes regarding Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until Plaintiff and Defendants notify the Court that all payments and obligations contemplated by this Agreement have been fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of Court intervention. The Settlement Administrator

shall also be responsible for issuing to Plaintiff, Participating Class Members, and Aggrieved Employees, and Class Counsel any Tax Forms as may be required by law for all amounts paid pursuant to this Agreement.

59. Class Data. Within fourteen (14) days after entry of the Preliminary Approval Order, Defendants shall provide the Class Data to the Settlement Administrator. The Settlement Administrator will run a check of the Class Members' addresses against those on file with the U.S. Postal Service's National Change of Address List. The Class Data provided to the Settlement Administrator will remain confidential and will not be used or disclosed to anyone, except as required by applicable tax authorities, pursuant to Defendants' express written consent, or by order of the Court.

60. Total Workweeks. At least ten (10) calendar days prior to mailing the Notice Packet, the Settlement Administrator shall provide a spreadsheet to Class Counsel and Defense Counsel containing a preliminary calculation of all payments to be paid from the Settlement Amount, including the estimated Individual Class Payments to each Class Member and Individual PAGA Payments to each Aggrieved Employee (a person's name shall be redacted and a control number used in place of the name). In the event that the total number of Class Members triggers the Escalator Clause, the Settlement Administrator shall notify the Parties of the increased Settlement Amount (if applicable), and related increased payments from the Settlement Amount (if applicable), including increased Attorneys' Fees and Costs and any increased Settlement Administration Costs, all of which shall be subject to Court approval, and shall update Notice accordingly.

61. Notice Packet. The Notice Packet, as approved by the Court, shall be sent by the Settlement Administrator to the Class Members, by first class mail, in English and Spanish, within fifteen (15) calendar days following the Settlement Administrator's receipt of the Class Data. For all Class Members, the Notice Packet will include the Notice, Request for Exclusion Form, Objection Form, and Dispute Form. The Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding addresses of Class Members if any envelopes are returned.

62. Returned Notice Packets. The Settlement Administrator will take steps to ensure that the Notice Packet is received by all Class Members, including utilization of the National Change of Address Database maintained by the United States Postal Service to review the accuracy of and, if possible, update a mailing address. Notices will be re-mailed to any Class Member for whom an updated address is located within ten (10) calendar days following both the Settlement Administrator learning of the failed mailing and its receipt of the updated address. The Notice Packet shall be identical to the original Notice Packet, except that it shall notify the Class Member that the exclusion (opt-out) request or objection must be returned by the later of the Response Deadline or fifteen (15) days after the remailing of the Notice Packet.

63. Presumption Regarding Receipt of Notice Packet. It will be conclusively presumed that if an envelope has not been returned to Settlement Administrator by the Response Deadline that the Class Member received the Notice Packet.

64. Disputes Regarding Class Data. Class Members are deemed to participate in the Settlement unless they opt-out, and Aggrieved Employees may not opt out of the PAGA portion of the Settlement. The Notice will inform Class Members of their estimated Individual Class Payment and Individual PAGA Payment, as well as the number of Weeks Worked during the Class Period and the PAGA Period. Class Members may dispute their Weeks Worked by timely submitting evidence to the Settlement Administrator. Defendants' records will be presumed determinative absent reliable evidence to rebut Defendants' records, but the Settlement Administrator will evaluate the evidence submitted by the Class Member and provide the evidence submitted to Class Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to determine the Class Member's actual number of Work Weeks, and estimated Individual Class and PAGA Payments. If Class Counsel and Defense Counsel are unable to agree, they agree to submit the dispute to the Court to render a final decision. Class Members and Aggrieved Employees will have until the Response Deadline to dispute Weeks Worked, object, or opt out, unless extended by the Court.

65. Declaration of Due Diligence. The Settlement Administrator shall provide counsel for the Parties, at least fifteen (15) calendar days after the initial Response Deadline, a declaration

of due diligence and proof of mailing with regard to the mailing of the Notice Packet.

66. Class Members' Rights. Each Class Member will be fully advised of the Settlement, the ability to object to the settlement, and the ability to opt out or request exclusion from the Class Claims portion of the Settlement. The Notice Packet will inform the Class Members of the Court-established deadlines for filing objections or requesting exclusion from the Settlement in accordance with the following guidelines:

(a) Requests for Exclusion from Class. Any Class Member, other than Plaintiff, may request to be excluded from the Class by completing the Request for Exclusion Form provided within the Notice Packet. The Request for Exclusion Form must be mailed to the Settlement Administrator and postmarked on or before the Response Deadline in order to be timely, unless the Parties otherwise agree in writing. Any such Request must be made in accordance with the terms set forth in the Notice Packet. The Settlement Administrator shall attach each Request for Exclusion to its declaration of due diligence and file with the Court prior to the Final Approval Hearing. Any Class Member who timely requests exclusion in compliance with these requirements: (i) will not have any rights under this Agreement, including the right to object, appeal or comment on the Settlement; (ii) will not be entitled to receive any payments under this Agreement; and (iii) will not be bound by this Agreement, or the Judgment. Any Class Member who is an Aggrieved Employee who requests timely exclusion will still receive an Individual PAGA Payment. All Parties and their counsel, including Defendants and their agents and employees, shall not encourage or solicit opt-outs or objections, directly or indirectly, through any means.

(b) Binding Effect on Participating Class Members. All Participating Class Members will: (i) be bound by the terms and conditions of this Agreement, Judgment, and releases set forth herein; and (ii) except as otherwise provided herein, will be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the Settlement.

(c) Objections to Settlement. Any Class Member, other than Plaintiff, who does not submit a valid and timely Request for Exclusion may object to the terms of this Agreement by completing the Objection Form provided within the Notice Packet. Any Class

Member that intends to object must mail the Objection Form to the Settlement Administrator. The Objection Form must be postmarked on or before the Response Deadline in order to be timely, unless the Parties otherwise agree in writing. Additionally, any objection must be made in accordance with the terms set forth in the Notice Packet. The Settlement Administrator shall provide any objections to Class Counsel and Defense Counsel within three (3) calendar days of receipt, and the Settlement Administrator shall attach the same to its declaration of due diligence and file with the Court prior to the Final Approval Hearing. Any Participating Class Member who files an objection remains eligible to receive monetary compensation from the Settlement. Plaintiff and Defendants shall not be responsible for any fees, costs, or expenses incurred by any Class Member and/or his or her counsel related to any objections to the Settlement. Submitting an objection does not preserve the right to appeal a final judgment. The right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment under Code of Civil Procedure section 663.

(d) Failure to Object. Any Class Member who does not timely and properly become a party of record by intervening or filing a motion to vacate the judgment waives any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, motion for new trial, a motion under Code of Civil Procedure section 473, and extraordinary writs.

(e) Responses to Objections. Counsel for the Parties may file a response to any objections submitted by Objecting Class Members at least five (5) court days before the date of the Final Approval Hearing.

(f) Class Members will have until the Response Deadline to object or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement Administrator shall disclose jointly to Class Counsel and Defense Counsel what objections or Requests for Exclusion were timely submitted on a weekly basis and upon the request of Class Counsel or Defense Counsel.

67. Funding of the Settlement Amount. Defendants shall, jointly and severally, fund the Settlement Amount under a three-part payment plan as follows: (A) by no later than 30 days

after the Effective Date, Defendants shall fund one-third of the Gross Settlement Amount [the "First Installment Payment"], (B) by no later than 150 days after the Effective Date, Defendants shall fund an additional one-third of the Gross Settlement Amount [the "Second Installment Payment"], and (C) by no later than 270 days after the Effective Date, Defendants shall fund the remaining one-third of the Gross Settlement Amount [the "Third Installment Payment"].

68. Distribution of Funds. No later than ten (10) calendar days after the deposit of the each Installment Payment by Defendants, the Settlement Administrator shall mail pro-rata amounts of the Individual Class Payments to the Participating Class Members, the Individual PAGA Payments to the Aggrieved Employees, the payment to Class Counsel for the Attorneys' Fees and Costs Award, any Service Payment to the Class Representative, the payment to the LWDA for PAGA Penalties, and Settlement Administration Costs.

69. Deadline for Cashing Settlement Checks. Participating Class Members and Aggrieved Employees shall have one hundred eighty (180) calendar days after mailing by the Settlement Administrator to cash their settlement checks. The release will be binding upon all Participating Class Members who do not cash their checks within the 180-day period. In the event that any settlement check is returned to the Settlement Administrator within 180 days of mailing, the Settlement Administrator will, within five (5) business days of receipt of the returned settlement check, perform a skip trace to locate the individual, and notify Defense Counsel and Class Counsel of the results. If a new address is located by these means, the Administrator will have ten (10) business days to re-issue the check. Neither Defendants, Defense Counsel, Class Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event a Participating Class Member and/or Aggrieved Employee notifies the Settlement Administrator that he or she believes that a settlement check has been lost or stolen, the Settlement Administrator shall immediately stop payment on such check. If the check in question has not been negotiated prior to the stop payment order, the Settlement Administrator will issue a replacement check.

(a) If any Participating Class Member's check is not cashed within the time

periods noted above, the check will be void and a stop-payment will be issued. If a Participating Class Member's check for the First Installment Payment is not cashed within the periods noted above, then the Settlement Administrator shall re-issue the check for the First Installment Payment when issuing the Participating Class Member's check for the Second Installment Payment. Similarly, if a Participating Class Member's check(s) for the First and/or Second Installment Payments are not cashed within the periods noted above, then the Settlement Administrator shall re-issue the check for the First and/or Second Installment Payments when issuing the Participating Class Member's check for the Third Installment Payment. For any checks remaining uncashed after the 180-day period after issuance of checks for the Third Installment Payment, the Settlement Administrator shall issue the unclaimed funds to the California State Controller's Office in the name of the Participating Class Member.

(b) If any Aggrieved Employee's check is not cashed within the time periods noted above, the check will be void and a stop-payment will be issued. If an Aggrieved Employee's check for the First Installment Payment is not cashed within the periods noted above, then the Settlement Administrator shall re-issue the check for the First Installment Payment when issuing the Aggrieved Employee's check for the Second Installment Payment. Similarly, if a Aggrieved Employee's check(s) for the First and/or Second Installment Payments are not cashed within the periods noted above, then the Settlement Administrator shall re-issue the check for the First and/or Second Installment Payments when issuing the Aggrieved Employee's check for the Third Installment Payment. For any checks remaining uncashed after the 180-day period after issuance of checks for the Third Installment Payment, the Settlement Administrator shall issue the unclaimed funds to the California State Controller's Office in the name of the Aggrieved Employee.

I. <u>Duties of the Parties Prior to the Court's Approval</u>

70. Promptly after execution of this Agreement, Plaintiff will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

(a) Scheduling the Final Approval Hearing on the issue of whether this

Settlement should be finally approved as fair, reasonable and adequate as to the Class Members and a hearing on fees, costs and the Service Payments;

(b) Approving as to form and content the proposed Notice Packet;

(c) Directing the mailing of the Notice Packet by first class mail to the Class Members;

(d) Preliminarily approving this Settlement;

(e) Preliminarily certifying the class for purposes of this Settlement; and

(f) Advising the LWDA of the proposed Settlement.

J. Duties of the Parties Following Court's Final Approval

71. In connection with the Final Approval Hearing provided for in this Agreement, Class Counsel shall submit a proposed Final Approval Order:

(a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;

(b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, Service Payments to the Class Representative, and the payment to the Settlement Administrator for costs of administering the settlement; and

(c) Entering judgment approving settlement.

K. Voiding the Agreement

72. If the Court fails or refuses to issue the Final Approval Order or fails to approve any material condition of this Agreement which effects a fundamental change of the Settlement, the entire Agreement shall be rendered voidable and unenforceable as to all Parties herein at the option of either Party.

73. If the Settlement is voided or fails for any reason, Plaintiff and Defendants will have no further obligations under the Settlement, including any obligation by Defendants to pay the Settlement Amount, or any amounts that would have been owed under this Settlement.

74. If the Settlement is voided or fails for any reason, any costs incurred by the Settlement Administrator shall be borne equally by Defendants and Plaintiff, unless otherwise specified in this Agreement.

L. Other Terms

75. Acceleration Clause. If Defendants fail to make any required payments within 5 business days of the respective due date, Class Counsel shall send a notice of default to Defense Counsel. Defendants will then have five (5) business days after issuance of the notice of default to cure and bring all payments up to the current required amount. If Defendants fail to timely cure the late payment, all remaining balances shall become due and payable immediately.

76. Anti-Clawback Provision. If, for any reason, the Settlement Amount is not distributed in full or if Plaintiff, the Class Members, LWDA and Aggrieved Employees, and/or Class Counsel are not allowed to receive and retain the full amount of consideration under this Agreement (*e.g.*, if any amounts are subject to a clawback in a bankruptcy proceeding), then the Parties agree that: (A) the Agreement shall become null and void, (B) any release(s) provided by the Agreement shall become null and void, (C) Plaintiff's Action shall be reinstated in full, and (4) Plaintiff may seek the full value of the claims (as opposed to the compromised amount in this Agreement), as if this Agreement was never entered into.

77. Nondischargability. In the event that Defendants file bankruptcy and any amounts of this Agreement are subject to clawback by Court order, then Plaintiff, acting on behalf of the State of California for the PAGA claims, expressly preserves the right to assert that these claims are nondischargeable under 11 U.S.C. § 523(a). *See,* e.g.*, Medina v. Poel* (E.D. Cal. 2015) 523 B.R. 820 (PAGA claims not dischargeable in bankruptcy under 11 U.S.C. § 523(a)(7)). The Parties further agree that this Agreement does not create a new obligation and, instead, is a compromised settlement of the Action.

78. Waiver. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

79. Parties' Authority. The signatories hereto represent that they are fully authorized to enter into this Agreement and bind the Parties hereto to the terms and conditions hereof.

80. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms

of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as practicable after execution of this Agreement, Class Counsel shall, with the assistance and cooperation of Defendants and Defense Counsel, take all necessary steps to secure the Court's preliminary and final approval of the settlement, approval of the PAGA settlement, and the final entry of judgment.

81. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights released and discharged by this Agreement.

82. No Admission. Defendants deny any and all liability to Plaintiff and/or any Class Member and/or Aggrieved Employee in this Action, as to any and all causes of action that were asserted or that might have been asserted in this Action. Nonetheless, Defendants wish to settle and compromise the matters at issue in the Complaint to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. Defendants have taken into account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the defenses that they have asserted or could assert against Plaintiff, have determined that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

83. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval Order, nothing contained herein, nor the consummation of this Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants or any of the other Released Parties. Each of the Parties hereto has entered into this Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Agreement is a settlement document, and it, along with all related documents such as the notices, and motions for preliminary and final approval, shall, pursuant to Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in

evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Agreement. The stipulation for class certification as part of this Agreement is for settlement purposes only and if, for any reason the settlement is not approved, the stipulation will be of no force or effect.

84. No Publicity. The Parties will not publicize the Settlement or disclose it to third parties prior to the Court granting Preliminary Approval, except as required or necessary to effectuate its terms and comply with law. After the Final Approval Date, Class Counsel and Class Representatives agree that they will not discuss the Settlement with the media, any settlement and verdict reporting service, any social media postings or other Internet postings. Nothing herein shall be construed to prevent Class Counsel from the public filing of motions or other case materials in the Action related to seeking and obtaining Court approval of this Settlement and the related awards of attorneys' fees and costs, or to communications with Class Members or their representatives about this Settlement, including through the posting of Court-filed documents on Class Counsel's websites for access solely by the Class Members, or to prevent the Parties or their representatives from communicating with financial or legal advisors regarding the Settlement. In response to any media inquiry, Class Counsel may state only that the Action has been settled on terms mutually agreeable to the Parties.

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

To the Class:	*To Defendant*:
Brian J. Mankin *brian@lmlfirm.com* Lauby, Mankin & Lauby LLP 5198 Arlington Ave, PMB 513 Riverside, CA 92504 Tel: (951) 320-1444 Fax: (951) 320-1445	Mandeep S. Rupal *mrupal@rupallaw.com* Law Office of Mandeep S. Rupal 4740 Green River Rd., Suite 209 Corona, CA 92878 Tel: (951) 460-0830 Fax: (951) 963-9920

86. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Agreement. Plaintiff and Defendants expressly waive the common law and statutory rule of construction that ambiguities should be construed against the drafter of an agreement and further agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

87. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof. Each term of this Agreement is contractual and not merely a recital.

88. Modification. This Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

89. Dispute Resolution. Prior to instituting legal action to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and Plaintiff and Defendants may agree to seek the help of the Mediator to resolve any dispute they are unable to resolve informally. During this period, the Parties shall bear their own attorneys' fees and costs. This provision shall not apply to any legal action or other proceeding instituted by any person or entity other than Plaintiff or Defendants.

90. Choice of Law. This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

91. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior

or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

92. Binding On Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

93. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because the members of the Class are numerous, it is impossible or impractical to have each Class Member execute this Agreement. The Notice Packet will advise all Class Members of the binding nature of the release provided herein and such shall have the same force and effect as if this Agreement were executed by each Class Member.

94. Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

Dated: Oct 15, 2026

PLAINTIFF AND CLASS REPRESENTATIVE

jaswinder s aujla (Oct 15, 2026 12:30:00 PDT)

Jaswinder Aujla

Dated: _____

DEFENDANT BEST BAY TRUCKING CORPORATION

_____

By: _____

Title: _____

Dated: _____

DEFENDANT PARAMPREET SINGH

_____

Parampreet Singh

or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

92. Binding On Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

93. Signatures of All Class Members Unnecessary to be Binding. It is agreed that, because the members of the Class are numerous, it is impossible or impractical to have each Class Member execute this Agreement. The Notice Packet will advise all Class Members of the binding nature of the release provided herein and such shall have the same force and effect as if this Agreement were executed by each Class Member.

94. Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Agreement, which shall be binding upon and effective as to all Parties. Electronic signatures shall have the same force and effect as an original.

Dated: _____

PLAINTIFF AND CLASS REPRESENTATIVE

_____

Jaswinder Aujla

Dated: 11 / 10 / 2026

DEFENDANT BEST BAY TRUCKING CORPORATION

_____

By: Parampreet Singh

Title: President

Dated: 11 / 10 / 2026

DEFENDANT PARAMPREET SINGH

_____

Parampreet Singh

Doc ID: d9cb5891a1ff0c8fd31a84d5d04071e0b3bd3dbf

Dated: _____

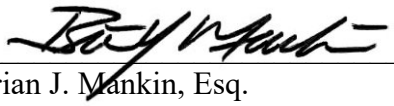
DEFENDANT RAJWINDER SINGH

_____
Rajwinder Singh

APPROVED AS TO FORM:

Dated: 10/15/2026

CLASS COUNSEL
LAUBY, MANKIN & LAUBY LLP



Brian J. Mankin, Esq.
Attorneys for Plaintiffs

Dated: _____

DEFENSE COUNSEL:
LAW OFFICE OF MANDEEP S. RUPAL

_____
Mandeep S. Rupal, Esq.
Attorneys for Defendants

Dated: 11 / 10 / 2026

DEFENDANT RAJWINDER SINGH

Rajwinder Singh

Rajwinder Singh

APPROVED AS TO FORM:

Dated: _____

CLASS COUNSEL
LAUBY, MANKIN & LAUBY LLP

_____

Brian J. Mankin, Esq.
Attorneys for Plaintiffs

Dated: Nov. 10, 2026

DEFENSE COUNSEL:
LAW OFFICE OF MANDEEP S. RUPAL

Mandeep S Rupal

Mandeep S. Rupal, Esq.
Attorneys for Defendants

Doc ID: d9cb5891a1ff0c8fd31a84d5d04071e0b3bd3dbf

EXHIBIT “B”

COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Jaswinder Aujla v. Best Bay Trucking Corporation, et al.
(Riverside Superior Court, Case No. CVRI2404644)

The Riverside Superior Court authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from the settlement of an class and representative action lawsuit referenced above ("Action") filed by Plaintiff Jaswinder Aujla ("Plaintiff") against Defendants Best Bay Trucking Corporation, Parampreet Singh, and Rajwinder Singh ("Defendants") for alleged wage-and-hour violations. In the Action, Plaintiff pursues claims against Defendants and seeks payment of:

(1) Unpaid wages, statutory damages and penalties, interest, and attorneys' fees on behalf of the "Class Members" who are defined as "all current and former California resident truck drivers who performed services as independent contractors for Defendant Best Bay Trucking Corporation in the State of California during the Class Period of August 8, 2020, through June 23, 2026."

(2) Penalties under the California Private Attorneys General Act of 2004 ("PAGA") and attorneys' fees for the "Aggrieved Employees" who are defined as "all current and former California resident truck drivers who performed services as independent contractors for Defendant Best Bay Trucking Corporation in the State of California during the PAGA Period of August 8, 2023, through June 23, 2026." PAGA is a California law that allows employees to bring claims for civil penalties on behalf of the California Labor and Workforce Development Agency ("LWDA"), the State of California, and all Aggrieved Employees for alleged violations of the Labor Code, and any payment for PAGA penalties shall be paid 65% to the LWDA and 35% to the Aggrieved Employees as civil penalties (rather than wages).

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

Calculations and Data Points for Estimated Payments			
Workweeks during Class Period	INSERT	***Estimated* Individual Class Payment**	$INSERT
Workweeks during PAGA Period	INSERT	***Estimated* Individual PAGA Payment**	$INSERT

Please note that the actual amount you receive may be different from the above and will depend on several factors. (If no amount is stated for your Individual PAGA Payment then, according to Defendants' records, you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.) If you believe that you worked more weeks during the Class Period discussed above, you can submit a dispute to this calculation by DATE, 2026 ("**Response Deadline**"). See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	If you want to receive your full settlement payment, then no further action is required on your part. You will be a "Participating Class Member" (*i.e.*, a Class Member that did not request exclusion from the Settlement) and will automatically receive an Individual Class Payment and Individual PAGA Payment if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Class Claims and Released PAGA Claims described in **Section 3**.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	If you do not wish to participate in the settlement of the Class Claims, you may "opt-out" of the settlement of the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion Form by _____, 2026 (see **Section 6** for more details on how to opt-out). If you opt-out, you will no longer be a Class Member, and you will (1) not receive an Individual Class Payment, but you will preserve your right to pursue the Released Class Claims described below subject to applicable statutes of limitations, and (2) be barred from filing an objection to the settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims. See **Section 6** of this Notice.
OBJECT	If you decide to object to the settlement with respect to the Class Claims because you find it unfair or unreasonable, you must submit an Objection Form stating why you object to the settlement by _____, 2026 (see **Section 7** for more details on how to object).
DISPUTE THE NUMBER OF WEEKS WORKED	If you believe the number of Weeks Worked that you were credited with working in the chart above is incorrect, you may submit the enclosed Dispute Form with any supporting evidence to Phoenix Settlement Administrators (the "Settlement Administrator"), a third party that is responsible for sending this Notice) (see **Section 4** for more details on how to submit a Dispute Form). Defendants' records will be presumed correct, but you may provide evidence to the Settlement Administrator showing how many Weeks Worked you believe you should be credited.

YOU MAY ATTEND THE FINAL APPROVAL HEARING, BUT IT'S NOT REQUIRED	
DATE: DATE, 2026 **TIME: 8:30 A.M.**	At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. See **Section 8** of this Notice.

1. WHAT IS THE ACTION ABOUT?

In the Action, Plaintiff alleged that Defendants violated California labor laws, including the alleged misclassification of the Class Members as 1099 workers instead of employees, failure to pay wages, failure to pay for nonproductive time under Labor Code § 226.2, failure to reimburse business expenses, failure to timely pay final wages, failure to provide accurate itemized wage statements, as well as unfair business practices and violation of wage orders related to these claims. Based on the same claims, Plaintiff also asserted a claim for civil penalties under the PAGA.

Defendants strongly deny violating any laws or failing to pay any wages. Defendants further contends that it complied with all applicable laws.

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

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

Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement"), Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable, and adequate amount considering the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. So far, the Court has made no determination whether Defendants or Plaintiff is correct on the merits, and has determined only that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at final hearing. The Court preliminarily approved the proposed Settlement, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendants Will Pay $700,000.00 as the "Settlement Amount." Defendants have agreed to pay a Total Settlement Amount of $700,000.00 (the "Settlement Amount"), and will deposit the Settlement Amount into an account controlled by Settlement Administrator. The Settlement Administrator will use the Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's Costs, and PAGA Penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendants will fund the Settlement Amount under a three-part payment plan, with the following approximate timetable: one-third of the Settlement Amount payable in approximately April 2027 (the "First Installment Payment"), one-third of the Settlement Amount payable in approximately August 2027 (the "Second Installment Payment"), and the final one-third payable in approximately December 2027 (the "Third Installment Payment") (please note: these payment dates are only estimates and actual payments may occur later if, for instance, the Judgment is appealed). The Settlement Administrator shall make pro-rata distributions to the Class Members after receipt of each Installment Payment.

2. Court Approved Deductions from Total Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

A. Up to one-third of the Settlement Amount ($233,333.33) to Class Counsel for attorneys' fees and up to $25,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to $10,000 to the Class Representative as a Service Payment for litigating the Action, working with Class Counsel and representing the Class.

C. $XXXXXXX to the Settlement Administrator for services administering the Settlement.

D. Up to $35,000 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment and 35% in Individual PAGA Payments to the Aggrieved Employees based on their share of Weeks Worked during the PAGA Period.

E. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the remaining amount (the "Net Settlement Amount") will be disbursed to the Participating Class Members by making Individual Class Payments to Participating Class Members based on the allocation described in **Section 4**.

4. Taxes Owed on Payments to Class Members. Because the Class Members performed contract services for Defendants as independent contractors, rather than as employees, and because Defendants fully dispute the

allegations alleged herein, the Parties are asking the Court to approve a distribution where the Individual Class Payments will be allocated and paid as contract compensation, interest, and penalties from which no state or federal taxes will be withheld or deducted. Although Plaintiff and Defendants have agreed to this method of allocation, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled. Any checks not cashed after the First Installment Payment will be re-issued and incorporated into the amounts payable as the Second Installment Payment. Any checks not cashed after the Second Installment Payment will be re-issued and incorporated into the amounts payable as the Third Installment Payment. For any checks not cashed within 180-day period after issuance of checks for the Third Installment Payment, the Settlement Administrator will issue a stop payment and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. See **Section 6** of this Notice for details on how to Opt-Out.

7. The Proposed Settlement Will be Void If the Court Denies Final Approval. It is possible the Court will ultimately decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void; Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Settlement Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Settlement Administrator will also decide any disputes over Weeks Worked, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement, consistent with the Parties' Settlement Agreement. The Settlement Administrator's contact information is contained in **Section 9** of this Notice.

9. Participating Class Members' Release. Upon the Effective Date and Defendants' full funding of the Settlement Amount, Plaintiff and the Participating Class Members will forever completely release and discharge the Released Parties from the Released Class Claims for the Class Period. "Released Class Claims" means means the claims stated in the Complaint and those based solely upon the facts in the Complaint, including: (1) failure to pay wages, (2) failure to pay for nonproductive time under Labor Code § 226.2, (3) failure to reimburse business expenses, (4) failure to timely pay final wages, (5) failure to provide accurate itemized wage statements, and (6) unfair and unlawful competition. The time period governing the Released Class Claims shall be the Class Period. As used herein, "Released Parties" means Defendants, together with their officers, directors, employees, and agents.

10. Release of Released PAGA Claims. Upon the Effective Date and Defendants' full funding of the Settlement Amount, Plaintiff – in his individual capacity and on behalf of the State of California and LWDA – shall completely release and discharge the Released Parties from the Released PAGA Claims for the PAGA Period. "Released PAGA Claims" means the PAGA claims that Plaintiff alleged against the Released Parties, based on the facts stated in the relevant LWDA notice letter and only to the extent that they are alleged in the Complaint, including all PAGA claims seeking civil penalties premised upon: (1) willful misclassification, (2) failure to pay wages, (3) failure to pay for nonproductive time under Labor Code § 226.2, (4) failure to reimburse business expenses, (5) failure to timely pay wages, (6) failure to timely pay final wages, (7) failure to provide accurate itemized wage statements, and (8) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged in the LWDA notice letters and Complaint. The time period governing the PAGA Released Claims shall be the PAGA Period. The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties. The Released PAGA Claims shall bind only Plaintiff and the State of California.

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

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Weeks Worked by all Participating Class Members, *i.e.*, Class Members who do not opt out of the Settlement, during the Class Period, and (b) multiplying the result by the number of Weeks Worked by each individual Participating Class Member during the Class Period. The entire Net Settlement Amount will be disbursed to all Participating Class Members. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionally increase the Individual Class Payment for each Participating Class Member according to the number of Weeks Worked, so that the amount actually distributed to Participating Class Members equals one hundred percent (100%) of the Net Settlement Amount.

2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing $12,250 by the total number of Workweeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of Workweeks for each individual Aggrieved Employee during the PAGA Period. The Individual PAGA Payments will be reported on IRS Form 1099 if required by current IRS rules.

3. Disputing Weeks Worked. The number of weeks you worked during the Class and PAGA Period, as recorded in Defendants' records, is stated in the tables on page 1 of this Notice. You have until DATE ("Response Deadline") to dispute the number of Weeks Worked credited to you by mailing the enclosed Dispute Form to the Settlement Administrator. You may not dispute the Estimated Individual PAGA Payment. **Section 9** of this Notice has the Settlement Administrator's contact information.

You need to support your dispute by sending copies of the applicable documents or other records. The Settlement Administrator will accept Defendants' calculation of Weeks Worked based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve challenges based on your submission and on input from Class Counsel and Defendants' Counsel. The Settlement Administrator's decision is final. You can't appeal or otherwise dispute its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members and Aggrieved Employees. The Settlement Administrator will send, by U.S. mail, a single check to every Participating Class Member (*i.e.*, every Class Member who does not opt-out) and Aggrieved Employee. The single check will combine the Individual Class Payment and the Individual PAGA Payment, if applicable.

2. Aggrieved Employees Only. If you opted out of the Class settlement, but qualify as an Aggrieved Employee, then the Settlement Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee, including those who opt out of the Class Settlement.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible. Section 9 of this Notice has the Settlement Administrator's contact information.

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

You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. To opt-out, you must complete, sign, and mail the accompanying Request for Exclusion Form to the Settlement Administrator, postmarked on or before the Response Deadline (as a reminder, **the "Response Deadline" is DATE, 2026**). Any person who submits a timely Request for Exclusion from the Class Claims (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive an Individual Class Payment; (3) will preserve the right to pursue the Released Class Claims, and (4) will not be bound by this Settlement, or the Judgment.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Claims remain eligible to receive an Individual PAGA Payment.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the Settlement may wish to object. If you wish to object to the proposed Settlement, you or your own attorney must submit a written objection, on the enclosed Objection Form and include any and all evidence and supporting papers. The Objection Form and any accompanying evidence and papers must be sent to the Settlement Administrator at the address listed in **Section 9** on the Objection Form, **postmarked** on or before the Response Deadline. If you do not comply with these procedures and the deadline for objections, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. You are still eligible to receive a settlement payment should the settlement become Final even if you object to the settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

8. WHEN IS THE FINAL APPROVAL HEARING?

On INSERT DATE, the Court will hold a public hearing in Department 1 of the Superior Court for the State of California, County of Riverside, 4050 Main St, Riverside, CA 92501, for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel's applications for attorneys' fees and costs, whether to approve the payments to the LWDA, whether to approve Plaintiff's request for the service award, whether to approve the Settlement Administrator's fees, and whether to approve the Individual Class Payments and Individual PAGA Payments. This hearing may be continued or rescheduled by the Court. Objectors to the proposed settlement will be provided notice in the event that the Final Approval Hearing is continued to a later date. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to attend the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

If you have questions about this Notice, the enclosed Request for Exclusion Form, Dispute Form, or Objection Form, or the Settlement itself, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you should contact the Administrator for more information or to request that a copy of this Notice and request for Exclusion, Objection, and Dispute Forms be sent to you in the mail. You may also seek advice and guidance from your own private attorney at your own expense if you so desire. You may also contact Class Counsel and/or the Settlement Administrator at the following contact information:

Class Counsel	Settlement Administrator
Brian Mankin, Esq. *brian@LMLfirm.com* Peter Carlson, Esq. *peter@LMLfirm.com* Lauby Mankin Lauby LLP 5198 Arlington Ave, PMB 513 Riverside, CA 92504 Tel: (951) 320-1444	Name Mailing Address Telephone Number

This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement, which is on file with the Court and attached to the Declaration of Brian J. Mankin in Support of Motion for Preliminary Approval of Class Action Settlement filed on INSERT DATE and available to be inspected at any time during regular business hours at the Clerk's Office, Superior Court for the State of California, County of Riverside, 4050 Main St, Riverside, CA 92501. You may also review the pleadings, records, and other papers on file in this lawsuit at the Clerk's Office or online at https://epublic-access.riverside.courts.ca.gov/public-portal/. To access the case file, click on "Case Number Search," then create a free online account, then type in the case number (CVRI2404644) where requested, and click "Search." You may also email Class Counsel and request a copy of the Settlement Agreement.

DO NOT TELEPHONE THE COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT “C”

REQUEST FOR EXCLUSION FORM

Jaswinder Aujla v. Best Bay Trucking Corporation, et al.
(Riverside Superior Court, Case No. CVRI2404644)

[NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

DO YOU WANT TO PARTICIPATE IN THE SETTLEMENT AND RECEIVE A SETTLEMENT CHECK? (check the box that applies)

☐ **YES: STOP HERE -- DO NOT RETURN THIS FORM. NO FURTHER ACTION IS NEEDED TO PARTICIPATE IN THE SETTLEMENT.**

☐ **NO: SIGN, DATE AND RETURN THIS FORM TO EXCLUDE YOURSELF FROM THE SETTLEMENT.**

By signing below, I am excluding myself from the Settlement:

I do NOT want to participate in the settlement in *Aujla v. Best Bay Trucking Corporation* (Riverside Superior Court Case No. CVRI2404644). I understand by excluding myself that I will no longer be a Class Member, and I will not receive an Individual Class Payment. I further understand that I cannot opt-out of the PAGA portion of the Settlement, and that if I qualify as an Aggrieved Employee (see first page of the Notice), I will receive an Individual PAGA Payment even if I exclude myself.

Signed on _____ _____
[NAME]

MAIL TO THE SETTLEMENT ADMINISTRATOR, BY U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DEADLINE]:

Settlement Administrator:
Name Mailing Address Telephone Number

EXHIBIT “D”

OBJECTION FORM

Jaswinder Aujla v. Best Bay Trucking Corporation, et al.
(Riverside Superior Court, Case No. CVRI2404644)

[NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

DO YOU OBJECT TO THE SETTLEMENT? (check the box that applies)

☐ **NO: STOP HERE -- DO NOT RETURN THIS FORM**

☐ **YES: COMPLETE THE REVERSE SIDE AND RETURN THIS FORM**

Please note: if you wish to object to this Settlement, this form and any accompanying evidence must mailed to the Settlement Administrator at the address listed below and **postmarked** on or before **INSERT DATE**. If your form is submitted untimely, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement.

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. Any objection should describe the nature of and basis for the objection, and any other information that you would like the Court to consider. You are still eligible to receive a settlement payment should the settlement become Final even if you object to the settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

I OBJECT to the Settlement in the case of *Aujla v. Best Bay Trucking Corporation* (Riverside Superior Court Case No. CVRI2404644) on the following grounds (if additional space is necessary, please include additional sheets of paper):

_____

_____

_____

_____

_____

_____

_____

_____

Signed on _____ _____

[NAME]

MAIL TO THE SETTLEMENT ADMINISTRATOR, BY U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DEADLINE]:

Settlement Administrator:

Name
Mailing Address
Telephone Number

EXHIBIT “E”

DISPUTE FORM

Jaswinder Aujla v. Best Bay Trucking Corporation, et al.
(Riverside Superior Court, Case No. CVRI2404644)

Please verify and/or complete any missing identifying information:

[NAME]
[ADDRESS LINE 1]
[ADDRESS LINE 2]

The following charts are based on the records of Defendants Best Bay Trucking Corporation and reflect the number of Weeks Worked for Defendant as a California resident truck drivers who performed services as an independent contractor for Defendant Best Bay Trucking Corporation in the State of California during the "Class Period" (August 8, 2020, through June 23, 2026) and/or the "PAGA Period" (August 8, 2023, through June 23, 2026)

Data Points for Calculations of Individual Class Payment	
Weeks Worked during Class Period	INSERT

Data Points for Calculations of Individual PAGA Payment	
Weeks Worked during PAGA Period	INSERT

DO YOU DISAGREE WITH ANY OF THE INFORMATION ABOVE AND WANT THE PARTIES AND ADMINISTRATOR TO INVESTIGATE FURTHER?

☐ **NO: STOP HERE -- DO NOT RETURN THIS FORM.**

☐ **YES: COMPLETE THE REVERSE SIDE AND RETURN THIS FORM.**

Please state why you believe that you should be credited with more Weeks Worked than shown in the chart and attach copies (not originals) of supporting documentation. The Parties and Settlement Administrator will consider your challenge and make a determination as to these issues.

Signed on _____ _____

[NAME]

MAIL TO THE SETTLEMENT ADMINISTRATOR, BY U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DEADLINE]:

Settlement Administrator:

Name
Mailing Address
Telephone Number

EXHIBIT “F”

LAUBY, MANKIN & LAUBY LLP

August 8, 2024

Submitted Via Online Filing to the LWDA

California LWDA
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Fl.
San Francisco, CA 94102

Sent Via U.S. Mail and Certified Mail

Best Bay Trucking Corporation
3633 Inland Empire Blvd., Suite 500
Ontario, CA 91764

Parampreet Singh
3633 Inland Empire Blvd., Suite 500
Ontario, CA 91764

Rajwinder Singh
12468 Osprey Ln., #1
Playa Vista, CA 90094

Re: PAGA Civil Penalty Claim
Jaswinder Aujla v. Best Bay Trucking Corporation, et al.

To the Labor and Workforce Development Agency, Best Bay Trucking Corporation, Parampreet Singh, and Rajwinder Singh:

Pursuant to the Private Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employee Jaswinder Aujla ("Claimant"), on behalf of the State of California and all Aggrieved Employees, against his employers, Best Bay Trucking Corporation, any affiliated entities, and the companies' respective owners/officers, including Parampreet Singh and Rajwinder Singh (the "Owners") (collectively, the "Company") for violations of Labor Code §§ 200, 201, 202, 203, 204, 208, 210, 218.6, 226, 226.2, 226.3, 226.7, 226.8, 246, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, among possibly other sections inadvertently omitted, and/or sections of the applicable IWC Wage Order(s).

FACTUAL BACKGROUND

Claimant was employed by the Company from March through August 2024 as a truck driver. However, at all relevant times, the Company engaged in a practice of willfully misclassifying Claimant as an independent contractor. Claimant alleges that he and all other truck drivers employed by the Company (the "Aggrieved Employees") were subjected to the same policies, working conditions, and corresponding wage and hour violations to Claimant was subjected during employment.

Notably, at all relevant times, the Company engaged in a practice of willfully misclassifying the Aggrieved Employees as independent contractors. Under Labor Code § 2775, the Aggrieved Employees

are/were employees, not independent contractors, and the Company cannot meet its burden of proving otherwise because:

A. The Aggrieved Employees are/were subject to the control and direction of the Company in connection with the performance of their work, under contract and in fact, especially where the Company retained the right to terminate the Aggrieved Employees "without cause." *Ayala v. Antelope Valley Newspapers, Inc.* (2014) 59 Cal.4th 522, 531 (the right to discharge without cause is "[p]erhaps the strongest evidence of the right to control" because the "power of the principal to terminate the services of the agent [without cause] gives him the means of controlling the agent's activities"); *Linton v. DeSoto Cab Co., Inc.* (2017) 15 Cal.App.5th 1208, 1222 ("the right to terminate the employment at will" constitutes "ultimate control"),

B. The Aggrieved Employees performed work that was the core business of the company (*e.g.*, cargo pickup and delivery, etc.), and therefore the tasks were not outside the usual course of the Company's business, and

C. The Aggrieved Employees were not customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed by the Company.

Also, at all relevant times, Claimant and the Aggrieved Employees were subject to the direction and control of the Company in regard to work assignments, scheduling requirements, and days of work. Furthermore, the Company directly and indirectly exercised control over the wages, hours, and working conditions of Claimant and the Aggrieved Employees. At all relevant times, the daily schedule for Claimant and the Aggrieved Employees was controlled solely by the Company, and the Company told them the exact time and location for all daily appointments. Furthermore, through the performance of their job duties, Claimant and the Aggrieved Employees performed an integral and entirely essential aspect of the Company's business. In fact, Claimant and the Aggrieved Employees were tasked to perform the one and only service that the Company provided: cargo pickup and delivery. In this role, Claimant and the Aggrieved Employees drove trucks owned by the Company that were plastered with the Company's logo and information and operated under the Company's Department of Transportation authority (while using the Company's insurance). Additionally, the customers are and/or were the Company's customers, not those of Claimant or the Aggrieved Employees. Claimant and the Aggrieved Employees were also prohibited from performing similar services for other companies and, thus, were not engaged in an independently established trade, occupation or business of the same nature as the work performed by the Company. And, perhaps most importantly, the Company retained the right to terminate Claimant and the Aggrieved Employees' working relationship without cause and at its discretion. Despite these facts, the Company misclassified Claimant and the Aggrieved Employees as independent contractors.

In addition to the misclassification claims, Claimant and the Aggrieved Employees were subjected to a multitude of Labor Code violations. For instance, during employment, Claimant and the Aggrieved Employees were not provided proper minimum and regular wages due to the Company's failure to accurately record and compensate for all hours worked. For example, Claimant and the Aggrieved Employees were often required to clock out for meal periods and/or breaks yet were under the Company's control and required to perform duties for the Company while off the clock. As a result of this policy and practice, Claimant and the Aggrieved Employees were required to perform off-the-clock work that Defendants either knew or should have known they were performing. Additionally, Claimant and the Aggrieved Employees were only paid on a piece-rate (per-mile) but did not receive separate hourly compensation at no less than the minimum wage for unpaid, on-duty, time including tasks such as pre-trip and post-trip inspections, detention

time, loading and unloading time, completing paperwork, refueling or repair, and downtime between runs. Furthermore, Claimant and the Aggrieved Employees were not provided proper minimum due to the Company's failure to accurately record and compensate for all hours worked.

Claimant was also not provided 30-minute off-duty meal periods, as mandated by California law, during employment with the Company. As a result of the Company's policies and practices, Claimant was subjected to meal period violations when Claimant was: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of the Company, (3) forced to take a meal period after the 5th hour of work, and (4) not provided a mandated second meal period on occasions for shifts in excess of 10 hours.

The Company also failed to provide Claimant with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. The Company did not schedule Claimant's rest breaks, Claimant was unable to leave the premises for breaks, and Claimant was often not authorized and/or permitted to take mandated rest breaks due to being overwhelmed by the hectic workload. Furthermore, on occasions when Claimant worked in excess of 10 hours in a shift, the Company failed to authorize and/or permit a third mandated rest break.

Furthermore, at all relevant times, Claimant and the Aggrieved Employees were denied paid rest breaks by virtue of the Company's policy that only paid its truck drivers for miles driven. As Claimant and the Aggrieved Employees could not accrue miles during a rest break, Claimant and the Aggrieved Employees were illegally denied paid rest breaks. Claimant and the Aggrieved Employees were also not provided mandated 30-minute off-duty meal periods. Claimant and the Aggrieved Employees were not paid the mandatory one-hour wage premium for each such meal period or rest break denied. Also, the Company failed to pay Claimant and the Aggrieved Employees for rest and recovery periods and other nonproductive time as required by Labor Code § 226.2.

Also, the Company required Claimant and the Aggrieved Employees to incur necessary business-related expenses and costs without reimbursement, including, but not limited to, acquiring and maintaining a smart phone and related monthly data plan to communicate with the Company via phone and text message.

The Company also failed to comply with the mandates of Labor Code § 204 regarding the timing of the payment of wages to its employees each period, including meal and rest period premiums. Additionally, the Company failed to pay Claimant and the Aggrieved Employees their final wages within the timeframe required by Labor Code §§ 201 – 203. Finally, during employment with the Company, Claimant and the Aggrieved Employees received inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code § 226(a).

Claimant alleges that he worked under the joint direction and control of the Company and the Owners and is informed and believes that each of them acted in all respects pertinent to this action as the agent of the others, carried out a joint scheme, business plan or policy in all respect pertinent hereto, and the acts of each are legally attributable to the others. On information and belief, a unity of interest and ownership between each exists such that the Company and the Owners acted as a single employer of Claimant and the Aggrieved Employees. Furthermore, on information and belief, the Company and the Owners are an integrated enterprise and should be treated as a single employer because the Company and the Owners share an interrelation of operations, with common human resources and personnel policies and shared common

offices and facilities. Upon information and belief, the Company and the Owners share common management, a centralized control of labor operations, and common ownership or financial control.

Furthermore, Claimant alleges that the Owners are now and at all material times herein mentioned were the owners/officers of the Company, and Claimant's and the Aggrieved Employees' actual employer or, in the alternative, were individuals employed by the Company as a managerial and/or supervisory employee and/or agent. In addition, Claimant alleges that at all relevant times herein the Owners had the authority, in the interest of the Company to exercise independent judgment to hire, transfer, promote, discharge, assign, discipline, or take other similar actions against Claimant and the Aggrieved Employees, and were in Claimant's chain of command at the time of and direct participants in the wrongful conduct which constitutes the basis of Claimant's complaint herein. Claimant also alleges that the Company and the Owners are the agents, servants, employees, partners, affiliates, and/or representatives of each other, and were, at all times herein mentioned, acting within the course, scope, and purpose of such relationship(s) and with the knowledge, consent and/or ratification of each other. Furthermore, in conducting themselves in the manner described herein, the Company and the Owners were acting in active concert with on another such that the acts of each were fully attributable to the other in all material respects.

Claimant also alleges that the Company was merely the alter ego of the Owners in that there existed a unity of interest and ownership such that any separateness between them ceased to exist and the Owners exercised undue dominance, control, influence, and management over the Company. Claimant further alleges that, at all relevant times, the Company has been inadequately capitalized to conduct its business, has failed to follow appropriate corporate formalities, and has simply been a shell and instrumentality through which the Owners have conducted their personal affairs. Accordingly, the corporate veil should be pierced, and any liability attached to the Company should be imposed jointly and severally against the Owners. Adherence to the fiction of the separate existence of the corporate entity of the Company would permit abuse of the corporate privilege, thereby sanctioning fraud and promoting injustice.

Also, in a separate, but not necessarily mutually exclusive, alternative theory of liability, the Owners are liable for PAGA civil penalties under Labor Code § 558 as "other person(s)" who caused the violations regarding minimum wage among other claims. *See Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809, 820 ("if there is evidence and a finding that a party other than the employer 'violates, or causes to be violated' the overtime laws (§ 558(a)) or 'pays or causes to be paid to any employee' less than minimum wage (§ 1197.1(a)), then that party is liable for certain civil penalties regardless of the identity or business structure of the employer"); *Moua v. IBM* (N.D. Cal. 2019) 2019 U.S.Dist.LEXIS 40851 (holding the same)

Based on Claimant's own personal observations, all Aggrieved Employees employed or formerly employed by the Company are entitled to similar wage and hour claims, as further set forth below.

PAGA ASSESSMENT FOR WILLFUL MISCLASSIFICATION
(Labor Code § 226.8)

Labor Code § 226.8(a) states "It is unlawful for any person or employer to engage in any of the following activities: (1) Willful misclassification of an individual as an independent contractor" and/or "(2) Charging an individual who has been willfully misclassified as an independent contractor a fee, or making any deductions from compensation, for any purpose, including for goods, materials, space rental, services, government licenses, repairs, equipment maintenance, or fines arising from the individual's employment

where any of the acts described in this paragraph would have violated the law if the individual had not been misclassified."

Labor Code § 226.8(b) states that if "a person or employer has engaged in any of the enumerated violations of subdivision (a), the person or employer shall be subject to a civil penalty of not less than five thousand dollars ($5,000) and not more than fifteen thousand dollars ($15,000) for each violation, in addition to any other penalties or fines permitted by law." Labor Code § 226.8(c) further states that if "a person or employer has engaged in any of the enumerated violations of subdivision (a) and the person or employer has engaged in or is engaging in a pattern or practice of these violations, the person or employer shall be subject to a civil penalty of not less than ten thousand dollars ($10,000) and not more than twenty-five thousand dollars ($25,000) for each violation, in addition to any other penalties or fines permitted by law.

In this matter, the Company willfully and knowingly misclassified Claimant and all Aggrieved Employees as independent contractors. Therefore, in addition to recovering the amount of attorneys' fees and cost incurred herein, Claimant is entitled to the assessment of civil penalties in accordance with Labor Code § 226.8, including the stepped-up penalties under Labor Code § 226.8(c).

PAGA ASSESSMENT FOR FAILURE TO PAY WAGES

(Labor Code §§ 204, 210, 221-223, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

As discussed above, the Company failed to pay all required minimum and regular wages to Claimant and the Aggrieved Employees due to the practices described herein. This resulted in earned, but unpaid, wages due and owing to Claimant and the Aggrieved Employees. Therefore, Claimants and the Aggrieved Employees performed work for the Company without receiving proper payment of the requisite minimum, regular, overtime, and/or doubletime wages. Accordingly, Labor Code §§ 210, 558, 1194.2, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all wages including, but not limited to, minimum, regular, and overtime wages in violation of the Labor Code and/or the IWC Wage Orders.

PAGA ASSESSMENT FOR FAILURE TO PROVIDE SEPARATE PAYMENT FOR REST AND RECOVERY PERIODS AND OTHER NONPRODUCTIVE TIME

(Labor Code § 226.2)

Labor Code § 226.2 requires employers that pay their employees on a piece-rate basis to provide separate payment for rest and recovery periods and other nonproductive time. Claimant and the Aggrieved Employees are and/or were employees of the Company who were paid on a piece-rate/flat-rate basis, yet the Company did not comply with the requirements of Labor Code § 226.2 for its piece-rate employees. As a result of these violations, penalties may be assessed pursuant to Labor Code § 2699, among possibly other sections.

PAGA ASSESSMENT FOR DENIAL OF MEAL PERIODS, REST BREAKS, AND WAGE PREMIUMS

(Labor Code §§ 226.7(b) & (c), 512, 558; Cal. Admin. Code, Title 8, § 11090)

Labor Code § 226.7(b) states that "[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission …" Labor Code § 512(a) states in pertinent part: "[A]n

employer may not employ an employee for a work period of more than 5 hours per day without providing the employee with an uninterrupted meal period of not less than 30 minutes […] [a]n employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes." Section 12 of applicable IWC Wage Order states in pertinent part: "Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof."

Here, Claimant and other Aggrieved Employees were regularly not provided compliant mandatory meal periods and paid rest breaks due to the Company's policies described above. Although the Company was required to pay Claimant and all Aggrieved Employees premium wages equal to an additional hour of pay at the employee's regular rate of pay for each violation under Labor Code § 226.7(c), the Company did not pay the mandatory one-hour wage premiums and did not do so at the proper rate. Labor Code § 558 imposes a penalty for each violation, plus an amount sufficient to recover the underpaid wages. Additionally, the civil assessment set forth in Labor Code § 2699 applies to these violations.

PAGA ASSESSMENT FOR FAILURE TO REIMBURSE BUSINESS EXPENSES
(Labor Code § 2802; IWC Wage Order § 9(b))

Labor Code § 2802(a) states "An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties." Here, the Company required Claimant and the Aggrieved Employees to incur expenses in direct consequence of the discharge of their duties. Accordingly, Labor Code § 2699 imposes a penalty upon the Company for each such violation of Labor Code § 2802.

PAGA ASSESSMENT FOR VIOLATION OF IWC WAGE ORDERS
(Labor Code § 1174; IWC Wage Order § 6(A); IWC Wage Order § 7(A))

Labor Code § 1174 and the relevant IWC Wage Order required the Company to accurately record and maintain "each employee's "[t]ime records showing when the employee begins and ends each work period," the time that each meal period began and ended, daily hours worked, and total hours worked in the payroll period. The Company failed to comply with these requirements, triggering civil penalties under §§ 1174.5 and/or 2699 each period.

PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW
(Labor Code §§ 204, 204.1, 208, 210, 256 and 2699)

Under Labor Code § 204(a), wages are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states "[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period." As a result of the Company's failure to pay Claimant and the Aggrieved Employees all compensation to which they were entitled, the Company had a pattern and practice of failing to pay all wages due and owing to

Claimant and the Aggrieved Employees within the time mandated by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 210 and/or 2699.

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES
(Labor Code §§ 201, 202, 203, 256 and 2699)

Labor Code § 201(a) provides in pertinent part: "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Labor Code § 202(a) states in pertinent part "If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours' previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting." Labor Code § 203(a) states "If an employer willfully fails to pay, without abatement or reduction, […] any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days."

The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a "waiting time penalty." (Labor Code § 203.) Labor Code § 2699 also imposes a penalty.

PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE, ITEMIZED WAGE STATEMENTS
(Labor Code §§ 226, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee's name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

Furthermore, Labor Code § 226.2(a) states "[f]or employees compensated on a piece-rate basis during a pay period, the following shall apply for that pay period: […] (2) the itemized statement required by subdivision (a) of Section 226 shall, in addition to the other items specified in that subdivision, separately state the following, to which the provisions of Section 226 shall also be applicable: (A) the total hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid for those periods during the pay period [and] (B) […] the total hours of other nonproductive time, […] the rate of compensation, and the gross wages paid for that time during the pay period."

Here, the Company failed to provide accurate itemized wage statements due to violations including: failure to accurately state total hours worked (the paystubs failed to accurately reflect total compensable hours); failure to state the number of piece-rate units earned; failure to accurately state gross/net wages earned and all deductions (due to the failure to pay all required wages); failure to state all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; failure to state the total hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid for those periods during the pay period; and failure to state the total

hours of other nonproductive time, […] the rate of compensation, and the gross wages paid for that time during the pay period. Additionally, the Company's wage statements violated Labor Code § 226(a) each period due to the failure to pay and report the unpaid wages and premium wages for denied meal/rest breaks under § 226.7. Accordingly, Labor Code §§ 226.3 and 2699 impose civil penalties for these violations.

PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199

(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission. Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company's violations described herein, the Company is subject to civil penalties in accordance with Labor Code § 2699.

ATTORNEYS' FEES, INTEREST, AND PENALTIES

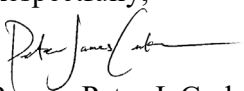
(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

Labor Code § 2699(g)(1), give employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys' fees, and costs of suit. Additionally, Claimant seeks the assessment of penalties, including civil penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 1197.1, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimant is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company. Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees. Additionally, Claimant seeks attorney's fees pursuant to Labor Code § 218.5 and C.C.P. § 1021.5. Please construe this correspondence as Claimants' notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

CONCLUSION

Based on the foregoing, the Company may be liable for civil penalties related to the foregoing claims and remedies. If Claimant becomes aware of any additional claims for Labor Code violations related to his employment or other employees of the Company, he reserves the right to supplement this notice letter.

Respectfully,



By: Peter J. Carlson, Esq.
E-mail: peter@lmlfirm.com

EXHIBIT “G”