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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

ARTURO ORTIZ, individually, and on behalf of all other members of the general public similarly situated, JORGE VALERO, individually, and on behalf of other members of the general public similarly situated, ANGEL SANCHEZ, individually, and on behalf of other members of the general public similarly situated,

Plaintiffs,

v.

HOLLYWOOD DELIVERY SERVICE, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CIVSB2432874

[Assigned for All Purposes to the Honorable Stephanie Tanda, Dept. S33]

DECLARATION OF TYLER J. WOODS IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

Preliminary Approval Hearing:
Date: January 27, 2027
Time: 8:30 a.m.
Dept.: S33

Action Filed: October 30, 2024

DECLARATION OF TYLER J. WOODS

I, Tyler J. Woods, hereby declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC ("WLF"), counsel for Plaintiffs Arturo Ortiz, Jorge Valero, and Angel Sanchez (collectively, the "Plaintiffs") in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement. A true and correct copy of the San Bernardino County's Checklists for Approval of Class Action Settlements ("Checklist") is attached hereto as **Exhibit 1**.

Procedural History

3. On October 30, 2024, Plaintiffs filed this putative class action against Defendant Hollywood Delivery Service, Inc. ("Defendant") alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to provide accurate itemized wage statements; (6) failure to indemnify employees for expenditures; (7) failure to timely pay final wages at termination; and (8) failure to provide paid sick leave; (9) unfair business practices (the "Class Action"). Checklist at ¶ 5.

4. On October 28, 2024, each Plaintiff provided written notice to the LWDA and Defendant with the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support (LWDA-CM-1058717-24, LWDA-CM-1058726-24, LWDA-CM-1058723-24). Checklist at ¶ 5. A true and correct copy of Plaintiffs' October 28, 2024, letter to Defendant and the LWDA is attached hereto as **Exhibit 2**. The LWDA did not notify Plaintiffs that intended to investigate within 65 days of this written notice. On March 19, 2025, Plaintiffs filed a separate action in the Superior Court of San Bernardino, for civil penalties under PAGA, Case No. CIVSB2510024, (the "PAGA Action"). Checklist at ¶ 5. On July 16, 2026, Plaintiffs filed a First Amended Complaint to consolidate the Class Action and PAGA Action. Checklist at ¶ 5.

5. Plaintiffs are filing a Joint Stipulation for Leave to File a Second Amended Complaint, with the proposed Second Amended Complaint lodged as Exhibit A, that pursuant to

the Court's may 18, 2026 Order Continuing Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement and Order for Revisions, (a) conforms the Labor Code sections alleged under the PAGA cause of action to those identified in Plaintiffs' PAGA Notice to the LWDA, and (b) voluntarily dismisses, without prejudice and pursuant to the Parties' Joint Stipulation and California Rule of Court 3.770, the Eighth Cause of Action for failure to provide paid sick leave. Checklist at ¶ 5.

6. On December 30, 2025, the Parties subsequently participated in a private, full-day mediation with Michael Mandel. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. Checklist at ¶ 3. The mediator made a proposal, which was accepted by the Parties and executed a Memorandum of Understanding thereafter. *Id*.

7. The parties negotiated the terms of the Settlement over the next several months, which was finalized on February 12, 2026. Checklist at ¶ 2, 3. The parties executed an Amendment to the Settlement Agreement on November 13, 2026, which amends the Class Release language in Section 5.2 and the PAGA Release language in Section 5.3. A true and correct copy of the Parties' fully executed Class Action and PAGA Settlement Agreement and Amendment ("Settlement Agreement") are attached hereto as **Exhibit 3**. Checklist at ¶ 2. Attached hereto as **Exhibit A** is a true and correct copy of the Parties' proposed Class Notice. Attached hereto as **Exhibit B** is a true and correct copy of the Class Action Settlement Exclusion Form. Attached hereto as **Exhibit C** is a true and correct copy of the Class Action Settlement Objection Form.

8. On March 26, 2026 for LWDA case number LWDA-CM-1058717-24 and November 16, 2026 for LWDA case numbers LWDA-CM-1058723-24 and LWDA-CM-1058726-24, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. A true and correct copy of the confirmation of submission my office received after submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 4**.

Investigation and Exposure Analysis

9. Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable law, and potential defenses. Plaintiffs' Counsel assessed the value of the class claims

using the data and documents that Defendant produced in informal discovery, including the number of Class Members, the number of workweeks in the Class Period, the number of pay periods in the PAGA Period, Plaintiffs' pay statements and timecards, Defendant's employee handbooks, Defendant's written wage-and-hour policies, job descriptions, and a random sampling of time and payroll records. Plaintiffs' Counsel engaged a consultant to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial. Checklist at ¶ 5.

10. Defendant's records show that there are approximately 193 Class Members, making joinder of all Class Members impracticable. Checklist at ¶ 5. Further, given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweigh any potential recovery.

11. Plaintiffs have alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members are entitled to damages and/or penalties. These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendant's designated representative(s), and Class Members' testimony.

12. Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks of succeeding at class certification and through trial affected the valuation of the claims for settlement purposes.

13. Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage claims were based on the allegation that Defendant required Class Members to perform work duties while off the clock, without compensation. For example, Plaintiffs alleged that Defendant required

them and other Class Members toarrive early or respond to work-related calls and communications outside of scheduled hours . For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the Class, Plaintiffs' Counsel assumed that all unpaid worktime should have been paid at the overtime rate of pay and conservatively estimated that Defendant is liable for one (1) hour of unpaid worktime per workweek. This results in potential exposure for this claim of approximately $213,199.83 (7,617 workweeks x $18.66 average hourly rate of pay x 1 hour/workweek x 1.5 overtime rate). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class certification and trial was substantial. Accordingly, Plaintiffs' Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $34,111.97 ($213,199.8 x 40% x 40%).

14. Meal Periods: Plaintiffs' meal period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. For example, Plaintiffs alleged that Defendant required them and other Class Members to either work through their meal periods or take untimely or shortened meal periods because of understaffing and operational demands. Additionally, Plaintiffs' Counsel's consultant determined there was a 57.7% meal period violation rate from the sampling of Defendant's time and payroll records, where meal periods were short, late, or missed. Therefore, potential liability for the meal period claim is approximately $483,257.95 (shifts over 5 hours x $18.66 average hourly rate x 57.7% violation rate). After taking into account the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit and that a 57.7% violation rate is unrealistic, Plaintiffs' Counsel discounted this figure based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial, yielding a realistic damage estimate of approximately $96,651.59 ($483,257.95 x 50% x 40%).

15. Rest Periods: Plaintiffs' rest period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. For example, Plaintiffs alleged that Defendant required them and other Class

Members to work through their rest periods or take interrupted rest periods. Based on Plaintiffs' allegations and Plaintiffs' and other Class Members' experience working for Defendant, Plaintiffs' Counsel applied a 100% violation rate to all qualifying shifts during the Class Period. Therefore periods because of the nature of dock operations during peak delivery times, which made it impractical or impossible for them to step away from their duties, Defendant's potential liability for the rest period claim is approximately $971,066.40 (52,040 shifts of 3.5 hours or longer x $18.66 average hourly rate x 100% violation rate). However, Plaintiffs' Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim would have relied exclusively on Class Member testimony, Plaintiffs' Counsel discounted this claim based on a 40% chance of succeeding at class certification and a 30% chance of succeeding at trial, yielding a realistic damage estimate of approximately $116, 527.97 ($971,066.40 x 40% x 30%).

16. In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-the-clock claim, meal period violations, and rest period violations (i.e., the wage claims) is approximately $1,667,524.18. However, after factoring in the risk and uncertainty of prevailing at certification and trial, Plaintiffs' Counsel estimates that Plaintiffs' realistic, estimated recovery for these non-penalty wage claims is approximately $247,291.53.

17. Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing their job duties for Defendant, such as the required purchase of steel-toed boots, work uniforms, rental fees, and the use of personal cell phones for work purposes. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the Class, Plaintiffs' Counsel estimated that Defendant was liable to each Class Member for $7.50 per workweek in unreimbursed expenses, for a total amount of approximately $57,127.50 ($7.50 x 7,617 workweeks). However, Defendant argued that these expenses were not required by Defendant, and that it could not have known that these expenses were being incurred. Accordingly, Plaintiffs' Counsel discounted this claim based on a 30% chance of succeeding at class certification and a

30% chance of succeeding at trial, yielding a realistic damage estimate of approximately $5,141.48 ($57,127.50 x 30% x 30%).

18. Derivative Penalties: Plaintiffs alleged that as a result of Defendant's failure to pay all wages owed, Defendant owed waiting time penalties and wage statement penalties. With respect to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel estimated that Defendant's maximum potential liability is approximately $747,738.32. Defendant's maximum potential liability for waiting time penalties is approximately $463,738.32 ([109 employees x $18.66 average hourly rate of pay x 7.6 hours/day x 30 days] based on approximately 109 formerly employed Class Members during the 3-year statute of limitations period and an average shift length of 7.6 hours. Defendant's maximum potential liability for inaccurate wage statements is approximately $284,000 (71 employees x $4,000.00 statutory maximum) based on approximately 71 Class Members who worked during the 1-year statute of limitations period and approximately 3,512 pay periods in that statutory timeframe. In light of the foregoing, Plaintiffs' Counsel believes that it would be unrealistic to expect the Court to award the full $747,738.32in statutory penalties given Defendant's defenses, the contested nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying wage claims are realistically estimated to be approximately $247,291.53, such a disproportionate award would also raise due process concerns. As such, Plaintiffs' counsel discounted these figures to account for the risk and uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation of approximately $27,824.30 for waiting time penalty claims ($463,738.32 x 30% x 20%), and approximately $17,040.00 for wage statement penalty claims ($284,000.00 x 30% x 20%), or approximately $44,864.30 total for statutory penalties.

19. PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential exposure could potentially reach $588,000.00, assuming the initial $100 penalty would apply for each of the 5,880 pay periods in the PAGA Period. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and

oppressive, or confiscatory. As such, Plaintiffs' counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $58,800.00 for PAGA penalties ($588,000.00 x 10%). The settlement allocates $45,000.00 of the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 15% of the Gross Settlement Amount and approximately 77% of the realistic PAGA allocation estimate for PAGA penalties ($45,000.00 / $58,000.00).

20. Using these estimated figures, Plaintiffs' Counsel predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $356,097.31. This means that the gross settlement amount represents approximately 84% of the realistic maximum recovery ($300,000/ $356,097.31). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. Indeed, because of the proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

21. Based on the figures in the Settlement Agreement, the Net Settlement Amount available for class settlement payments is currently estimated to be $173,010.00 for approximately 193 Class Members. As a result, each Settlement Class Member would be eligible to receive an average net benefit of approximately $896.42. Checklist at ¶ 8. The highest potential payment to a Settlement Class Member is $6,722.16. *Id.* The lowest potential payment to a Settlement Class Member is $22.71. *Id.* Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "wage Portion"). Settlement Agreement at § 3.2.4.1. The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. *Id.* The remaining eighty (80%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties (the "Non-Wage Portion"). *Id.* The Non-Wage Portions are not subject to wage withholdings and will be reported to IRS 1099 Forms. *Id.* Participating Class Members assume Full responsibility and liability for any employee taxes owed on their Individual Class Payment. *Id,* Checklist at ¶ ¶ 12, 13. Based on the estimated Net Settlement Amount available for individual class payments and

there being approximately 7,617 workweeks in the Class Period, the estimated weekly valuation for Individual Class Payments is $22.71 ($173,010.00/ 7,617 workweeks). *Id*.

Plaintiffs' Counsel's Qualifications

22. Plaintiffs are represented by WLF. The attorneys at WLF performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment.

23. WLF was selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600 employees. WLF is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

24. WLF is qualified to handle this Litigation because its attorneys are experienced in litigating Labor Code violations in individual, class action, and representative action cases. WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as class actions involving consumer rights and data privacy litigation. Checklist at ¶ 10.

25. I graduated from the University of California, Davis in 1999 with a Bachelor of Arts degree in Communications with minors in Spanish and Psychology. I received by Juris Doctor from USC Gould School of Law in 2004.

26. Upon graduating from law school in 2004, I worked for international firm McDermott Will & Emery LLP practicing general litigation which included employment law matters. Since 2010, and exclusively since 2013, my practice has focused on labor and employment matters including handling wage and hour class, collective, and representative actions (including the California Private Attorneys general Act or "PAGA"), including at the law firms of McDermott Will & Emery LLP (where I was a partner), Pacific Trial Attorneys (where I was a partner), and labor and employment powerhouse Fisher Phillips (where I was a partner and head of Fisher Phillips Class Action Practice Group). At these law firms, I was the lead trial counsel or took a major leading role in defending employers on numerous wage and hour class, collective, and representative actions. Under my leadership as lead counsel during my tenure as defense counsel, I successfully defeated class certification of a potential 10,000 plus class as lead counsel on behalf of a nationwide quick service restaurant during my time as defense counsel and

negotiated several wage and hour class actions that were subsequently approved by the Courts. Checklist at ¶ 10

27. In late March 2024, I left Fisher Phillips and joined WLF to represent plaintiff employees. I have been and is handling many wage and hour class and representative actions litigating such matters on behalf of plaintiff employees in numerous Superior Courts. From matters representing both plaintiff and defendants, I have successfully mediated the resolution of many wage and hour class, collective, and representative actions. Checklist at ¶ 10

28. In July 2025, I obtained a jury verdict in excess of $6,000,000 in a wage and hour case in Los Angeles Superior Court against Javier's Cantina & Grill (Los Angeles Superior Court Case No. 19STCV36438). Checklist at ¶ 10

29. I have received numerous awards for his legal work. For example, from 2009-2011 and 2014, I was listed as a Rising Star in Los Angeles Super Lawyers (Thomas Reuters). I have also served on numerous prominent boards and in other leadership positions, including currently serving on the board of the Orange County Chapter of the California Restaurants Association. Checklist at ¶ 10

30. I have also presented monthly webinars on labor and employment issues to hundreds of participants since 2022, including on wage and hour issues. For example, I presented "10 Reasons Employers Get Sued (and How to Avoid These Mistakes" (while a partner with Fisher Phillips) and "Key Insights for Hospitality Employers: Arbitration Agreements 101" (while a partner with Fisher Phillips). My current contingent billing rate of $1,200 per hour. Checklist at ¶ 10

31. James Yoo is a Senior Attorney at WLF. He graduated from the University of California, Los Angeles with a Bachelor of Arts in Philosophy and earned his Juris Doctor degree from UCLA School of Law. He was admitted to practice law in the State of California in 2016. Before joining Wilshire Law Firm, he served as head of the Wage and Hour Department at Warmuth Law, where he gained extensive experience managing wage and hour matters and negotiating settlements on behalf of employees. As a Senior Attorney at WLF, he leads and manages multiple complex wage and hour class and representative actions under the California

Private Attorneys General Act ("PAGA"). He is currently overseeing more than one hundred active class action and PAGA representative matters pending in courts throughout the State of California. Mr. Yoo currently bills at an hourly rate of $800.00.

32. Giancarlo A. Recinos is a Senior Attorney at WLF. He was admitted to practice law in the State of California in 2012 and is an active member in good standing with the State Bar of California. Mr. Recinos graduated from San Francisco State University with a Bachelor of Arts in Communications and received his Juris Doctor from Southwestern Law School. For over a decade, his practice has focused on employment law and wage -and-hour compliance. Mr. Recinos currently bills at an hourly rate of $950.00.

33. Christina M. Le is a Junior Partner at WLF. She is admitted to practice in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. She graduated from Loyola Law School, Los Angeles, and attended the University of California, Berkeley for her undergraduate studies, where she obtained a Bachelor of Arts in History. She has over 15 years of litigation experience, which includes the successful handling of numerous employment, wage and hour, and class and representative action matters during the latter half of his career in state and federal court through inception through case resolution. Prior to joining Wilshire Law Firm in November 2021, Ms. Le gained invaluable litigation experience working at various plaintiff and defense firms, including Kristensen Weisberg PLC, Jones Bell LLP, Archer Norris PLC, and Lewis Brisbois Bisgaard & Smith LLP. Ms. Le is a member of NELA, CELA, CAALA, LACBA, and the Vietnamese Bar Association of Southern California, and has been a recognized speaker on wage and hour topics for some of these organizations at various conferences and seminars.

34. Alan Wilcox obtained his Bachelor's degree from the University of California, Berkeley in 2007. He graduated from Pepperdine University's School of Law and became a member of the California State Bar in 2012. Throughout Mr. Wilcox's career up until his employment at WLF, he was essentially continuously employed as a civil litigation attorney at multiple law firms. He has represented clients in both state and federal Courts in a wide variety of matters, including contract disputes, wrongful foreclosure, unlawful detainer, divorce, product

defect, tort, and employment. Mr. Wilcox's billed at an hourly rate of $950.00.

35. Justin F. Marquez is a former Senior Partner at WLF who was actively involved in the litigation and resolution of this Action from its inception through December 2024. He graduated from University of California, Los Angeles's College Honors Program in 2004 with Bachelor of Arts degrees in History and Japanese, magna cum laude and Phi Beta Kappa. He graduated from Notre Dame Law School with a Juris Doctorate. He was admitted to the State Bar of California in February 2009. His practice focused primarily on advocating for the rights of consumers and employees in class action litigation and appellate litigation. He received numerous awards for his legal work: from 2017 to 2020, Super Lawyers selected him as a "Southern California Rising Star," and from 2022 to 2025, he was selected as a "Southern California Super Lawyer"; he was selected as one of the "Best Lawyers in America" from 2023 to 2025; and in 2024, he, along with his colleagues at WLF, received a CLAY (California Lawyer Attorneys of the Year) award for their work on a false advertising case against Apple which ultimately led to a $25 million settlement. He also was selected to speak at multiple CELA conferences throughout his career – in 2019, he spoke on the topic of manageability of class actions at CELA's 2019 Advanced Wage & Hour Seminar, and in 2024, he spoke on the topic of dealings with multiple cases against the same defendant at CELA's 2024 Advanced Wage & Hour Seminar. He served as lead or co-lead in negotiating class action settlements worth over $10 million in gross recovery to class members for each year since 2020, including over $37.5 million in 2022 and over $75 million in 2023. Mr. Marquez's billed at an hourly rate of $1,000.00.

36. Arsiné Grigoryan is a former Associate Attorney at WLF who was actively involved in the litigation and resolution of this matter from its inception through December 2024. She earned two Bachelor of Arts degrees from the University of California, Berkeley in (1) Political Science with an emphasis on international relations and (2) Media Studies. She obtained her Juris Doctor degree from Southwestern Law School. She is presently admitted to practice in all state courts of California (admitted in 2017) and before all federal district courts in California. The focus of her practice at WLF was on class action wage-and-hour law, including Private Attorneys General Act of 2004 ("PAGA") matters. Prior to joining WLF, she worked at a law firm specializing in wage-

and-hour class action cases. She handled more than a dozen active class action matters currently pending and prosecuting multiple PAGA collective action matters in various courts throughout the State of California. Ms. Grigoryan billed at an hourly rate of $800.00.

No Conflicts

37. WLF has no actual or potential conflicts of interest with Class Members or the proposed Administrator, Apex Class Action Administration. Checklist at ¶ 20.d.

38. WLF has no fee-splitting agreement with any other counsel in this case.

39. Plaintiffs' Counsel conducted multiple diligent and reasonable searches for matters in all jurisdictions throughout California through sources such as the Court's Access Portal for filings in San Bernardino County, Google, Westlaw, Trellis, and the LWDA's PAGA filings website to determine whether there were any other matters which might be affected by this Settlement. Through that search we identified the following case: *Timothy Denzler v. Hollywood Delivery Service, Inc.*, San Bernardino Case No. CIVSB2613584 ("*Denzler*"). Denzler was filed on or about May 4, 2026, as a putative class action on behalf of California drivers alleged to have been misclassified as independent contractors, asserting claims for failure to pay all wages, failure to reimburse business expenses, inaccurate wage statements, and unfair competition. (*Id,* **Exhibit 7** [Denzler Complaint] ¶¶ 13, 24-30). The *Denzler* complaint does not assert a PAGA claim, although the plaintiff submitted a PAGA notice to the LWDA on or about May 1, 2026. *Id.*, **Exhibit 8**. Plaintiff's action was filed on October 30, 2024, and the Settlement was finalized on or about February 12, 2026, both before *Denzler* was filed. *Id.;* Section II, supra. The Second Amended Complaint in this action does not allege that Class Members were misclassified as independent contractors. The Settlement would affect *Denzler* only to the extent the *Denzler* plaintiff or putative class members are Class Members or Aggrieved Employees and their claims fall within the Released Class Claims or Released PAGA Claims and the applicable Class Period or PAGA Period. Settlement Agreement §§ 5.2, 5.3. Whether they are class members will be determined from Defendant's records. Class Members will receive notice and may opt out or object. Claims outside the scope or periods of the releases, including any claims for willful misclassification penalties under Labor Code § 226.8, which are not among the Released PAGA Claims, and the

claims of any person who opts out, would not be affected. Checklist at ¶ 14.

40. Additionally, in or about May 2025, Defendant obtained a total of forty-five (45) settlement and limited release agreements from current and former employees. As set forth in the Settlement, all employees who signed settlement and limited release agreements are included in the definition of Aggrieved Employees and specifically excluded from the definition of Class Members. ("All current and former employees who previously signed Pick-Up Stix Settlement Agreements are specifically excluded from definition of Class Members.") Settlement Agreement at § 1.4, 1.5, Checklist at ¶ 5.

Administrator

41. Plaintiffs' Counsel sought bids from three (3) administrators to administer this Settlement. The Parties selected the bid with the lowest cost, which was from Apex Class Action Administration. The Administrator's bid accounts for serving the class notice in **English and Spanish.** Checklist at ¶ 15. A true and correct copy of the will-not-exceed bid from Apex Class Action Administration to administer this Settlement is attached hereto as **Exhibit 5**.

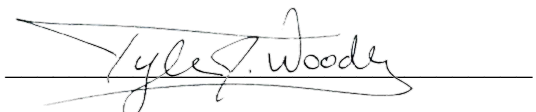
42. No one at WLF (meaning the law firm itself and anyone employed at the law firm) has any interest, financial or otherwise, in the Administrator.

LWDA Submissions

43. Plaintiffs have submitted all documents to all three LWDA case numbers. True and correct copies of the PAGA Notice Public Search – Case Detail for each case is attached hereto as **Exhibit 6**.

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

Executed on November 19, 2026 at Los Angeles, California.



Tyler J. Woods

EXHIBIT 1

CHECKLIST

MOTIONS FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENTS

A motion for preliminary approval of a class action settlement should contain the following information:

1. The defining of the key financial terms of the settlement, including the gross settlement amount, each deduction from the gross amount (attorney fees, litigation costs, settlement administrator fees, incentive fees, and all other deductions), whether exact or in a "not to exceed" amount, and the net settlement amount. **(See MPA p. 4, lines 17- p. 5, line 9; p. 8, lines 5-17; p. 20, lines 13-16.)**

2. A copy of the Settlement Agreement signed by all parties (not just counsel). **(See MPA p.6, lines 26-27; Woods Dec, p. 2, lines 12-17)**

3. A declaration by counsel addressing how the settlement was reached, that the settlement was negotiated at arms-length **(See MPA p.1, lines 13-18; p.5, lines 12-14; p.6, lines 22-24; p.15, lines 9-15) ,** whether a mediator was used in reaching the settlement terms **(MPA p.5, lines 12-14;p. 6 lines 21-22; p.6, lines 24-25; p.15, lines 12-15;)** whether discovery (formal or informal) was conducted, the type of discovery (formal or informal) conducted **(See MPA p. 13, lines 12-13; p.15, lines 16-23)**, and why the settlement is fair **(See MPA p. 15, lines 1-28)**, adequate **(See MPA p. 14 line 18 – p.20, line 12),** and reasonable for the class. **(See MPA p. 5, lines 11-14; p. 16, line 1- p.21, line 3).**

4. The definition of the class **(See MPA p. 4, lines 6-12.)** and aggrieved employees **(See MPA p. p. 5, lines 2-7)**, the class **(See MPA p.4, lines 12-14)** and PAGA periods **(see MPA p. 5, lines 7-10)**, and whether they exceed the statute of limitation period(s), and if yes, then why **(See MPA p. 4, lines 14-15; p. 5, lines 9-10)**, the estimated number of class members **(See MPA p. 4, line 18; p.12, lines 1-2; p. 19, lines 25-27)** and aggrieved employees, **(See MPA p.5, line 2)** and if settlements shares are to be paid on a "weeks worked" or other periodic basis, the number of such periods**. (See MPA p.4, lines 17-20).**

5. A summary of the case, including the causes of action **(See MPA p.5, line 20 – p.7, line 3; p7, line 26- p.8, line 4)**, the legal and factual basis for the claims (**MPA p.6, lines 1-6; p.15, lines 18-23, p.16, line 1 – p.20, line 12)**, the discovery conducted to date **(MPA p.13, lines 12-3;**

p.15, lines 16-23), counsel's investigation of the merits of the claims **(p. 6, lines 1-6; p.15, lines 18-23)**, the anticipated recovery if the case were to proceed to trial **(MPA p. 19, lines 18-19)**, and counsel's assessment of any impediments to such recovery (**MPA p.19, lines 21-23).**

6. Whether the settlement amount is dependent upon the number and amount of claims made by class members, with the remainder reverting to defendants. **(MPA p.8, lines 22-24).**

7. Whether the settlement provides for a *cy pres* distribution of excess funds and, if so, a declaration demonstrating the propriety of the *cy pres* recipient and distribution under Code of Civil Procedure section 384. **(See MPA p. 9, 6-12)**.

8. The estimated highest, lowest, and average amount that class members (**MPA p.19, line 25 – p.10, line 2)** and aggrieved employees (**MPA p.9, lines 1-2**) will receive as their share of the settlement distribution. In class actions alleging Labor Code violations ("Wage & Hour Cases") and PAGA, the total number of work weeks (**for workweeks see MPA p. 20, line 11)** (or pay periods) **(for PAGA pay periods see, MPA p. 9 line 3)** and the estimated amount each class member (**MPA p.20, lines 11-12)** and aggrieved employees (**MPA p.9, lines 3-4)** will receive per work week (or pay period).

9. The proposed fee award to class counsel, including an analysis why the fee is appropriate, and whether the attorney fee and costs will be paid directly by defendants as part of the settlement, or whether the fee award and costs will be paid out of the settlement proceeds. **(See MPA p. 21, lines 11-21, which accounts for Section D, "The Requested Attorney's Fees and Costs Are Reasonable").**

10. If the class is not already certified, then a declaration by counsel addressing the necessary findings for settlement class certification, i.e., the settlement class is sufficiently numerous and ascertainable **(MPA p.11, line 28 – p.12, line 3; p.15, lines 18-23)**, the plaintiff's claims are typical with the class, **(MPA p.13, lines 1-15; p.15, lines 18-23)**, and common questions predominate (**MPA p.12, lines 16-27; p.15, lines 18-23**). Also, a declaration by class counsel addressing the lawyer's knowledge and experience handling class actions and related complex litigation **(MPA p.15, lines 24-28; Woods Dec p. 8, lines 10-14; p. 8, line 17- p. 9, line 21)**. Lastly, a declaration from each class representative stating what the representative did as services to the class and participation in the litigation, and his/her lack of conflict with any putative class members. **(MPA p.13, line 24 – p.14, line 3, See also declarations of class representatives)**.

11. What claims are being settled, including any claims which are not specifically alleged in the class action complaint, and the scope of the release provisions which will bind the class members and the defendants. **(MPA p. 10, line 8 – p. 11, line 7).**

12. Any affirmative duties or obligations that the proposed settlement places upon class members. **(MPA p.20, lines 8-9).**

13. In Wage and Hour Cases, the percentage of the net settlement that is characterized as wages for income tax purposes, and whether the defendant will be paying employer-side payroll taxes on the wages portion separately from the gross settlement amount. If the employer -side payroll taxes are deducted from the gross settlement amount, the estimated amount of the deduction. **(MPA p.8, lines 18-24; p. 20, line 2-10, line 3; Woods Dec. p. 7, lines 19-26).**

14. If there are related cases pending in other jurisdictions, what effect, if any, this settlement will have on the other actions. **(See MPA p. 7, lines 4-25).**

CLASS NOTICE (Review of compliance with checklist completed on 10-09):

15. A copy of the proposed written class notice **(See Exhibit A)**, and its discussion of the procedures to be used for providing notice to the class **(See generally MPA Section III B-Proposed Settlement Administration),** including if the class notice will be provided in any language other than English (e.g., Spanish) **(MPA p.10, lines 13-14, p.22, lines 20-21)**, and, if not, the reasonable/justifiable reason why the class notice is only being provided in English (and the court will not accept cost as a reasonable excuse). **(This is not applicable).**

16. Whether the class notice will be served by first-class mail, e-mail, publication, or other method, including an explanation why the chosen method is the best means available to reach the greatest number of class members. **(MPA p. 10, lines 13-17)**.

17. Whether the class notice adequately informs the class about the claims **(Class Notice p.1, para 1, p.3, Section 2 titled "What is the Lawsuit About?";)**, the terms of the settlement **(Class Notice p.1, para 2; p. 3, Section 4 titled "Why is There a Settlement?"; pp.4-5 Sections 7-8)**, the release of claims **(Class Notice pp. 5-6, Section 11)**, their anticipated distribution **(Class Notice p.5, Section 10)**, the amount of fees and expenses being requested by class counsel **(Class Notice p. 8, Section 16)**, the amount of any incentive award to the class

representatives **(Class Notice p. 8, Section 16)**, the opportunity to object and the requirements for objections **(Class Notice p. 8, Section 17)**, the date and place of the final approval hearing **(Class Notice p. 9, Section 19)**, and any opportunity to opt-out of the settlement and the procedure for requesting exclusion. **(Class notice pp. 6-7, Section 12; pp. 8-9, Section 18)**.

18. Whether class notice and receipt of any objections or opt-outs will be handled by anyone other than the third-party administrator. **(MPA p.10, lines 24-26).**

19. If a claim form is being used, a copy of the proposed claim form, and a discussion of procedures for sending, receiving, and processing claims. **(MPA p.10, line 26).**

PROPOSED ORDER (Review of compliance with checklist completed on 10-01-26):

20. A proposed order granting preliminary approval of the class settlement which includes:

a. A copy of the Settlement Agreement, Class Notice, and Claim Form (if being used) attached as exhibits and incorporated by reference. **(See Exhibit 2).**

b. Findings that the settlement is fair, adequate, and reasonable, and in the best interests of the absent class members. **(See Proposed Order p. 2, line 14).**

c. Finding the Class is provisionally certified (if not previously certified). **(See Proposed Order p.2, paragraph 1, line 2.)**

d. Approval of any third-party administrator. **(See Proposed Order p. 4, lines 21-22).**

e. The procedures and schedule for any objections, requests for exclusion, or claims submission by class members. **(See Proposed Order chart on pp. 5-6).**

f. A briefing schedule and hearing date for final approval of settlement, including a filing of supplemental declarations by counsel and third-party administrators verifying proper service of class notice, and receipt of filing of written objections, and setting a schedule

for any written response to objections, and submission for declarations and briefs in support of the requested fee award. **(See Proposed Order chart on pp. 5-6).**

EXHIBIT 2

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Molly DeSario, Esq.
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Ruby Carrera, Esq.
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October 28, 2024

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(*Via Online Submission*)

Dawn Marie Armenta
Agent for Service of Process for
Hollywood Delivery Service, Inc.
2828 South Willow Avenue
Bloomington, CA 92316
(*Via Certified Mail, Return Receipt Requested*)
Certified #94890090002766377100 35

Re: ***Arturo Ortiz, Jorge Valero, Angel Sanchez v. Hollywood Delivery Service, Inc.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Arturo Ortiz, Jorge Valero, and Angel Sanchez ("Employees") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, et seq.) against Employees' former employer, Hollywood Delivery Service, Inc. ("Employer").

The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations, which we allege Employer engaged in with respect to Employees and potentially all of Employer's Aggrieved Employees.

The Employees wish to pursue this action as Aggrieved Employees, on behalf of the State of California, as well as on behalf of potentially all other persons who worked for Employer in California as a non-exempt or hourly-paid Employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

The Employees and the Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

Employer owns and operates an industry, business, and establishment within the State of California and is, therefore, subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Throughout the Employees' tenure, the Employer compensated them with an hourly wage and classified them as non-exempt from overtime. The Employees often worked more than eight hours per day and exceeded forty hours in a workweek.

Throughout the Employees' tenure, the Employer failed to compensate them for all hours worked,

including minimum wage, straight time, and overtime wages. The Employer also did not provide legally compliant meal periods, did not authorize or permit rest periods, and failed to reimburse business expenses. Additionally, the Employer did not furnish accurate wage statements, did not provide paid sick leave, and did not pay all wages upon termination. Furthermore, the Employer's managers systematically altered time records to conceal violations of the Labor Code. As detailed below, the Employees' experiences while working for the Employer were typical and illustrative of these issues.

Employees' Employment with the Employer

The Employer is a California corporation that offers delivery and loading services at various locations across the state, including San Bernardino County, where the Employees were employed.

Jorge Valero was an hourly, non-exempt worker. He worked for the Employer as a dock worker from approximately May 2017 to September 2024, with primary responsibilities in forklifting, unloading and forklift driving.

Arturo Ortiz was an hourly, non-exempt worker. He worked for the Employer as a dock worker from approximately January 2013 to 2017 and as a warehouse supervisor from approximately 2017 to September 2024, with primary responsibilities in supervising unloading personnel and unloading freights.

Angel Sanchez was an hourly, non-exempt worker. He worked for the Employer as a dock worker from approximately April 2018 to September 2024, with primary responsibilities in forklifting, unloading and forklift driving.

In carrying out his duties, the Employees were frequently required to work off the clock, including overtime, without compensation. This included performing job responsibilities after clocking out and before clocking in at the request of management. For instance, the Employees worked during meal and rest periods while clocked out and were not compensated for this work. They also answered messages from management and sometimes worked after their shifts, including physical and drug tests, while clocked out. Some of this work should have been compensated at the overtime rate.

Due to understaffing and heavy workloads, Employees were often unable to take timely and compliant meal and rest breaks. For example, due to a heavy workload and understaffing, the Employees' meal breaks were often shorter than 30 minutes, interrupted by supervisors, or taken late. Furthermore, the Employees did not take their second meal break when they worked more than 10 hours and did not receive the compensation owed. The Employer also did not provide an opportunity to leave the premises for meal periods.

The Employees and the Aggrieved Employees also incurred unreimbursed business expenses.

The Employer also has not provided to the Employees and Aggrieved Employees the paid sick leave and its balance available.

Additionally, the Employees' pay stubs did not include all the necessary information, such as correct legal entity's name, address, Employees' last four digits of social security number, paid sick leave time balance, overtime rates, the rest and meal break premiums, and the total wages for all hours worked.

Further, by not paying all meal and rest break penalties due and all hours worked, Employer failed to pay all full and owed final wages in a timely manner.

These are just non-exhaustive examples of the facts and theories Employees assert, which are described in more detail below.

Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, employers must pay for all hours worked by an employee. “Hours worked” is the time during which an employee is subject to the control of employer and includes all the time the employee is suffered or was permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

During the statutory period, the Employer failed to compensate the Employees and some of the Aggrieved Employees for all hours worked, including minimum wage, straight time, and overtime wages. At times, the Employer required the Employees and some Aggrieved Employees to work "off-the-clock" without pay. For instance, the Employees worked during meal and rest periods while clocked out and were not compensated for this work. They also answered messages from management and sometimes worked after their shifts, including physical examinations and drug tests, while clocked out. Some of this work should have been compensated at the overtime rate.

California Labor Code § 510 requires that Employer compensate Employees 1.5 times their regular rate of pay when Employees work over eight hours per day, 40 hours per week, or when Employees work up to eight hours on any seventh day of a workweek. In failing to pay for all hours worked, the Employer also failed to maintain accurate records of the hours Employees and the Aggrieved Employees, or some of them. Employer also altered, falsified, and manipulated the time records in order to pay them less.

As a result, Employer is liable to Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the end of the employee's fifth hour of work in a workday, and to allow employee to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, the Employer occasionally failed to provide Employees and some of the Aggrieved Employees with their legally mandated 30-minute uninterrupted and duty-free meal periods. This included, at times, not allowing them the opportunity to leave the work premises for their meals. The Employer also maintained control over Employees and the Aggrieved Employees by requiring, pressuring, or encouraging them to complete work tasks that could not be done without skipping mandatory meal breaks. Additionally, Employer denied the Employees and some Aggrieved Employees permission to take meal periods as required by law,

without properly compensating them for missed meal breaks. For example, due to a heavy workload and understaffing, the Employees' meal breaks were often shorter than 30 minutes, interrupted by supervisors, or taken late. Furthermore, the Employees did not take their second meal break when they worked more than 10 hours and did not receive the compensation owed. The Employer also did not provide Employees with the opportunity to correct noncompliant meal break hours. As a result, the Employer failed to provide meal periods to Employees and some Aggrieved Employees in accordance with California law.

The Employees and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). The Employer, however, at times, failed to pay the Employees and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided.

As a result, the Employer is liable to the Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employer is required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e., more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as is required is itself a violation of California's rest break laws.

Throughout the statutory period, Employer has occasionally failed to authorize and permit Employees and some of the Aggrieved Employees to take legally compliant rest periods as required by law. At times, Employer required Employees and some Aggrieved Employees to work more than four consecutive hours without allowing them a 10-minute uninterrupted and duty-free rest period for every four hours worked (or major fraction thereof), nor did the Employer compensate them for any unauthorized or unpermitted rest periods. For instance, due to a heavy workload and understaffing, the Employees almost never took their rest breaks.

Instead, Employer, at times, continued to assert control over the Employees and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks (including, but not limited to, continuing to work on the presses) which could not be completed without working in lieu of taking mandatory rest periods, or, at times, by denying the Employees and the Aggrieved Employees, or some of them, permission to take a rest period or interrupting them. Accordingly, Employer, at times, failed to authorize and permit Employees and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law. The Employees and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Employer, however, at times, failed to pay the Employees and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employer is liable to the Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Employer's failure, at times, to pay the Employees and the Aggrieved Employees, or

some of them, for all wages as discussed above, Employer also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, at times, Employer failed and refused to pay the Employees all wages due, and failed to pay those wages twice a month, in that Employees were not paid all wages for all missed meal and rest periods and all wages for all hours worked. As a result, Employer owed the Employees the legally required wages for unpaid wages, and the Employees and the Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Employer is liable to the Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

The Employees seek penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor, who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the Employees begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

However, Employer failed to keep accurate records of the hours worked and all meal periods taken or missed by the Employees and some of the Aggrieved Employees. Employer also altered, falsified, and manipulated these records. The timekeeping system often malfunctioned, and for some periods, the Employer did not provide pay stubs to some Employees.

Employer's failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived the Employees and the Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Employer's records. Therefore, the Employees and the Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Employer. As a direct result, the Employees and the Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Employer to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employer's knowing failure, at times, to comply with the California Labor Code and applicable IWC Wage Order, the Employees and the Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall, semimonthly or at the time of each payment of wages, furnish their employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee

and the last four digits of their social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the Employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by employers to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

In addition, California Labor Code § 246(i) required employers to provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave employer provides in lieu of sick leave, for use on either the employee's itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee's payment of wages. If employer provides unlimited paid sick leave or unlimited paid time off to an employee, the employer may satisfy this section by indicating on the notice or the employee's itemized wage statement "unlimited."

During the statutory period, the Employer has occasionally failed, and continues to fail, to provide the Employees and some of the Aggrieved Employees with timely, accurate, itemized wage statements that meet all legal requirements. Here, the Employees' pay stubs do not accurately reflect legal entity's name, address, Employees' last four digits of social security number, paid sick leave time balance, overtime rates, the rest and meal break premiums, and the total wages for all hours worked.

Accordingly, the Employees and similarly Aggrieved Employees, or some of them, are entitled to recover from Employer the greater of their actual damages caused by Employer's failure to comply with Labor Code § 226(a) and 246(i), or an aggregate penalty not exceeding four thousand dollars ($4,000) per Employee. Moreover, Employer is liable to the Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226(e)(2)(B)(iii) for failing to timely furnish accurate itemized wage statements.

Failure to provide paid sick leave

Labor Code §246 requires employers to provide paid sick leave to employees. Labor Code §246.5 provides that an employee may use sick days for the "diagnosis, care, or treatment of an existing health condition of, or preventative care for, an employee or an employee's family member." The employer cannot require the employee to search for or find a replacement worker to cover the days during which the employee uses sick days and cannot retaliate or in any way discriminate against an employee for using accrued sick days or attempting to use accrued sick days (Labor Code §246.5(b) and (c)). As long as the employee has accrued sick leave available, the employer cannot count sick leave taken as an absence that may lead to discipline such as under a company attendance policy (Labor Code §234).

California Senate Bill (SB) 616 went into effect on January 1, 2024, and amended California Labor Code sections 245.5, 246, and 246.5, increasing the minimum required amount of paid sick leave for California employers to 40 hours or five days, whichever is greater. SB 616 also details the way in which employee accrue paid sick leave. Employers can select any of the following methods by which employees can accrue paid sick leave: (1) One hour of PSL for every 30 hours worked; (2) Front loading of paid sick leave to give employees an up-front accrual of 40 hours (or five days) of PSL at the start of their employment and each 12 months thereafter; or (3) At a rate other

than one hour for every 30 hours worked provided that the accrual is regular and results in at least 24 hours (or three days) of PSL by the 120*th* day of employment and 40 hours (or five days) of paid sick leave by the 200*th* day of employment. (Amending Lab. Code. § 246)

The Employees allege, that the Employer has or had a policy or practice of failing to provide Employees and other Aggrieved Employees with the amount of paid sick leave required to be provided pursuant to California and local laws (including, without limitation, Labor Code section 246, *et seq*.) Employees are further informed and believe that the sick pay was not provided at the proper regular rate of pay as required under California law due to failure to properly calculate the regular rate. Employees are further informed and believe that the Employer also did not permit its use upon request by the Employees and other Aggrieved Employees as required under Labor Code § 246.5. As such, the Employer would be liable for civil penalties for violation of the paid sick leave regulations under Labor Code sections 558 and 2699, as well as equitable, injunctive, or restitutionary relief, and reasonable attorneys' fees and costs.

Refusal to Make Payment

Labor Code section 216 declares unlawful employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

Employer, at times, violated and continues, at times, to violate Labor Code section 216 by failing to pay the Employees and Aggrieved Employees, or some of them, for all hours worked at the proper wage rate and by failing to pay the Employees and Aggrieved Employees, or some of them, an additional hour of pay for each meal and/or rest period not provided or that was invalid. (*Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.)

These violations subject Employer to civil penalties under Labor Code § 225.5. Each violation results in a separate civil penalty, for each Aggrieved Employees (or some of them) so affected, for each pay period (or some of them) during which the statute's provisions were violated.[1]

Statutory Wage Violations

Labor Code § 223 makes it unlawful for employers to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, Employer, at times, willfully and systematically denied the Employees and other Aggrieved Employees, or some of them, of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. Employer, at times, acted with the intent to deprive some or all of them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, Employer, at times, paid the Employees and other Aggrieved Employees, or some of them, lower wages than those to which they were entitled, while purporting that Employees and all Aggrieved Employees were properly paid. As such, the Employees and Aggrieved Employees, or some of them, are entitled to recover penalties, attorneys' fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

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[1] Labor Code § 225.5 (establishing that "[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty…for each failure to pay each employee") (emphasis added).

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) states that employers must indemnify their employees for all necessary business expenditures or losses incurred while directly discharging their duties. Throughout the statutory period relevant to this cause of action, the Employer has at times, wrongfully required the Employees and some of the Aggrieved Employees to cover expenses they incurred in the direct performance of their duties for Employer. The Employees and the Aggrieved Employees, at times, paid out-of-pocket for essential employment-related expenses. These Employees incurred significant expenses as a direct result of their job duties for the Employer, yet the Employer failed to indemnify them for these costs.

As a result, the Employer is liable to the Employees and the Aggrieved Employees for the civil penalties outlined in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify them for necessary business expenditures.

Failure to Timely Pay All Wages at Termination

Labor Code sections 201 and 202 provide that, if employers discharge an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves their employment, their wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of their intention to quit, in which case the employee is entitled to their wages at the time of quitting. Direct deposits of wages to an employee's bank, saving and loan, or credit union account that were previously authorized by the employee are immediately terminated when an employee quits or is discharged, and the payment of wages upon termination of employment in the manner described above shall apply unless the employee has voluntarily authorized that deposit and provided that the employers comply with the provisions of Labor Code § 213(d) relating to the payment of wages upon termination or quitting of employment.

Within the applicable statute of limitations, the employment of the Employees and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Employer, at times, failed, and continue, at times, to fail, to pay the Employees and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201 or 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Employer's employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), and missed meal and rest period premium wages.

Action for Civil Penalties Under PAGA

Pursuant to Labor Code Sections 2699(a) and (f), the Employees and the Aggrieved Employees are entitled to civil penalties for Employer's violations of Labor Code Sections 201, 202, 203, 204, 210, 216, 221, 223, 245.5, 246, 246.5, 226, 226.7, 510, 512, 558.1, 1174, 1174.5, 1194,1197, 1197.1, 1198, 2802, and the applicable IWC Wage Order.

The Employees have placed Employer on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

WILSHIRE LAW FIRM



Molly DeSario, Esq.

EXHIBIT 3

Docusign Envelope ID: DB0C15D7-C402-4FDF-803B-59DC72543EC6

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

ARTURO ORTIZ, individually, and on behalf of other members of the general public similarly situated, JORGE VALERO, individually, and on behalf of other members of the general public similarly situated, ANGEL SANCHEZ, individually, and on behalf of other members of the general public similarly situated,

Plaintiffs,

v.

HOLLYWOOD DELIVERY SERVICE, INC., a California corporation, and DOES 1 through 10, inclusive,

Defendants.

Case No. CIVSB2432874

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

[Assigned for all purposes to: Hon. Stephanie Tanada, Dept. S33]

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This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiffs Arturo Ortiz, Jorge Valero, and Angel Sanchez ("Plaintiffs") and Defendant Hollywood Delivery Service, Inc. ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or individually as "Party."

1. **DEFINITIONS.**

1.1 "Actions" means Plaintiffs' lawsuits alleging class action wage and hour violations against Defendant captioned *Arturo Ortiz et al. v. Hollywood Delivery Service, Inc.*, San Bernardino County Superior Court, Case No. CIVSB2432874, filed on October 30, 2024 ("Class Action") and Case No. CIVSB2510024, filed on March 19, 2025 ("PAGA Action").

1.2 "Administrator" means Apex Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Costs" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 "Aggrieved Employee" means all individuals who, for one or more hours during the PAGA Period, provided labor or services for Defendant in California for remuneration, as more fully defined in Labor Code section 2775, et seq., including current and former employees inclusive of the current and former employees who previously signed Pick-Up Stix Settlement Agreements.

1.5 "Class" means all individuals who, for one or more hours during the Class Period, provided labor or services for Defendant in California for remuneration, as more fully defined in Labor Code section 2775, et seq., including current and former employees. All current and former employees who previously signed Pick-Up Stix Settlement Agreements are specifically excluded from definition of Class Members.

1.6 "Class Counsel" means Tyler Woods, James Yoo, Heriberto Ponce, and Ruby Carrera of Wilshire Law Firm, PLC.

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1.7 "Class Counsel Fees Payment" means an award of attorneys' fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiffs will request approval from the Court of up to one-third (1/3) of the GSA (currently $300,000.00).

1.8 "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed $20,000.00, and paid from the Gross Settlement Amount.

1.9 "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Workweeks and PAGA Pay Periods.

1.10 "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.11 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.12 "Class Notice" means the Court approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 "Class Period" or "Class Settlement Period" means the period from October 30, 2020 through the earlier of June 30, 2026 or the day the Court grants preliminary approval of the Settlement ("Settlement Class Period").

1.14 "Class Representative(s)" means the named Plaintiffs Arturo Ortiz, Jorge Valero, and Angel Sanchez in the Actions.

1.15 "Class Representative Service Payment(s)" or "Enhancement Award(s)" means the payment to the Class Representatives for initiating the Actions and providing services in support of the Action.

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1.16 "Court" means the Superior Court of California, County of San Bernardino.

1.17 "Defendant" means named Defendant Hollywood Delivery Service, Inc.

1.18 "Defense Counsel" means Richard Marca and Alisha Maline of Varner & Brandt LLP.

1.19 "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.20 "Final Approval" means the Court's order granting final approval of the Settlement.

1.21 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.22 "Final Judgment" means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23 "Gross Settlement Amount" or "GSA" means $300,000.00, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

1.24 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.25 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.26 "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.27 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.28 "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

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1.29 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Enhancement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.30 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.31 "Operative Class Complaint" means the operative class action complaint filed in the Class Action.

1.32 "Operative PAGA Complaint" means the operative PAGA complaint filed in the PAGA Action.

1.33 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.34 "PAGA Period" means the period from October 28, 2023 through the earlier of June 30, 2026 or the day the Court grants preliminary approval of the Settlement.

1.35 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.36 "PAGA Notice" means Plaintiffs' Arturo Ortiz's October 28, 2024 letter (LWDA-CM-1058717-24) to the LWDA, Plaintiff Angel Sanchez's October 28, 2024 letter (LWDA-CM-1058726-24) to the LWDA and Plaintiff Jorge Volero's October 28, 2024 letter (LWDA-CM-1058723-24) to the LWDA, and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.37 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount ($45,000.00), allocated 35% to the Aggrieved Employees ($15,750.00) and 65% to LWDA ($29,250.00) in settlement of PAGA claims.

1.38 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.39 "Plaintiffs" means Arturo Ortiz, Jorge Valero, and Angel Sanchez the named plaintiffs in the Actions.

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1.40 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.41 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.42 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.43 "Released Parties" means Defendant and Defendant's officers, directors, employees and agents.

1.44 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.45 "Response Deadline" means forty-five (45) days after the Administrator mails Class Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Class Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

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

1.47 "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS.**

2.1 On October 30, 2024, Plaintiffs filed the Class Action alleging Defendant (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to provide accurate itemized wage statements; (6) failed to indemnify employees for expenditures; (7) failed to timely pay final wages at termination; (8) failed to produce requested employment records; and (9) violated California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq*. On October 28, 2024, pursuant to Labor Code §2699.3, subd.(a), Plaintiffs gave

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notice to the LWDA and Defendant that Plaintiffs intended to proceed with a representative action under PAGA (LWDA-CM-1058717-24). On March 19, 2025, after the 65-day statutory period passed, Plaintiffs filed the PAGA Action, alleging claims for penalties pursuant to Labor Code § 2699, *et seq*.

2.2 Defendant denies the allegations in the Actions, denies any failure to comply with the laws identified in the Actions, and denies any and all liability for the causes of action alleged in the Actions.

2.3 On December 30, 2025, the Parties participated in an all-day mediation presided over by mediator Michael Mandel. With the help of Mr. Mandel, the Parties were able to reach an agreement on general settlement terms at mediation and executed a Memorandum of Understanding therafter.

2.4 In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Actions. Prior to mediation, Plaintiffs obtained and analyzed a representative sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc*., 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc*., 168 Cal.App.4th 116, 129-130 (2008) ("*Dunk*/*Kullar*").

2.5 The Court has not granted class certification because the Parties engaged in mediation before any class certification.

2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant will pay $300,000.00 to fully settle, resolve, and extinguish all claims asserted in the Actions, including without limitation all claims asserted in the PAGA Notice. The Gross

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Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendant will pay separately.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To Plaintiffs: A payment for the Enhancement Award to each of the Plaintiffs of not more than $5,000.00 (for not more than a total of $15,000.00) in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiffs' request for an Enhancement Award that does not exceed this amount. As part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will seek Court approval for any Enhancement Award no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves an Enhancement Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Enhancement Award using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Enhancement Award.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the GSA, which is currently estimated to be $100,000.00 and a Class Counsel Litigation Expenses Payment for actual costs. Defendant will not oppose requests for these payments. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class

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Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Costs Payment for actual costs, not to exceed $10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each individual Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining eighty (80%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $45,000.00 to be paid from the Gross Settlement Amount, with 65% ($29,250.00) allocated to the LWDA and 35% ($15,750.00) allocated to the Individual PAGA Payments.

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3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties ($15,750.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant represents there are 193 Class Members who collectively worked a total of 7,617 workweeks during the Class Period.

4.2 Class Data. Not later than seven (7) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

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4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than thirty (30) calendar days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant fully funds the GSA, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Enhancement Award shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The face of each check shall prominently state the date (one hundred eighty (180) days after the date of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a

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replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and canceled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

5. **RELEASES OF CLAIMS**. Effective on the date when Defendant fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs discharge Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Actions; and claims that include, but are not limited to, claims arising from or under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Wage Orders of the California Industrial Welfare Commission, California Business and Professions Code section 17200, et seq., the California Healthy Workplaces, Healthy Families Act, the California common law of contract and tort, the Employee Retirement Income Security Act, the Fair Labor Standards Act, the Portal to Portal Act, the Families First Coronavirus Response Act the California Labor Code, and all equivalent claims under federal law ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in

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addition to, the facts or law that Plaintiffs now know or believe to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Released Class Claims: All Participating Class Members will waive and release all claims asserted in the complaint filed in the Class Action or that could have been based on the factual allegations asserted in the complaint filed in the Class Action during the Class Period (collectively the "Released Class Claims").

5.3 Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are all claims for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiffs' PAGA Notice to the LWDA and the complaint filed in the PAGA Action, or that could have been based on the facts asserted in the PAGA Notice and the complaint filed in the PAGA Action against Released Parties (collectively the "Released PAGA Claims").

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, pursuant to the Court's Guidelines for Approval of Class Action Settlements & PAGA Settlements for Department S33, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk*/*Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and

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Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) signed declarations from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than sixteen (16) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action Administration to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the

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Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

7.4 Notice to Class Members.

7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further

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attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14)) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's

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determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the

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calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

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

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

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the

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Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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

7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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

8. **ESCALATOR CLAUSE.** Based on its records, Defendant represents there are 193 Class Members who collectively worked a total of 7,617 Workweeks during the Class Period. Should the Workweeks increase more than 10% (i.e., more than 762 workweeks), the GSA will increase on a proportional basis equal to the percentage increase in the number of Workweeks worked by the Class Members above the 10% (for example, if the final number of total workweeks increases by 11%, the GSA will increase 1%). Similarly, if the PAGA Pay Period increases by more than 10% (i.e., more than 588 PAGA Pay Periods), then the PAGA Penalties will be increased by an amount proportional to the increase in PAGA Pay Periods worked by the Aggrieved Employees above 10%, whether or not the GSA increases as stated above in this paragraph.

9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file in Court, a Motion for Final Approval of the Settlement, pursuant to the Court's Guidelines for Approval of Class Action Settlements & PAGA Settlements for Department S33, that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

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

9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

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9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Enhancement Award or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

11. **ADDITIONAL PROVISIONS.**

11.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reason, Defendant reserves all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify the other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

11.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Defense Counsel's and Class Counsel's ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate

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action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

11.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

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11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

11.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

11.15 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

11.16 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Tyler J. Woods, Esq.
tyler.woods@wilshirelawfirm.com
James Yoo, Esq.
james.yoo@wilshirelawfirm.com
Heriberto Ponce, Esq.
eddie.ponce@wilshirelawfirm.com
Ruby Carrera, Esq.
ruby.carrera@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, CA 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Richard D. Marca
Richard.Marca@varnerbrandt.com

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Alisha L. Maline
alisha.maline@varnerbrandt.com
VARNER & BRANDT LLP
3750 University Avenue, Suite 610
Riverside, CA 92501
Telephone: (951) 274-7777
Facsimile: (951) 274-7770

11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or by email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

11.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and l123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the San Bernardino County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 1/30/2026

Signed by:
Arturo Ortiz
DCBE2D3EEAB7463...

Plaintiff Arturo Ortiz

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DATED: 1/30/2026

DocuSigned by:
Jorge Valero
635625540BCB40E...

Plaintiff Jorge Valero

DATED: 2/6/2026

Signed by:
FAF69039BD23444...

Plaintiff Angel Sanchez

DATED: _____

_____

Defendant Hollywood Delivery Service, Inc.

By: _____

Position: _____

Approved by counsel:

DATED: February 6, 2026

WILSHIRE LAW FIRM

BY: _____
Tyler Woods
Counsel for Plaintiffs Arturo Ortiz, Jorge Valero, and Angel Sanchez

DATED:

VARNER & BRANDT LLP

BY: _____
Richard Marca
Counsel for Hollywood Delivery Service, Inc.

Docusign Envelope ID: DB0C15D7-C402-4FDF-803B-59DC72543EC6

DATED: 1/30/2026

DocuSigned by:
Jorge Valero
635625540BCB40E...

Plaintiff Jorge Valero

DATED: 2/6/2026

Signed by:
FAF69039BD23444...

Plaintiff Angel Sanchez

DATED: 2/11/26

Dawn Marie Armenta

Defendant Hollywood Delivery Service, Inc.

By: Dawn Marie Armenta
Position CFO

Approved by counsel:

DATED: February 6, 2026

WILSHIRE LAW FIRM

BY: Tyler J. Woods
Tyler Woods
Counsel for Plaintiffs Arturo Ortiz, Jorge Valero, and Angel Sanchez

DATED: February 12, 2026

VARNER & BRANDT LLP

BY:
Richard Marca
Counsel for Hollywood Delivery Service, Inc.

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AMENDMENT TO CLASS ACTION AND PAGA

SETTLEMENT AGREEMENT AND CLASS NOTICE

Subject to court approval, this amendment is made to the Class Action and PAGA Settlement Agreement ("Agreement") entered into by and between Plaintiffs Arturo Ortiz, Jorge Valero, and Angel Sanchez ("Plaintiffs") and Defendant Hollywood Delivery Service, Inc. ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties" or individually as a "Party."

The Parties agree to replace Section 5.3 of the Settlement Agreement as follows:

5.3 Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are all claims for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiffs' PAGA Notice to the LWDA and the PAGA claims included in the Action, or that could have been based on the facts asserted in the PAGA Notice and the PAGA claims included in the Action against Released Parties, including claims for unpaid wages, unpaid overtime, failure to pay minimum wages, failure to provide meal periods, failure to provide rest periods, failure to timely pay all wages due upon separation of employment, inaccurate wage statements, failure to reimburse business expenses, failure to provide paid sick leave, and claims under the following statutes: California Labor Code §§ 201, 202, 203, 204, 210, 213(d), 216, 221, 223, 225.5, 226, 226 (a), 226 (e), 226.7, 226.7 (c), 234, 245.5, 246(i), 246.5, 510, 512, 558, 558.1, 1174, 1174 (d), 1174.5, 1194, 1197, 1197.1, 1198, 2698, 2699, 2699 (a), 2699 (f), 2699 (f)(2), 2699 (k), 2699 (k)(1), 2699 (m), 2699.3 (d), 2775, 2802, and the applicable IWC Wage Order(s) including but not limited to Section 7(A)(3) (collectively the "Released PAGA Claims").

The Parties further agree to replace Section 5.2 of the Settlement Agreement as follows:

5.2 Released Class Claims: All Class Members who do not timely submit a valid request for exclusion will waive and release the Released Parties from all claims asserted in the Second Amended Complaint filed in the Class Action, or that could have been based on the factual allegations asserted in the Second Amended Complaint filed in the Class Action, during the Class Period, including but not limited to claims under the following causes of action and statutes: (1) failure to pay minimum and straight time wages (Labor Code §§ 1194, 1194.2, and 1197); (2) failure to pay overtime wages (Labor Code §§ 1194 and 1198); (3) failure to provide meal periods (Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (Labor Code § 226.7); (5) failure to provide accurate itemized wage statements (Labor Code § 226); (6) failure to indemnify employees for necessary business expenditures (Labor Code § 2802); (7) failure to timely pay all wages due upon separation of employment (Labor Code §§ 201-203); and (8) violation of California's Unfair Competition Law (Business and Professions Code § 17200, et seq.), based on the alleged violations of the California Labor Code listed above (collectively the "Released Class Claims").

The Parties further agree to amend the Class Notice as follows: (a) the paragraph titled "Released Class Claims" in Section 11 of the Class Notice is replaced in its entirety with the same language set forth in Section 5.2 of the Settlement Agreement, as amended above; and (b) the

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paragraph titled "Released PAGA Claims" in Section 11 of the Class Notice is replaced in its entirety with the same language set forth in Section 5.3 of the Settlement Agreement, as amended above.

SIGNATURES

I have read this Amendment to the Agreement and agree to its terms.

By the Parties:

DATED: 11/13/2026

Signed by:
Arturo Ortiz
DCBE2D3EEAB7463...
Plaintiff Arturo Ortiz

DATED: 11/13/2026

DocuSigned by:
Jorge Valero
635625540BCB40E...
Plaintiff Jorge Valero

DATED: 11/13/2026

Signed by:
FAF69039BD23444...
Plaintiff Angel Sanchez

DATED: 11/10/2026

Dawn Marie Armenta
Defendant Hollywood Delivery Service, Inc.

By: Dawn Marie Armenta

Position: CFO

Approved by counsel:

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DATED: November 13, 2026

WILSHIRE LAW FIRM, PLC

By: _____

Tyler J. Woods
James Yoo
Heriberto Ponce
Ruby Carrera
Giancarlo A. Reinos
Counsel for Plaintiffs Arturo Ortiz, Jorge Valero, and Angel Sanchez

DATED: November 10, 2026

VARNER & BRANDT LLP

BY: _____

Richard D. Marca
Alisha L. Maline
Counsel for Hollywood Delivery Service, Inc.

EXHIBIT A

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

Arturo Ortiz, et al v. Hollywood Delivery Service, Inc.
San Bernardino County Superior Court, Case No. CIVSB2432874 & CIVSB2510024

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

You may be eligible to receive money from employee class and representative action lawsuit ("Action") against Hollywood Delivery Service, Inc. ("Defendant") for alleged wage and hour violations. The Actions were filed by former employees, Arturo Ortiz, Jorge Valero, and Angel Sanchez, and seek (1) payment of unpaid wages and other relief for a class of non-exempt or hourly-paid employees ("Class Members") who worked for Defendant during the Class Period (October 30, 2020, through June 30, 2026); and (2) penalties under the California Private Attorneys General Act ("PAGA"), Lab. Code § 2698, *et seq*., for all Class Members who worked for Defendant during the PAGA Period (October 28, 2023, through June 30, 2026) ("Aggrieved Employees") Checklist at ¶ 17.

The proposed Settlement has two main parts: (1) a Class settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA settlement requiring Defendant to fund Individual PAGA Payments and pay PAGA Penalties to the California Labor and Workforce Development Agency ("LWDA") Checklist at ¶ 17.

Based on Defendant's records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be $_____ (less withholding) and your Individual PAGA Payment is estimated to be $_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendant's records showing that **you worked _____ Workweeks during the Class Period and you worked _____ Pay Periods during the PAGA Period**. The number of Workweeks attributed to you will be calculated by the Settlement Administrator using Defendant's records. If you believe that you worked more during either period, you can submit a challenge by the deadline date.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or not act. **READ THIS NOTICE CAREFULLY**. You will be deemed to have 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 Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendant for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendant for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant's records indicate that you worked for Hollywood Delivery Service, Inc. at some point(s) between October 30, 2020, and June 30, 2026, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members' claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under PAGA. If you are a Class Member, you are also an "Aggrieved Employee" if you worked for Defendant during the PAGA Period, which is October 28, 2023, through June 30, 2026.

If the Court grants Final Approval of the Settlement, a settlement administrator appointed by the Court (the "Administrator") will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator's contact information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the San Bernardino County Superior Court. The case is titled *Arturo Ortiz, et al. v. Hollywood Delivery Service, Inc.*, San Bernardino County Superior Court, Case No. CIVSB2432874. The persons who sued, Arturo Ortiz, Jorge Valero, and Angel Sanchez, are the Plaintiffs, and the company sued, Hollywood Delivery Service, Inc., is the Defendant.

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiffs in the lawsuit allege wage and hour violations against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to provide accurate itemized wage statements; (6) failure to indemnify employees for all necessary business expenditures; (7) failure to timely pay final wages at termination; (8) violation of California's Unfair Competition Law ("UCL"), California Business and Professions Code section 17200, *et seq*.; and (9) civil penalties pursuant to PAGA, based on the alleged violations of the California Labor Code listed above (the "Claims"). Defendant denies Plaintiff's Claims and denies any wrongdoing. Checklist at ¶ 17.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called "Class Representatives" (in this case, the Plaintiffs) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The Court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of the Plaintiffs or Defendant on the merits of the claims alleged in the lawsuit. Plaintiffs believe they would win at trial. Defendant thinks that the Action would not proceed to a trial and/or that Plaintiffs would not win at trial. However, there has been no trial. Instead, in acknowledgement of the risk that both Parties face should the case proceed, the Parties have agreed to a negotiated settlement. This way, all Parties avoid the cost of preparing for and conducting a trial, the risk of losing the right to a trial, and the workers affected by the alleged violations receive compensation. The Settlement represents a compromise and settlement of highly disputed claims. Plaintiffs and Class Counsel believe the Settlement is fair and reasonable and in the best interests of all Class Members. Checklist at ¶ 17.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: all individuals who, for one or more hours during the Class Period, provided labor or services for Defendant in California for remuneration, as more fully defined in Labor Code section 2775, *et seq*., including current and former employees. All current and former employees who previously signed Pick-Up Stix Settlement Agreements are specifically excluded from definition of Class Members.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you have already resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount ("Gross Settlement Amount" or "GSA") of up to $300,000.00 to settle the Action. From the GSA, Class Counsel will apply to the Court for attorneys' fees of up to twenty percent (20%) of the GSA, currently estimated to total $60,000.00 and reimbursement for reasonable costs not to exceed $7,500.00; an Enhancement Award of up to $2,500.00 to each of the three Plaintiffs ($7,500.00 total) (for Plaintiffs' work and efforts prosecuting this case and Plaintiffs' broader general release); a PAGA Penalties payment of $45,000.00 to resolve the PAGA claims ("PAGA Penalties"); and Administration Costs in an amount not to exceed $6,990.00. The exact amount of the Class Counsel's Fees and Litigation Expenses, Enhancement Award, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the GSA is the "Net Settlement Amount" or the "NSA." The NSA will be apportioned and paid out as Individual Class Payments to Class Members who do not request to be excluded from ("opt out" of) the Settlement ("Participating Class Members").

PAGA Penalties Payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a $45,000.00 PAGA Penalties Payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 65% of the PAGA Penalties payment, or $29,250.00, will be paid to the California Labor and Workforce Development Agency. The remaining 35% of the PAGA Penalties Payment, or $15,750.00, will be distributed to Aggrieved Employees as Individual PAGA Payments. Checklist at ¶ 17.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number of Workweeks you worked, as represented in Defendant's records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period. Eighty percent (80%) of each Class Member's Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Administrator, and twenty percent (20%) of each Class Member's Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendant during the PAGA Period, you are also an Aggrieved Employee and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employee's

Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on an IRS Form 1099 by the Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For Class Members who are also Aggrieved Employees, their Individual Class Payments will be combined with their Individual PAGA Payments, and they will receive a single check for both. If a Class Member chooses to opt out of the Class Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt out of the PAGA portion of the Settlement. Checklist at ¶ 17.

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please submit a written challenge and provide any evidence supporting the number you believe is correct to the Administrator, whose contact information is listed in Section 22 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing on _____, to decide whether to approve the Settlement. If the Judge approves the Settlement and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date and the Court's approval of the Settlement becoming final, including resolution of any appeals, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees after the Settlement is fully funded, which will not occur until approximately 60 days after the Effective Date.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks that remain uncashed 180 days after the date of issuance will be forwarded to the State of California's Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash his or her settlement check. If your settlement check is lost or misplaced, you should contact the Administrator immediately to request a replacement. You can search for unclaimed property on the State's website at: https://www.sco.ca.gov/search_upd.html.

For an update on the status of payments, please contact the Settlement Administrator (see Section 22). Checklist at ¶ 17.

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving

up or "releasing" the Released Class Claims described below against Defendant and Defendant's officers, directors, employees and agents ("Released Parties"). The releases become effective once the GSA and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments are fully funded by Defendant.

Released Class Claims: All Class Members who do not timely submit a valid request for exclusion will waive and release the Released Parties from all claims asserted in the Second Amended Complaint filed in the Class Action or that could have been based on the factual allegations asserted in the Second Amended Complaint filed in the Class Action during the Class Period, , including but not limited to claims under the following causes of action and statutes: (1) failure to pay minimum and straight time wages (Labor Code §§ 1194, 1194.2, and 1197); (2) failure to pay overtime wages (Labor Code §§ 1194 and 1198); (3) failure to provide meal periods (Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (Labor Code § 226.7); (5) failure to provide accurate itemized wage statements (Labor Code § 226); (6) failure to indemnify employees for necessary business expenditures (Labor Code § 2802); (7) failure to timely pay all wages due upon separation of employment (Labor Code §§ 201-203); and (8) violation of California's Unfair Competition Law (Business and Professions Code § 17200, et seq.), based on the alleged violations of the California Labor Code listed above. .

Released PAGA Claims: The claims released by Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are all claims for civil penalties under PAGA arising during the PAGA Period that were alleged in Plaintiffs' PAGA Notice to the LWDA and the PAGA claims included in the Action, or that could have been based on the facts asserted in the PAGA Notice and the PAGA claims included in the Action against Released Parties, including claims for unpaid wages, unpaid overtime, failure to pay minimum wages, failure to provide meal periods, failure to provide rest periods, failure to timely pay all wages due upon separation of employment, inaccurate wage statements, failure to reimburse business expenses, failure to provide paid sick leave, and claims under the following statutes: California Labor Code §§ 201, 202, 203, 204, 210, 213(d), 216, 221, 223, 225.5, 226, 226 (a), 226 (e), 226.7, 226.7 (c), 234, 245.5, 246(i), 246.5, 510, 512, 558, 558.1, 1174, 1174 (d), 1174.5, 1194, 1197, 1197.1, 1198, 2698, 2699, 2699 (a), 2699 (f), 2699 (f)(2), 2699 (k), 2699 (k)(1), 2699 (m), 2699.3 (d), 2775, 2802, and the applicable IWC Wage Order(s) including but not limited to Section 7(A)(3) (collectively the "Released PAGA Claims"). Checklist at ¶ 17.

EXCLUDING YOURSELF FROM THE SETTLMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Administrator a written and signed request for exclusion, using the enclosed Request for Exclusion Form or in some other format, which must be postmarked no later than 45 days after Class Notice is mailed. Be sure to include your name, address, and telephone number, and any other information you think would help the Administrator identify you. You can send your request for exclusion to the Administrator at the contact information provided in Section 22.

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim, you will not be able to object to the Settlement, and you will not receive an Individual Class Payment, but you will still receive an Individual

PAGA Payment if you worked for Defendant during the PAGA Period. If your request to be excluded is timely and valid, you may be able to sue (or continue to sue) Defendant in the future for the class claims alleged in this Action. Checklist at ¶ 17.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is **45 days** after the Class Notice is Mailed.

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLMENT?

Only if you are an Aggrieved Employee. Aggrieved Employees cannot opt out of the PAGA portion of the Settlement, so they will receive their portion of the PAGA Penalties even if they exclude themselves from the Class Settlement. However, if you timely exclude yourself from the Settlement, you will not receive any Individual Class Payment, but you will retain the right to pursue your own legal action against Defendant for violations other than the Released PAGA Claims described above, if you desire.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm, PLC is qualified to represent you and other Class Members in the Action as Class Counsel, and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

WILSHIRE LAW FIRM
Tyler J. Woods, Esq.
tyler.woods@wilshirelawfirm.com
James Yoo, Esq.
james.yoo@wilshirelawfirm.com
Heriberto Ponce, Esq.
eddie.ponce@wilshirelawfirm.com
Ruby Carrera, Esq.
ruby.carrera@wilshirelawfirm.com
Alan Wilcox
alan.wilcox@wilshirelawfirm.com
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve up to twenty percent (20%) (i.e., up to **$60,000.00**) of the GSA for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the

Settlement. Class Counsel will also seek Court-approval of up to **$7,500.00** in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve a payment to each of the three Plaintiff in an amount up to $2,500.00 each (**$7,500.00** total), in addition to each Plaintiff's Individual Class Payment and Individual PAGA Payment, for the initiative, risk, and time and energy Plaintiffs have spent in service to the Class as Class Representatives. The Court may award a Class Representative less than what is requested. Checklist at ¶ 17.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections must be mailed and postmarked, emailed, or faxed to the Administrator on or before _____, at the contact information provided in Section 22.

The written objection, using the enclosed Request for Exclusion Form or in some other format, should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement will be approved, and you will receive your payment(s). If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you do not get any money from the Class Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control, and you will not get any money from the Class Settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to. Checklist at ¶ 17.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing at [INSERT TIME] on [INSERT DATE] in Department S33 of the San Bernardino County Superior Court (San Bernardino Justice Center) located at 247 West

Third Street, San Bernardino, CA 92415, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Enhancement Awards and the Class Counsel Fees and Litigation Expenses Payments. Checklist at ¶ 17.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you sent your signed written objection to the Administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive an Individual Class Payment, and an Individual PAGA Payment, if you're entitled, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Action.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Administrator, [INSERT] by calling toll free 1-800-355-0700, or you can write to the Administrator at the following address:

Apex Class Action Administration
Ortiz, et al. v. Hollywood Delivery Service, Inc.
P.O. Box 54668,
Irvine, CA 92619
Tel: (800) 355 - 0700
Fax: (949) 989-4428Email: claims@apexclassaction.com

PLEASE DO NOT TELEPHONE THE COURT OR HOLLYWOOD DELIVERY SERVICE, INC.'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

EXHIBIT B

REQUEST FOR EXCLUSION FORM

Arturo Ortiz, et al. v. Hollywood Delivery Service, Inc.
San Bernardino County Superior Court, Case Nos. CIVSB2432874 / CIVSB2510024

IF YOU WANT TO BE INCLUDED IN THIS CLASS ACTION SETTLEMENT AND RECEIVE AN INDIVIDUAL CLASS SETTLEMENT PAYMENT, DO NOT FILL OUT THIS FORM.

If you do not want to be included in the class action portion of the settlement ("Class Settlement") and do not want to receive an Individual Class Payment, you may complete, date, and sign this form and send it to the Administrator at:

Apex Class Action Administration
Ortiz, et al. v. Hollywood Delivery Service, Inc.
P.O. Box 54668,
Irvine, CA 92619
Tel: (800) 355-0700
Fax (949) 989-4428
Email: claims@apexclassaction.com

To be valid, the form must be faxed, emailed, or postmarked no later than [45 days after Class Notice is Mailed].

If you submit this Request for Exclusion form and "opt out" of the Class Settlement, you will *not* receive an Individual Class Payment or be bound by the release of class claims, if the Court finally approves the Settlement. Instead, you will be excluded from the Class Settlement and will not be a Class Member.

However, even if they opt out of the Class Settlement, the following employees are entitled to receive a share of the PAGA Penalties: all individuals who, for one or more hours during the PAGA Period, provided labor or services for Defendant in California for remuneration, as more fully defined in Labor Code section 2775, et seq., including current and former employees inclusive of the current and former employees who previously signed Pick-Up Stix Settlement Agreements. "PAGA Period" means the period from October 28, 2023, through the earlier of June 30, 2026, or the day the Court grants preliminary approval of the Settlement. If you are so entitled, you will receive an Individual PAGA Payment.

By completing, signing, and returning this form, you confirm that you agree with the following statement:

> I have received notice of the proposed Settlement in this lawsuit, and I wish to be excluded from the Class Settlement. I understand that being excluded means I will not receive any money from the Class Settlement, but I will retain whatever individual rights I may have, if any, to pursue any class claim against Defendant that was raised in the lawsuit.

Your Name: _____
Street Address: _____
City, State, Zip Code: _____
Telephone Number, Including Area Code: _____
Last four digits of Social Security Number: XXX-XX-_____
Date: _____
Signature: _____

EXHIBIT C

OBJECTION FORM

Arturo Ortiz, et al. v. Hollywood Delivery Service, Inc.
San Bernardino County Superior Court, Case Nos. CIVSB2432874 / CIVSB2510024

If you have an objection to the Settlement, complete, date, and sign this form and send it to the Administrator at:

Apex Class Action Administration
Ortiz, et al. v. Hollywood Delivery Service, Inc.
P.O. Box 54668,
Irvine, CA 92619
Tel: (800) 355-0700
Fax: (949) 989-4428
Email: claims@apexclassaction.com

To be valid, your objection must be faxed, emailed, or postmarked no later than [45 days after Class Notice is Mailed].

You may object to the proposed Settlement, if you don't opt out. The Court will consider your objection before deciding whether to grant final approval. By objecting, you are asking the Court *not* to grant final approval of the Settlement. For example, if you believe that some part of the Settlement is unfair, you may submit an objection for the Court's review. The Court may or may not agree with you.

You do not exclude yourself by objecting to the Settlement, and, if it is finally approved by the Court, you will receive your Individual Class Payment, and the release of claims will apply to you.

If you wish to object to the Settlement, you may state the basis for your objection in writing, using this form or some other format, and timely send the objection to the Administrator. Alternatively, you may appear at the Final Approval Hearing, either remotely or in person, and make your objection directly to the Court. Send the completed Objection form or other written statement, along with documents that support your objection, if any, to the Administrator no later than [45 days after Class Notice is Mailed].

Your Name: _____
Street Address: _____
City, State, Zip Code: _____
Telephone Number, Including Area Code: _____
Last four digits of Social Security Number: XXX-XX-_____
Date: _____
Signature: _____

EXHIBIT 4

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Thu 3/26/2026 2:52 PM
To Alan Wilcox's Team <AlanWilcoxTeam@wilshirelawfirm.com>

03/26/2026 02:51:06 PM

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

Item submitted: Proposed Settlement

On 03/26/2026 02:51:06 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1058717-24

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cpablo.villalobos%40wilshirelawfirm.com%7C205419518a264cb7313608de8b81e731%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639101587210739383%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=6ZpDqSNPV3XoCSzIlk04GTWz6%2FLsx2gUGf31hMm27ug%3D&reserved=0

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Mon 11/16/2026 10:47 AM
To Giancarlo Recinos' Team <Giancarlorecinosteam@wilshirelawfirm.com>

11/16/2026 10:47:12 AM

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

Item submitted: Proposed Settlement

On 11/16/2026 10:47:12 AM your Proposed Settlement was successfully processed for case number LWDA-CM-1058723-24

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7C2019cbb8bdb4401914dc08df4412123c%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639304516579821432%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=JOvYDk8PQzxP28EI34RdAFez0OEIuaUjwt6fglQZatM%3D&reserved=0

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Mon 11/16/2026 10:43 AM
To Giancarlo Recinos' Team <Giancarlorecinosteam@wilshirelawfirm.com>

11/16/2026 10:42:41 AM

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

Item submitted: Proposed Settlement

On 11/16/2026 10:42:41 AM your Proposed Settlement was successfully processed for case number LWDA-CM-1058726-24

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7C5ecdfb4337094785a3f208df44117341%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639304513893324713%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=JJfg6L1CTe17bVGxH1sxZGVBYkbgRel2U3C%2BmJbLgp4%3D&reserved=0

EXHIBIT 5

APEX
CLASS ACTION ADMINISTRATION

Quotation Request:
Coley Hayes
Wilshire Law Firm, PLC
coley.hayes@wilshirelawfirm.com
800.522.7274

Case Name: Hollywood Delivery Services, Inc. (Ortiz)
Date: Wednesday, January 14, 2026
RFP Number: 19300013

Prepared By:
Sean Hartranft
Apex Class Action LLC
Sean@apexclassaction.com
949.878.3676

Settlement Specifications	
Estimated Class Size:	200
Certified Language Translation:	Yes
Static Settlement Website	Yes
Percentage of Undeliverable Mail	20%

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	$125.00	1	$125.00
Data Analyst	Per Hour	$150.00	2	$300.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of $150/hr.				
			Sub Total:	$425.00
Mailing of Class Notice				
Form Set Up	Per Hour	$120.00	1	$120.00
Print & Mail Class Notice	Per Piece	$1.50	200	$300.00
USPS First Class Postage	Per Piece	$0.78	200	$156.00
Remail Undeliverable Mail (Skip-Trace)	Per Piece	$2.25	40	$90.00
Receive and Process Undeliverable Mail	Per Hour	$75.00	1	$75.00
Process Class Member Correspondence via mail, e-mail & fax	Per Hour	$75.00	1	$75.00
NCOA Address Update (USPS)	Static Rate	$55.00	1	$55.00
Certified Language Translation: Spanish	Static Rate	$1,200.00	1	$1,200.00
			Sub Total:	$2,071.00
Project Management				
Project Management	Per Hour	$150.00	2	$300.00
Project Coordinator	Per Hour	$90.00	2	$180.00
Data Analyst and Reporting	Per Hour	$140.00	1	$140.00
			Sub Total:	$620.00

APEX
CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	$63.00	1	$63.00
Settlement Website: Static Apex URL	Static Rate	$500.00	1	$500.00
Settlement Status Reports	Static Rate	$750.00	1	Waived
			Sub Total:	$563.00
Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	$120.00	2	$240.00
Account Management and Reconciliation	Per Hour	$140.00	2	$280.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	$1.50	200	$300.00
USPS First Class Postage	Per Piece	$0.78	200	$156.00
Remail Distribution to Updated Address (Skip Trace)	Per Piece	$2.25	20	$45.00
Individual Income Tax Preparation & Reporting	Per Hour	$100.00	5	$500.00
QSF Income Tax Reporting (per calendar year)	Per Year	$1,000.00	1	$1,000.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	$315.00	1	$315.00
			Sub Total:	$2,836.00
Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	$135.00	1	$135.00
Project Management Reconciliation	Per Hour	$100.00	1	$100.00
Declarations	Per Hour	$120.00	2	$240.00
			Sub Total:	$475.00

WILL NOT EXCEED: $6,990.00

Thank you for your business!

APEX
CLASS ACTION ADMINISTRATION

Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. Services: Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. Payment Terms: As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. Incurred Expenses: In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. Invoicing: Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. Case Duration: The duration of these Terms and Conditions, except for the data storage obligations, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. Termination of Services: Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (I) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. Independent Contractor: As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. Limitation of Liability: The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney’s fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. Indemnification: The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. Confidentiality: Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Apex may derive financial benefits from financial institutions in connection with the deposit and investment of funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

14. COMPLETE AGREEMENT. These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. Force Majeure: In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. Severability: This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. Nonwaiver: This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

EXHIBIT 6

Department of Industrial Relations
STATE OF CALIFORNIA

PAGA NOTICE PUBLIC SEARCH - CASE DETAIL

Case Information

Case Number: LWDA-CM-1058717-24
Plaintiff for PAGA Case: Arturo Ortiz
Filer/Attorney for PAGA Case: Molly Desario
Law Firm for PAGA Plaintiff: Wilshire
Employer: Hollywood Delivery Service, Inc.
Date Case Received:
Employer Filer Firm:
Court Type: California Superior Courts
Court Name: San Bernardino County Superior Court
PAGA Court Case Number: CIVSB2432874
Violation Type:
Related BOFE Case:

Attachments

Attachment Name	Description	Date Submitted	Type
Additional Document Submitted with Proposed Settlement on 03/26/2026 02:51:06 PM by Alan Wilcox	2026 3-13 Hollywood Delivery - Valero Plaintiff Decl.pdf	03/26/2026 02:51 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 03/26/2026 02:51:06 PM by Alan Wilcox	2026 3-26 Hollywood Delivery - MPA .pdf	03/26/2026 02:51 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 03/26/2026 02:51:06 PM by Alan Wilcox	2026 3-26 Hollywood Delivery - MPA Nguyen Decl..pdf	03/26/2026 02:51 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 03/26/2026 02:51:06 PM by Alan Wilcox	2026 03-26 Hollywood Delivery Services, Inc. - Proof of Service.pdf	03/26/2026 02:51 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 03/26/2026 02:51:06 PM by Alan Wilcox	2026 3-13 Hollywood Delivery - Ortiz Plaintiff Decl.pdf	03/26/2026 02:51 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 03/26/2026 02:51:06 PM by Alan Wilcox	2026 3-13 Hollywood Delivery - Sanchez Plaintiff Decl.pdf	03/26/2026 02:51 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 07/16/2026 04:20:21 PM by Alan Wilcox	2026 3-13 Hollywood Delivery - Valero Plaintiff Decl.pdf	07/16/2026 04:20 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 07/16/2026 04:20:21 PM by Alan Wilcox	2026 3-13 Hollywood Delivery - Ortiz Plaintiff Decl.pdf	07/16/2026 04:20 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 07/16/2026 04:20:21			

Department of Industrial Relations
STATE OF CALIFORNIA

PAGA NOTICE PUBLIC SEARCH - CASE DETAIL

Attachment Name	Description	Date Submitted	Type
PM by Alan Wilcox	2026 3-13 Hollywood Delivery - Sanchez Plaintiff Decl.pdf	07/16/2026 04:20 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 07/16/2026 04:20:21 PM by Alan Wilcox	Decl of RDM ISO Plaintiffs Amended Mtn for Prelim Approval.pdf	07/16/2026 04:21 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 07/16/2026 04:20:21 PM by Alan Wilcox	2026.7.16 Proof of Service.pdf	07/16/2026 04:21 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 07/16/2026 04:20:21 PM by Alan Wilcox	2026 7-16 Hollywood Delivery (Ortiz) - MPA Amended PO (FINAL).pdf	07/16/2026 04:20 PM	Proposed Settlement
Additional Document Submitted with Proposed Settlement on 11/13/2026 04:15:16 PM by Giancarlo Recinos	2026 11-13 Amendment to Settlement Agreement - Fully Executed.pdf	11/13/2026 04:15 PM	Proposed Settlement
Court Complaint Submitted on 05/26/2026 09:59:55 AM by Heriberto Ponce	25.03.19 Hollywood Delivery Service - PAGA Complaint (CONFORMED).pdf	05/26/2026 09:59 AM	Court Complaint
Court Complaint Submitted on 07/16/2026 03:28:37 PM by Alan Wilcox	2026 07-16 Hollywood Delivery (Ortiz) - FAC.pdf	07/16/2026 03:28 PM	Court Complaint
PAGA Notice Submitted on 10/28/2024 02:51:10 PM by Molly Desario	24.10.28 - Ortiz et al v Hollywood Delivery - PAGA Ntc.pdf	10/28/2024 02:51 PM	PAGA Notice
Proposed Settlement Submitted on 03/26/2026 02:51:06 PM by Alan Wilcox	2026 3-26 Hollywood Delivery - MPA PO .pdf	03/26/2026 02:51 PM	Proposed Settlement
Proposed Settlement Submitted on 07/16/2026 04:20:21 PM by Alan Wilcox	2026 07-16 Hollywood Delivery (Ortiz) - First Amended MPA.pdf	07/16/2026 04:20 PM	Proposed Settlement
Proposed Settlement Submitted on 07/16/2026 04:24:22 PM by Alan Wilcox	2026 07-16 Hollywood Delivery (Ortiz) - First Amended MPA Wilcox Decl.pdf	07/16/2026 04:24 PM	Proposed Settlement
Proposed Settlement Submitted on 11/13/2026 04:15:16 PM by Giancarlo Recinos	2026-02-12 Class and PAGA Settlement Agreement - Fully Executed.pdf	11/13/2026 04:15 PM	Proposed Settlement

Department of Industrial Relations
STATE OF CALIFORNIA

PAGA NOTICE PUBLIC SEARCH - CASE DETAIL

Case Information

Case Number: LWDA-CM-1058726-24
Plaintiff for PAGA Case: Angel Sanchez
Filer/Attorney for PAGA Case: Molly Desario
Law Firm for PAGA Plaintiff: Wilshire
Employer: Hollywood Delivery Service, Inc.
Date Case Received:
Employer Filer Firm:
Court Type: California Superior Courts
Court Name: San Bernardino County Superior Court
PAGA Court Case Number: CIVSB2432874
Violation Type:
Related BOFE Case:

Attachments

Attachment Name	Description	Date Submitted	Type
Additional Document Submitted with Proposed Settlement on 11/16/2026 10:42:41 AM by Giancarlo Recinos	2026 11-13 Amendment to Settlement Agreement - Fully Executed.pdf	11/16/2026 10:42 AM	Proposed Settlement
Additional PAGA Document Submitted on 11/16/2026 10:51:05 AM by Giancarlo	2026 11-10 Hollywood Delivery- Joint Stipulation re Filing of SAC(FINAL).pdf	11/16/2026 10:51 AM	Other PAGA Document
Court Complaint Submitted on 11/16/2026 10:38:27 AM by Giancarlo Recinos	2026 05-18 Hollywood Delivery FAC (conformed).pdf	11/16/2026 10:38 AM	Court Complaint
PAGA Notice Submitted on 10/28/2024 03:00:53 PM by Molly Desario	24.10.28 - Ortiz et al v Hollywood Delivery - PAGA Ntc.pdf	10/28/2024 03:01 PM	PAGA Notice
Proposed Settlement Submitted on 11/16/2026 10:42:41 AM by Giancarlo Recinos	2026-02-12 Class and PAGA Settlement Agreement - Fully Executed.pdf	11/16/2026 10:42 AM	Proposed Settlement

Department of Industrial Relations
STATE OF CALIFORNIA

PAGA NOTICE PUBLIC SEARCH - CASE DETAIL

Case Information

Case Number: LWDA-CM-1058723-24
Plaintiff for PAGA Case: Jorge Valero
Filer/Attorney for PAGA Case: Molly Desario
Law Firm for PAGA Plaintiff: Wilshire
Employer: Hollywood Delivery Service, Inc.
Date Case Received:
Employer Filer Firm:
Court Type: California Superior Courts
Court Name: San Bernardino County Superior Court
PAGA Court Case Number: CIVSB2432874
Violation Type:
Related BOFE Case:

Attachments

Attachment Name	Description	Date Submitted	Type
Additional Document Submitted with Proposed Settlement on 11/16/2026 10:47:12 AM by Giancarlo Recinos	2026 11-13 Amendment to Settlement Agreement - Fully Executed.pdf	11/16/2026 10:47 AM	Proposed Settlement
Additional PAGA Document Submitted on 11/16/2026 10:52:41 AM by Giancarlo	2026 11-10 Hollywood Delivery- Joint Stipulation re Filing of SAC(FINAL).pdf	11/16/2026 10:52 AM	Other PAGA Document
Court Complaint Submitted on 11/16/2026 10:33:18 AM by Giancarlo Recinos	2026 05-18 Hollywood Delivery FAC (conformed).pdf	11/16/2026 10:33 AM	Court Complaint
PAGA Notice Submitted on 10/28/2024 02:57:10 PM by Molly Desario	24.10.28 - Ortiz et al v Hollywood Delivery - PAGA Ntc.pdf	10/28/2024 02:57 PM	PAGA Notice
Proposed Settlement Submitted on 11/16/2026 10:47:12 AM by Giancarlo Recinos	2026-02-12 Class and PAGA Settlement Agreement - Fully Executed.pdf	11/16/2026 10:47 AM	Proposed Settlement

EXHIBIT 7

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Brian D. Hefelfinger, SBN 253054
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Camarillo, California 93010
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Facsimile: (805) 765-8600
E-mail: djp@calemploymentcounsel.com
bdh@calemploymentcounsel.com

Attorneys for Plaintiff
Timothy Denzler and the Putative Class

ELECTRONICALLY FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT
5/4/2026 1:33 PM
By: Leanne Landeros, DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

TIMOTHY DENZLER, an individual, for himself and those similarly situated,

Plaintiffs,

vs.

HOLLYWOOD DELIVERY SERVICE, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

CASE NO: CIVSB2613584

PUTATIVE CLASS ACTION

COMPLAINT

1. Failure to Pay All Wages;
2. Failure to Reimburse Job-Related Expenses in Violation of Labor Code § 2802;
3. Failure to Provide Accurate Itemized Wage Statements in Violation of Labor Code § 226; and
4. Unfair Competition/Violation of California Business & Professions Code §17200, *et seq.*

$435.00 pd

TO ALL INTERESTED PARTIES HEREIN AND TO THEIR ATTORNEYS OF RECORD:

COME NOW, Plaintiff TIMOTHY DENZLER, on behalf of himself, current and past employees, and alleges the following against Defendants HOLLYWOOD DELIVERY SERVICE, INC., a California corporation; and DOES 1 through 10, inclusive (collectively the "Defendants"), and each of them, as follows:

GENERAL ALLEGATIONS

1. At all times herein mentioned, Plaintiff TIMOTHY DENZLER (hereinafter referred to as "Plaintiff" or "DENZLER") was an individual who worked for Defendants, in the County of San Bernardino, State of California, within the last four (4) years.

2. At all times mentioned herein, Plaintiff was a resident of Rialto, California in the County of San Bernardino.

3. At all times mentioned herein, Defendant HOLLYWOOD DELIVERY SERVICE, INC. was and is a California corporation with its headquarters located at 2828 S. Willow Ave., Bloomington, California 92316, and which is licensed to conduct, and in fact conducted, business in California, and operated trucking facilities located at 2828 S. Willow Ave., Bloomington, California 92316.

4. Defendants herein were the employers of Plaintiff and other aggrieved employees throughout California.

5. Plaintiff is informed and believes, and thereon alleges, that Defendants engage in the business of trucking and transportation throughout the State of California.

6. At all times mentioned herein, defendants DOES 1 through 10 (herein collectively part of the term "Defendants" as referenced herein) were business entities doing business in the State of California and affiliated with the other co-defendants in this matter, in some manner. Said "Doe defendants," and each of them, were also joint employers of Plaintiffs and the other aggrieved employees at various locations in California.

7. In providing services and/or labor with respect to the business of Defendants, Plaintiff and the other aggrieved employees mentioned herein were all subject to the control of the Defendants, and each of them, relative to Plaintiff's and the other aggrieved employees' wages, hours, and/or

working conditions, such that all Defendants herein may be regarding as the common law employer(s) of Plaintiff and the aggrieved employees.

8. Each of the Defendants acted as the agent or employee of the others and each acted within the scope of that agency or employment.

9. All the Putative Class Members are believed to be treated substantially similar, and, in many parts, identically. By classifying DENZLER and the Putative Class as independent contractor drivers, the Defendants violated or caused to be violated California Labor Code §§ 226, 226.7, 1194, or 2802, because, in effect, they: (1) paid drivers a flat percentage rate for transporting loads, without separately compensating, at minimum wage or other applicable rate, work performed that was not directly related to transporting said loads; (2) deducted business related expenses by making Plaintiff and the putative class members responsible for all costs and expenses for transporting loads – costs which should have been borne by Defendants; (3) did not provide for the furnishing of employee paystubs in conformity with California law, but instead weekly Settlement Statements that did not contain all information, including but not limited to gross earnings, net earnings, total hours worked, all applicable hourly rates of pay, and the name and legal address of the employer; and (4) ensured that, as drafted, not all wages due at termination were properly and/or timely paid.

10. Venue is appropriate in San Bernardino County, because Plaintiff and other aggrieved employees regularly performed work in San Bernardino County for which they were not properly paid, among other grievances, and Defendants conducted business in San Bernardino County, Defendants managed facilities in San Bernardino County, and Defendants entered into trucking agreements with Plaintiff in San Bernardino County.

11. Plaintiffs are presently ignorant of the true names and capacities of defendants Does 1 through 10, inclusive, and by reason thereof sue said defendants by their fictitious names. Plaintiffs will ask leave of court to amend this Complaint to allege the true names and capacities of said Doe defendants when the same have been fully and finally ascertained.

CLASS AND REPRESENTATIVE ACTION ALLEGATIONS

12. DENZLER brings this action on his own behalf, and on behalf of all persons similarly situated.

13. ***PUTATIVE CLASS***: The class represents and consists of current and former employees of Defendants, and their affiliates, for the relevant statutory period through the present, who are or were based out of and work or worked in California, who drove vehicles and were misclassified and/or treated as "independent contractors." These individuals were not paid all earned wages and/or experienced unlawful deductions from their wages, and who did not receive wage deduction statements in compliance with California Labor Code Section 226, and/or who were not reimbursed by Defendants for all necessary business expenditures or losses incurred in direct consequence of the discharge of their duties, or of their obedience to the directions of Defendants.

14. Based on the information presently available to Plaintiff, the class represents over 100 persons and is so numerous that the joinder of each member of the class is impracticable.

15. There is a well-defined community of interest in the questions of law and fact affecting the class DENZLER represents. The class members' claims against Defendants involve questions of common or general interest, in that each has performed work for Defendants as an employee, despite that Defendants have labeled and called each class member an "independent contractor," and each was not paid all wages and reimbursements owed. These questions are such that proof of a state of facts common to the members of the class will entitle each member of the class to the relief requested in this Complaint.

16. The members of the class DENZLER represent have no plain, speedy, or adequate remedy at law against Defendants, other than by maintenance of this class action, because Plaintiff is informed and believes, and on such information and belief alleges, that the damage to each member of the class is relatively small such that it would be economically infeasible to seek recovery against Defendants other than by a class action.

17. DENZLER will fairly and adequately represent the interest of the class because DENZLER is a member of the class, and his claims are typical of those in the class.

FACTUAL BACKGROUND

18. At all relevant times herein, Defendants employed Plaintiff, and other Aggrieved Employees, as truck drivers performing driving and transportation services integral to the business of Defendants.

19. Plaintiff and the other aggrieved employee truck drivers are believed to have operated as property-carrying drivers who transported goods.

20. From approximately September 2023 to the present, Defendants employed Plaintiff full-time as a independent contractor truck driver.

21. In his capacity as a truck driver for Defendants, Plaintiff routinely has driven a defined route assigned by Defendants, transporting various materials on behalf of Defendants.

22. The truck driven by Plaintiff is fueled by fuel depots approved for use by Defendants. Plaintiff does not drive the truck for any other customers; indeed, if he attempted to drive the truck for other companies or customers, Plaintiff believes that he would likely have been discharged by Defendants.

23. Plaintiff does not have customers of his own. Defendants assign the jobs to Plaintiff. Similarly, Defendants, rather than Plaintiff, are responsible for collecting payment from the customers. Fuel and other expenses incurred and paid as part of operating the truck are ultimately deducted from Plaintiff's paychecks, among other business-related expenses.

24. By classifying DENZLER and the Putative Class as independent contractor drivers, the Defendants violated or caused to be violated California Labor Code §§ 226, 226.7, 1194, or 2802, because, in effect, they: (1) paid drivers a flat percentage rate for transporting loads, without separately compensating, at minimum wage or other applicable rate, work performed that was not directly related to transporting said loads; (2) deducted business related expenses by making Plaintiff and the putative class members responsible for all costs and expenses for transporting loads – costs which should have been borne by Defendants; (3) did not provide for the furnishing of employee paystubs in conformity with California law, but instead weekly Settlement Statements that did not contain all information, including but not limited to gross earnings, net earnings, total hours worked, all applicable hourly rates of pay, and the name and legal address of the employer; and (4) ensured that, as drafted, not all wages due at termination were properly and/or timely paid.

25. Defendants have willfully misclassified Plaintiff and other Drivers as described in Cal. Labor Code § 226.8. Defendants have further engaged in a "pattern of practice" of such violations as contemplated by the California Labor Code. To perform their job duties, Plaintiff and the other Drivers

performed work subject to the control of Defendants in that Defendants had the authority to exercise complete control over the work performed and the manner and means in which the work was performed. Defendants provided the customers, and Defendants provided the instructions on how to perform the driving services. California Labor Code § 3357 defines "employee" as "every person in the service of an employer under any appointment or contact of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed." In addition to the California Labor Code's presumption that workers are employees, the California Supreme Court has determined the most significant factor to be considered in distinguishing an independent contractor from an employee is whether the *employer or principal has control or the right to control the work both as to the work performed and the manner and means in which the work is performed*. Defendants heavily controlled both the work performed and the manner and means in which the Defendants and the other Drivers performed their work in that:

a. Plaintiff and other Drivers were not involved in a distinct business, but instead were provided with instructions as to how to perform their work and the manner and means in which the work was to be performed by means of Defendants' instructions;

b. Defendants set the requirements as to what policies and procedures all the Drivers were to follow;

c. Defendants controlled and assigned the Drivers which tasks were to be performed;

d. Plaintiff and other Drivers performed driving services which are part of Defendants' principal business and is closely integrated with and essential to the employer's business of providing driving services to their customers;

e. Plaintiff and other Drivers performed the work themselves and did not hire others to perform their work for them;

f. Plaintiff and other Drivers did not have the authority to make employment-related personnel decisions;

g. Defendants had the "right" to control every critical aspect of Plaintiff's daily driving services operations in that Defendants provided the customer, assigned where the Drivers were to go.

26. As a result, stripped of all the legal fictions and artificial barriers to an honest classification of the relationship between Plaintiff and all the other Drivers on the one hand, and Defendants on the other hand, Plaintiff and all the other Drivers are and were employees of Defendants and not independent contractors of Defendants and should therefore be properly classified as non-exempt, hourly employees.

27. The totality of facts in this matter reveals that Plaintiff was and is a common law employee of the Defendants as set forth under the "ABC" test. California Labor Code Section 226.8 provides that "[i]t is unlawful for any person or employer to engage in . . . [w]illful misclassification of an individual as an independent contractor." The penalty for willful misclassification of employees is 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." It is further provided that, in the event that an employer is found to have engaged in "a pattern or practice of these violations," the penalties increase to "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." Cal. Labor Code § 226.8. Plaintiff and all the Putative Class Members are and were uniformly classified and treated by Defendants as independent contractors at the time of hire and thereafter, and Defendants failed to take proper steps to determine whether the Plaintiff and the Putative Class Members are properly classified under the applicable Industrial Welfare Commission Wage Order and Cal. Lab. Code §§ 510, et seq. as exempt form applicable labor laws. Since Defendants affirmatively and willfully misclassified Plaintiff and Putative Class Members in compliance with California labor laws, Defendants' practices violated and continue to violate California law. In addition, Defendants acted deceptively by falsely and fraudulently classifying Plaintiff and each Putative Class Member as independent contractors when Defendants knew or should have known that this classification was false and not based on known facts. Defendants also acted deceptively by violating the California labor laws, and because of this policy and practice, Defendants also violated the UCL. In doing so, Defendants cheated the competition by paying the Putative Class less than the amount competitors paid who complied with the law and cheated the Putative Class by not paying them in accordance with California law.

28. The employment agreement between the parties provides that Plaintiff would, and shall, be paid based on the hauling of goods for Defendants' customers (a fixed percentage of "revenue" from each haul). In contravention of California law, however, Defendants deducted business expenses consisting of fuel, maintenance, insurance and other costs from Plaintiff's pay in contravention of California law.

29. Plaintiff and the putative class also never received any itemized payroll statements compliant with the requirements of California law.

30. Finally, Plaintiff and the putative class also never received any reimbursement, partial or otherwise, for their work-related personal cell phone costs incurred each month – costs that were incurred for the benefit of Defendants.

FIRST CAUSE OF ACTION

(Failure to Pay All Wages –

Alleged by Plaintiff and the Putative Class Against All Defendants)

31. Plaintiff incorporates by reference and re-alleges each one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein and asserts the following on behalf of himself and all those similarly situated employees of Defendants.

32. Within the past four years, Plaintiff and the putative class have served as employees who performed work for Defendants as drivers.

33. Plaintiff and the putative class have earned regular wages for which they were not paid correctly.

34. *Labor Code* § 1194 requires all California employers to pay their employees no less than the minimum wage for all hours worked, including fees and costs.

35. Labor Code § 200 defines "wages" as including all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis or other method of calculation.

36. Defendants violated or caused to be violated California Labor Code § 1194 by, at least in part, paying drivers a flat percentage rate for transporting loads, without separately compensating, at

minimum wage or other applicable rate, work performed that was not directly related to transporting said loads.

37. Defendants also unlawfully deducted significant sums from the wages otherwise earned by Plaintiff and the putative class in violation of Labor Code sections §§ 221-224.

38. Plaintiff and the putative class have been available and ready to receive wages owed to him. Plaintiff and the putative class have never refused to receive any payment, nor have they been absent from their regular places of residence.

39. Defendants' failure to pay Plaintiff and the putative class the wages due and owing, as indicated in prior paragraphs, was willful in that Defendants have knowingly refused to pay any portion of the amount due and owing Plaintiffs.

40. Pursuant to *California Labor Code* § 218.5 and/or §1194, Plaintiff and the putative class request the Court to award Plaintiff and the putative classes' reasonable attorneys' fees and costs incurred herein. Plaintiffs and the putative class also seek all unpaid wages and interest.

WHEREFORE, Plaintiff and the putative class demand judgment against the Defendants, and each of them, as follows:

a) For wages owed according to proof;

b) For reasonable attorneys' fees pursuant to statute, including but not limited to California Labor Code §§ 218.5 and/or 1194;

c) Liquidated damages under Labor Code § 1194.2 equal to the amount of minimum wages unpaid;

d) For costs of suit;

e) For interest on all wages owed pursuant to statutes and applicable Wage Orders, including but not limited to Labor Code section 218.6; and

f) For any other and further relief that the Court considers just and proper.

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SECOND CAUSE OF ACTION

(Violation of Labor Code § 2802 –

Alleged by Plaintiff and the Putative Class Against All Defendants)

41. Plaintiff and the putative class incorporate by reference and re-alleges each one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein and asserts the following on behalf of himself and all those similarly situated employees of Defendants.

42. *California Labor Code* § 2802 provides that California employees must be reimbursed for their employment-related expenses. Section 2802 of the California Labor Code states in pertinent part that "[a]n 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, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful."

43. Defendants violated or caused to be violated California Labor Code § 2802 by deducting costs and expenses for transporting loads, including, but not limited to insurance costs, fuel costs, license and registration costs, administrative fees, escrow fees, repair bills, etc.

44. Plaintiff and the putative class incurred such reasonable and necessary business expenses to perform their job, and for the benefit of Defendants, but were not fully reimbursed. This includes, but is not limited to, work-related personal cell phone usage costs.

45. Plaintiff and the putative class have sustained damages and losses in the amount of the expenses incurred by Plaintiff and the putative class as required by Defendants for the necessary discharge of their duties, less credit for any reimbursement payments received.

46. *California Labor Code* § 2802(c) provides that the employee may recover all reasonable costs, including attorneys' fees, for enforcing the employee's right under this section. Plaintiff and the putative class have incurred costs and attorneys' fees and will continue to incur costs and attorneys' fees to enforce their rights and the rights of similarly situated employees of Defendants' under §2802. Plaintiff and the putative class are entitled to recover their reasonable attorneys' fees and costs in an exact amount to be proven at trial.

WHEREFORE, Plaintiff and the putative class demand judgment against the Defendants, and each of them, as follows:

a) For expenses owed according to proof;

b) For losses charged to the employee according to proof;

c) For reasonable attorneys' fees pursuant to statute;

d) For costs of suit;

e) For interest on all expenses owed; and

f) For any other and further relief that the Court considers just and proper.

THIRD CAUSE OF ACTION

(Violation of Labor Code § 226 –

Alleged by Plaintiff and the Putative Class Against All Defendants)

47. Plaintiff incorporates by reference and re-alleges each one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein and asserts the following on behalf of himself and the putative class.

48. California Labor Code § 226 provides:

> "Every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided, that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and his or her social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee."

49. Defendants violated or caused to be violated California Labor Code § 226 because by failing to furnish paystubs in conformity with California law.

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50. In this case, the Defendants have failed to provide proper (or any) wage statements to Plaintiffs and the putative class, let alone documents that comply with the requirements of Labor Code § 226. Pursuant to California Labor Code § 226(e), damages are appropriate.

51. Pursuant to Labor Code § 226(e), Plaintiffs request that the court award penalties, reasonable attorney fees and costs incurred by Plaintiffs in this action. Plaintiff also requests an injunction and/or order that the Defendants provide proper wage statements to all putative class members who have worked for Defendants during the last four (4) years.

WHEREFORE, Plaintiff and the putative class demand judgment against the Defendants, and each of them, as follows:

a) For statutory penalties, pursuant to law;

b) For the issuance of a court order the Defendants provide proper wage statements;

c) For reasonable attorneys' fees pursuant to statute;

d) For costs of suit; and

e) For any other and further relief that the Court considers just and proper.

FOURTH CAUSE OF ACTION

(Unfair Competition / Violation of Business and Professions Code § 17200, *et seq.* – Alleged by Plaintiff and the Putative Class Against All Defendants)

52. Plaintiff and the putative class incorporate by reference and re-alleges each one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein and asserts the following on behalf of himself and all those similarly situated employees of Defendants.

53. This cause of action is being brought pursuant to *California Business and Professions Code* § 17200 et seq. and California case law including *Cortez v. Purolator Air Filtration Products Co.* (2000) 23 Cal.App.4th 163.

54. It is alleged that Defendants have willfully failed to pay employees for work-related expenses and to provide employees with all wages owed. The actions alleged aforesaid, specifically the failure to pay both current employees and past employees work-related expenses that are owed and

provide all wages owed, constitute an unfair business practice under *California Business and Professions Code* section 17200.

55. Defendants violated or caused to be violated California Labor Code §§ 226, 226.7, 1194, and 2802, by: (1) paying drivers a flat percentage rate for transporting loads, without separately compensating, at minimum wage or other applicable rate, work performed that was not directly related to transporting said loads; (2) permitting the deduction of business related expenses by making Plaintiff and the putative class members responsible for all costs and expenses for transporting loads as reflected on weekly Settlement Statements of the drivers; (3) not providing for the furnishing of employee paystubs in conformity with California law, but instead weekly Settlement Statements that did not contain all information, including but not limited to gross earnings, net earnings, total hours worked, all applicable hourly rates of pay, and the name and legal address of the employer; and (4) ensured that, as drafted, not all wages due at termination were properly and/or timely paid as required by California law.

56. As a result of the abovementioned inequitable conduct as alleged herein, Defendants profited from breaking the law. Plaintiff and the putative class seek a disgorgement of this unlawfully obtained benefit.

57. *California Business and Professions Code* section 17203, under the authority of which a restitutionary order may be made, provides:

> Any person who engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court of competent jurisdiction. The court may make such orders or judgments, including the appointment of a receiver, as may be necessary to prevent the use of employment by any person of any practice which constitutes unfair competition, as defined in this chapter, or as may be necessary to restore to any person in interest any money or property, real or personal, which may have been acquired by means of such unfair competition. Any person may pursue representative claims or relief on behalf of others only if the claimant meets the standing requirements of Section 17204 and complies with Section 282 of the Code of Civil Procedure, but these limitations do not apply to claims brought under his chapter by the Attorney General, or any district attorney, county counsel, city attorney, or city prosecutor in this state.

58. As a result of the alleged aforesaid actions, Plaintiff and those similarly situated have suffered injury in fact and have lost money because of such unfair competition.

59. During the Class Period, Defendants uniformly violated the rights of the Plaintiff and the Putative Class under California law, without limitation, in the following manners: a. Violating the California Unfair Competition laws, Cal. Bus. & Prof. Code §§ 17200, *et seq*. the ("UCL"), in that Defendants, while acting as employer, devised and implemented a scheme whereby Plaintiff and the Putative Class Members are forced to unlawfully, unfairly and deceptively shoulder the cost of Defendants' wages for all unpaid wages, business related expenses, and Defendants' share of employment taxes, social security taxes, unemployment insurance and workers' compensation insurance; b. Violating the California Unfair Competition Laws, Cal. Bus. & Prof. Code §§ 17200, *et seq.*, by unlawfully, unfairly and/or deceptively having in place company policies, practices and procedures that uniformly misclassified Plaintiff and the Putative Class Members as independent contractors; c. Violating the California Unfair Competition Laws, Cal. Bus. & Prof. Code §§ 17200, *et seq.*, by unlawfully, unfairly and/or deceptively having in place company policies, practices and procedures that accurately determined the amount of working time spent by Plaintiff and the other Putative Class Members performing non-exempt employee labor; d. Committing an act of unfair competition in violation of the California Unfair Competition Laws, Cal. Bus. & Prof. Code §§ 17200, *et seq.*, by failing to provide legally required meal and/or rest breaks to Plaintiff and the Putative Class members. e. Violating the California Unfair Competition Laws, Cal. Bus. & Prof. Code §§ 17200, *et seq.*, by failing to reimburse Plaintiff and the Putative Class Members with necessary expenses incurred in the discharge of their job duties; and, f. Committing an act of unfair competition in violation of the UCL, by violating Cal. Lab. Code §§ 510, et seq., by failing to pay the correct overtime pay to Plaintiff and the members of the Putative Class who were improperly classified as independent contractors, and retaining the unpaid overtime to the benefit of Defendants.

60. In this case, it is requested that this Court order such restitution.

WHEREFORE, Plaintiff and the putative class demand judgment against the Defendants, and each of them, as follows:

a) For an equitable order, ordering Defendant to pay all wages, interest, and penalties owed;

b) For an appointment of a receiver to perform an accounting of all monies owed;

c) For all injunctive relief this court deems necessary pursuant to California Business and Professions Code Section 17203;

d) For attorneys' fees and costs;

e) For prejudgment interest pursuant to Civil Code § 3288 and § 3291 on all amounts claimed; and

f) For any other and further relief that the Court considers proper.

Dated: May 1, 2026

KARAKALOS LAW, APC

By: _____
Aris E. Karakalos
Attorneys for Plaintiff and the Putative Class

Dated: May 1, 2026

PALAY & HEFELFINGER, APC

By: _____
Brian D. Hefelfinger
Attorneys for Plaintiff and the Putative Class

EXHIBIT 8

Karakalos Law APC

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May 1, 2026

Hollywood Delivery Service, Inc. ***VIA CERTIFIED MAIL***
Dawn Marie Armenta (Agent for Service of Process)
2828 South Willow Avenue
Bloomington, California 92316

California Labor and Workforce Development Agency ***FILED ONLINE***

Re: *Timothy Denzler, et al. v. Hollywood Delivery Service* — PAGA Notice

Dear Ms. Armenta:

This office represents Mr. Timothy Denzler in his potential claims for violations of California wage-and-hour statutes and regulations by his employer, Hollywood Delivery Service, Inc. (hereinafter "HOLLYWOOD"). Mr. Denzler intends to bring a civil lawsuit on behalf of himself, and all other similarly situated in California, against HOLLYWOOD to recover expenses, interest, attorneys' fees and costs, under said statutes and regulations.

Additionally, our client intends to seek to recover all available civil penalties under the Private Attorneys General Act of 2004 ("PAGA"). This correspondence is being sent pursuant to the provisions of *California Labor Code* section 2699.3 to allow our client to collect the civil penalties associated with the violations of the following statutes and regulations in a civil lawsuit against the Company.

BACKGROUND

These are the facts as we presently understand them: Mr. Denzler has worked for the Company (a trucking company) from September 2023 through the present, as an independent contractor truck driver. In this capacity, Mr. Denzler routinely transported materials on behalf of the Company. Mr. Denzler was always subject to direct control of HOLLYWOOD.

Mr. Denzler did not drive the truck for any other customers; indeed, if he attempted to drive the truck for other companies or customers, Mr. Denzler believes that he would have been discharged by the Company.

Mr. Denzler did not have customers of his own. HOLLYWOOD assigned the jobs to Mr. Denzler via a dispatch system. Similarly, HOLLYWOOD, rather than Mr. Denzler, was responsible for collecting payment from the customers – payments that were based on prices set exclusively by HOLLYWOOD, and which Mr. Denzler had no authority over.

Mr. Denzler typically received a flat fee for his driving each day – an amount that would fluctuate based on the specific route and the pricing set by HOLLYWOOD of said route.

Fuel and other expenses were typically taken out of Mr. Denzler's final pay, almost always resulting in receiving payments that were less than the legal minimum wage under California law.

HOLLYWOOD subjected Mr. Denzler to mandatory (and random) drug and alcohol testing.

HOLLYWOOD regularly deducted fuel surcharges from Mr. Denzler's pay.

Considering the foregoing, and other factors to be revealed in discovery, it is abundantly clear that HOLLYWOOD retained ultimate control over Mr. Denzler's overall job performance. Considering the totality of the circumstances, HOLLYWOOD is, and has always been, the statutory and/or common law employer of Mr. Denzler. Moreover, HOLLYWOOD is a trucking company, and as such, is not permitted under California law to treat workers, like Mr. Denzler, as independent contractors.

After reviewing the evidence gathered to date, it is apparent that Mr. Denzler has been misclassified as an "independent contractor," and further that he is entitled to unpaid wages, re-payment of unlawfully deducted wages, and reimbursement for necessary and reasonable business expenditures.

We also are informed and believe that there may be another 100+ drivers who are similarly situated.

THE LAW

1. Statutory and Regulatory Violations

Labor Code section 1194 provides, in pertinent part, that "notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit."

Labor Code section 221 states: "It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee." Furthermore, Labor Code section 224 clarifies that deductions are only lawful when required by law or expressly authorized in writing for certain benefits, neither of which applies to the operational costs deducted here.

Labor Code section 219 provides that "no provision of this article can in any way be contravened or set aside by a private agreement, whether written, oral, or implied." Here, it is alleged that the Company had Mr. Denzler enter into an agreement which improperly purports to characterize him as an "independent contractor," in violation of California law.

Labor Code section 226, subdivision (a) requires that every employer shall, semimonthly or at the time of each payment of wages, furnish to each employee "an accurate itemized statement

in writing showing (1) gross wages earned, (2) total hours worked by the employee... (8) the name and address of the legal entity that is the employer... and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee." The Company failed to provide proper itemized pay stubs to Mr. Denzler.

Labor Code section 246, codifying California's Paid Sick Leave (PSL) law, also known as the "Healthy Workplaces, Healthy Families Act," sets forth requirements for how employers must provide and track PSL benefits to workers in California. Here, Mr. Denzler and other aggrieved employees were entitled to receive at least 40 hours or five days off each year as paid sick leave. Employers must also show how many days of sick leave a worker has available on his or her pay stub, or on a separate document issued the same day as each paycheck. Cal. Labor Code § 246 et seq. Violation of these requirements gives rise to a claim for civil penalties under a PAGA claim. Cal. Labor Code § 248.5; *Wood v. Kaiser Foundation Hospitals*, 88 Cal. App. 5th 742 (2023). It is alleged that the Company failed to properly provide these PSL wages to its workers, and also that it failed to properly account for them in a regular statement provided to the workers as required by statute.

Labor Code sections 2800 and 2802 require that 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." In this case, the Company has improperly deducted (and not reimbursed) substantial expenses including fuel, lease payments, and insurance.

Labor Code section 226.8 provides that "[i]t is unlawful for any person or employer to engage in… [w]illful misclassification of an individual as an independent contractor." The penalty for willful misclassification is "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."

2. Civil Penalties Sought

Labor Code section 225.5 (Unlawful Deduction from Wages):

Pursuant to Labor Code section 225.5, every person who unlawfully withholds wages or violates Section 221 shall, in addition to any other penalty, "be subject to a civil penalty as follows: (a) For any initial violation, one hundred dollars ($100) for each failure to pay each employee. (b) For each subsequent violation, or any willful or intentional violation, two hundred dollars ($200) for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld." Mr. Denzler seeks these penalties for the unlawful deductions from his wages.

Labor Code section 1197.1 (Failure to Pay Minimum Wage):

Pursuant to Labor Code section 1197.1, any employer who pays or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or local law "shall be subject to a civil penalty, restitution of wages, and liquidated damages." The civil penalty includes "$100 for each underpaid employee for each pay period for which the employee is underpaid" for initial violations and "$250" for subsequent violations. Mr. Denzler seeks these penalties and liquidated damages for the Company's failure to pay minimum wage.

Labor Code section 1174.5 (Failure to Keep Records):

Pursuant to Labor Code section 1174.5, "Any person employing labor who willfully fails to maintain the records required by subdivision (c) of Section 1174 or by a standard order of the Industrial Welfare Commission... shall be subject to a civil penalty of five hundred dollars ($500)." Mr. Denzler seeks this penalty for the Company's failure to maintain accurate payroll records.

Labor Code section 226.3 (Wage Statement/Record Violations):

"Any employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation." Mr. Denzler seeks these civil penalties.

Labor Code section 558 (Overtime/Hours Violations):

"For any initial violation, fifty dollars ($50) for each underpaid employee for each pay period... For each subsequent violation, one hundred dollars ($100) for each underpaid employee." Mr. Denzler seeks these penalties for violations of Section 510.

Labor Code section 226.8 (Willful Misclassification):

Mr. Denzler seeks penalties of "$10,000 to $25,000 per violation" based on the Company's pattern or practice of willfully misclassifying its drivers.

Labor Code section 246, 248.5 (PSL Violations):

Mr. Denzler will seek all available PAGA civil penalties for violations of California Labor Code sections 245, 246, and 248.5 based on the Company's failure to comply with California's PSL requirements. These include, but are not limited to: (i) default penalties under Section 2699(f), described below; (ii) Section 248.5(b)(2) penalties for the value of sick days times three, or $250, whichever is greater, but capped at $4,000 in aggregate per employee; and (iii) Section 248.5(b)(3) penalties at $50 per day the violation(s) have occurred/continued, capped at $4,000 aggregate per employee. The PSL remedies are, by statute, "cumulative" with other remedies. Lab. Code § 248.5(g).

Labor Code section 2699 (PAGA Default Penalties):

For all other violations of the Labor Code for which a civil penalty is not specifically provided, Mr. Denzler seeks the default civil penalties under Labor Code section 2699(f): "$100 for each aggrieved employee per pay period for the initial violation and $200 for each aggrieved employee per pay period for each subsequent violation."

Mr. Denzler will seek these penalties on behalf of all those individuals who are similarly situated at HOLLYWOOD.

CONCLUSION

Pursuant to *California Labor Code* section 2699 and 2699.5, a violation of the above-cited statutes and regulations may form the basis for a PAGA action against HOLLYWOOD. However, as required by law, aggrieved employees like Mr. Denzler must first give the Labor and Workplace Development Agency the opportunity to pursue the offending employer before bringing his own

PAGA action to collect civil penalties associated with the violation of the above-cited statutes and regulations.

As such, please let me know if your agency intends to investigate the matter. If not, my client intends to pursue a civil action pursuant to law.

Respectfully,

KARAKALOS LAW, APC



Aris E. Karakalos