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Attorneys for Plaintiff,
Robert Houston Jr., on behalf of himself and all others similarly situated, and on behalf of the general public

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF KERN

ROBERT HOUSTON JR., on behalf of himself and all others similarly situated, and on behalf of the general public,

Plaintiff,

vs.

POWER MACHINERY CENTER, a California Corporation, and DOES 1 through 10, inclusive,

Defendants.

CASE NO.: BCV-24-104326

DECLARATION OF ROMAN OTKUPMAN IN SUPPORT OF PLAINTIFF ROBERT HOUSTON JR.'S MOTION FOR APPROVAL OF PAGA SETTLEMENT

Date: October 28, 2026
Time: 8:30 a.m.
Dept.: Division J
Judge: Hon. Gregory Pulsksmp

I, Roman Otkupman, declare as follows:

1. I am an attorney duly admitted to the practice of law in the State of California. I am a principal of Otkupman Law Firm, A Law Corporation, and counsel for Plaintiff Robert Houston Jr., as well as proposed PAGA Counsel in this action. I have personal knowledge of the facts set forth herein and if called as a witness to testify to them, I could and would do so competently.

2. I make this declaration in support of Plaintiff's Motion for Approval of PAGA Settlement.

Education and Experience

3. I obtained my Bachelor's degree from the University of California at Los Angeles in 2003. I majored in Economics at the Anderson School of Business and obtained a Minor in Slavic Languages.

4. Thereafter, I attended the Thomas Jefferson School of Law, where I focused on studies on Employment law and related litigation. After completing my first year of legal studies, I secured an externship at the Equal Employment Opportunity Commission ("EEOC"), where I worked under the Supervisory Administrative Judge, Larry A. Abrams. While at EEOC, I evaluated the merits of federal employment discrimination claims and recommended dispositions. I further reviewed motions, researched case law, prepared summaries of arguments, and assisted in the preparation of court rulings on summary judgments, motions to compel, and motion to strike decisions. Furthermore, I attended numerous conferences, hearings, and trials pertaining to employee complaints.

5. Thereafter, I volunteered at the Employee Rights Center of San Diego where I informed numerous employees about their options and legal avenues in wage and hour and/or employment discrimination disputes.

6. Otkupman Law Firm, ALC prosecutes wage and hour cases on behalf of the employees whose rights have been violated. Otkupman Law Firm, either on its own or with co-counsel is currently serving as Plaintiff's counsel of record in dozens of wage and hour and employment class action cases pending in both state and federal court.

7. Otkupman Law Firm, ALC has successfully litigated and resolved numerous wage

and hour class actions involving failure to pay wages, wage statement violations and derivative Labor Code claims and penalties. See, *Barrios v. Freeway*, Superior Court of California County of Sacramento, Case No. 34-2015-00183162-CU-OE-GDS; *Hernandez v. CoWorx,* Superior Court of California, County of San Joaquin, Case No. 39-2015-0032567-CU-OE-STK; *Sigourney Esh v. Be.Group,* Superior Court of California, County of San Diego, Case No. 37-2014-00006162-CU-OE-NC; *Pakiza A. Ali v. Rainbow USA Inc.*, Superior Court of California, County of San Joaquin, Case No. 39-2015-00320655-CU-OE-STK; *Rosie Orta v. Walgreen Co.*, Superior Court of California, County of Los Angeles, Case No. BC530605; *Jennifer Underwood v. Payroll Direct, Inc*., Superior Court of California, County of Merced, Case No. 15CV-03112; *Jeremiah Putnam v. Sagar Diner, Inc.*, Superior Court of California, County of Merced, Case No. SCV011040; *Amanda Maniord v. Hue & Cry, Inc.*, Superior Court of California, County of Shasta, Case No. 182115; *Andrew Mojica v. Dedicated Fleet Systems Inc., and Osterkamp Transportation Group*, Superior Court of California, County of Los Angeles, Central Civil West, Case No. BC621739; *Holly Pinheiro v. Stanton Optical Florida LLC, Vision Precision Holdings, LLC*, Superior Court of California, County of San Joaquin, Case No. 39-2015-00323663-CU-OE-STK; Jared Sewell v. Gary D Nelson Associates Inc., Superior Court of California, County of Sonoma, Case No. SCV 254929; *David Jimenez v. Modern Interiors*, Superior Court of California, County of Los Angeles, Case No. BC549815; *Patricia Mosley v. Shields for Families*, Superior Court of California, County of Los Angeles, Case No. BC590656; *Teri Parker v. Toms Sierra Co, Inc.*, Superior Court of California, County of Placer, Case No. SCV0036376.

8. Upon becoming a member of the bar, I worked at a boutique employment firm specializing in defense of multi-plaintiff and single plaintiff defense of wage and hour claims as well as other various employment claims. There, I was involved in numerous wage and hour actions as well as employment discrimination lawsuits including but not limited to: violation of Labor Code 226, failure to pay overtime, PAGA claims Labor Code 2699 *et seq.*, sexual harassment, gender discrimination, racial discrimination, intentional infliction of emotional distress, breach of contract, conspiracy, breach of good faith and fair dealing, disability discrimination and failure to accommodate, as well as Labor Code Section 132 (a) claims under worker's compensation law.

9. I have written numerous articles on various wage and hour and related employment litigation issues, three of which were published in recent years.

10. Based on my own investigation and evaluation, I am of the opinion that the Settlement, its allocation among Aggrieved Employees, and the recovery for each Aggrieved Employee, is fair and reasonable. I believe I have a strong understanding of the trends in both the likelihood of certification of wage and hour and PAGA cases and the value of settlements of cases such as this one.

11. My opinion takes into consideration, the amounts received in other similar representative actions, which I have litigated and/or am familiar with, the risks inherent in litigation of this genre, and the reasonable tailoring of each Aggrieved Employee's claim to the amount received in the settlement. Based on that knowledge, I am of the opinion the settlement is fair, reasonable and adequate and is in the best interests of the Aggrieved Employees.

Background of the Case and Relevant Procedural History

12. On October 9, 2024, my office, on behalf of Plaintiff Robert Houston Jr. ("Plaintiff"), sent a PAGA Notice to the Labor Workforce and Development Agency ("LWDA"), with a copy to Defendant Power Machinery Center ("Defendant"). Plaintiff's PAGA Letter is attached hereto as **Exhibit 1**.

13. On December 17, 2024, Plaintiff filed a class and representative action complaint alleging eleven (11) causes of action, including a cause of action for penalties pursuant to Labor Code section 2699(f) for violations of Labor Code sections 226.7, 512, 558, 510, 1194, 1194.2, 1194(a), 226(a), (e), 1174(d), 201-203, 204(a), (b), 2802, 227.3, 210, and 218.

14. The Complaint alleges violations of the PAGA for, inter alia, Defendant's alleged failure to pay premium wages for missed meal and rest breaks, pay all minimum and overtime wages due, issue accurate, itemized wage statements, timely pay wages during employment, timely pay all wages due at the separation of employment, pay all vested/accrued vacation and PTO wages, and reimburse for business expenses. Defendant denies all allegations and denies any liability, including in any way through the Settlement or this motion or any part hereof.

15. Thereafter, the Parties agreed to engage in mediation. Prior to mediation, the Parties

exchanged extensive documents and information that allowed both sides to thoroughly evaluate the potential exposure and potential risk, such as a review of Defendant's policies and procedures related to the claims alleged and time and pay records, among others. Specifically, Plaintiff obtained, through informal discovery, statistical data, which consisted of wage statements, clock-in and clock-out times, times taken for meal breaks, and wages earned during the relevant pay periods, as well as written policies and procedures on meal breaks, rest breaks, overtime compensation, and reimbursement for business expenses, the number of pay periods in the PAGA Period and the total number of Aggrieved Employees. Further, it is my opinion that the Aggrieved Employees were similar or identical in the way in which Defendant utilized its wage and hour policies towards them. During this process, Plaintiff's counsel analyzed, researched, and investigated the potential issues, including matters related to the calculation of PAGA damages, trial management, and appellate issues and risks.

16. Following discovery and investigation, the Parties participated in an all-day mediation presided over by Allison Eckstrom on April 20, 2026, and reached a settlement of the PAGA claim alleged in the Complaint, the terms and conditions of which are memorialized in the Parties' PAGA Settlement Agreement ("Settlement Agreement") attached hereto as **Exhibit 2**.

17. Based on the foregoing data and an independent investigation and evaluation, I am of the opinion that the settlement with Defendant for the consideration and terms set forth in the Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the LWDA and the Aggrieved Employees in light of all known facts and circumstances, including the risk of significant delay, uncertainty associated with litigation, various defenses asserted by Defendant, and numerous potential appellate issues.

18. From the beginning, Defendant has contested the merits of this Action, including Plaintiff's ability to prove a violation in each pay period for each Aggrieved Employee, and, assuming arguendo any violations, updates to policies and procedures which Defendant contends would engender drastic reductions in PAGA penalties under 2024 amendments to PAGA, among other defenses. Defendant further contends that, even assuming there was a finding supporting the imposition of PAGA penalties, the Court would likely exercise its discretion to substantially reduce

any such penalties owed based on an alleged good faith attempt to comply with the Labor Code. Notwithstanding their agreement to settle, Defendant believes the practices Plaintiff is contending are unlawful either do not exist, fully comply with all applicable employment laws, and/or even assuming arguendo that any violations exist, updates to policies and procedures would otherwise drastically reduce any penalties under the 2024 amendments to PAGA legislation.

19. Based on the expected testimony from Plaintiff and the Aggrieved Employees, a review of Defendant's policies and procedures and other documents relating to the alleged claims, information on the number of Aggrieved Employees and PAGA Pay Periods, the payroll data, the scope of the potential penalties in light of the PAGA claim alleged, the Court's statutorily authorized discretion to reduce any penalties assessed, and the negotiations that have taken place, I am convinced that the proposed settlement is in the best interest of Plaintiff, the Aggrieved Employees affected by the Agreement, and the LWDA. The length and risks of trial and other normal perils of complex litigation that impact the value of the claims were also considered and weighed in reaching the proposed settlement. In addition, I carefully considered the difficulties of complex litigation, and the lengthy process of establishing specific damages and various possible delays and appeals in agreeing to the proposed settlement. I further considered the fact that penalties under the PAGA could be substantially cut at the discretion of the Court even if Plaintiff was successful on proving those claims and there was risk that a Court could find no willfulness in the failure to pay wages at separation, which would eliminate the value of the waiting time penalty entirely. Overall, I believe it is more beneficial to secure a guaranteed benefit to Plaintiff, the Aggrieved Employees, and the LWDA now rather than to proceed with litigation and potentially obtain zero funds due to legal or factual issues.

20. Based on the extensive documentation and data provided by Defendant, and through Plaintiff's investigation, Plaintiff believes that the Aggrieved Employees were subject to similar policies and practices that were allegedly violative of California wage and hour laws.

21. After conducting informal discovery and investigation which allowed both sides to evaluate the potential exposure and risk, such as a review of Defendant's employee handbook, policies and procedures related to the PAGA claim alleged in Plaintiff's Complaint, and the time and

pay records analyzed by Plaintiff's counsel, the Parties participated in an all-day mediation session and ultimately reached an agreement as to terms memorialized in the Settlement Agreement.

Risk and Evaluation of Settlement

22. Defendant represents that there are approximately 60 Aggrieved Employees who worked a total of approximately 2,800 PAGA Pay Periods during the PAGA Period. Given the number of employees affected by Defendant's practices, the $185,000.00 settlement confers a substantial benefit on these employees.

23. In accordance with the PAGA, the court in a PAGA action has discretion "to assess a civil penalty" that the Labor Commissioner would have, as well as complete discretion to "award a lesser amount than the maximum civil penalty amount specified [by the PAGA] if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." (Labor Code § 2699(e)(1) and (e)(2))).

24. I believe the settlement amounts to an excellent result for the LWDA and the Aggrieved Employees. There is a substantial risk that the Court could reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence that Defendant intentionally violated the law. These uncertainties increase Plaintiff's risk of pursuing the PAGA claims and required a significant reduction in Plaintiff's appraisal of Defendant's potential exposure for settlement purposes. Further, I am not aware of any California state courts awarding plaintiffs multiple PAGA penalties for the same violation for the same pay period under different Labor Code provisions and, in my personal experience, PAGA awards are small even for egregious, intentional violations of the Labor Code. In *Ghrdilyan v. RJ Financial, Inc.*, LASC, Case No. BC430633, the employer underpaid commission overtime wages. The plaintiff sought in excess of $9 million in civil penalties under the PAGA. After a bench trial, the Honorable Judge Ronald M. Sohigian awarded approximately $325,000 in civil penalties under the PAGA. In a similar PAGA case before the Los Angeles Superior Court, *Shields v. Security Paving Company, Inc.*, LA Superior Court Case No. BC492828, on October 24, 2017, the court awarded the prevailing PAGA plaintiff civil penalties totaling only $50.00. (*See also Avila v. Cold Spring Granite Co.* (E.D. Cal. Jan. 12, 2018) Case No. 1:16-cv-001533-AWI-SKO,

2018 U.S. Dist. LEXIS 6142 *17.) Also, the recent decision by the California Supreme Court, *ZB, N.A. v. Superior Court* (2019) 8 Cal. 5th 175, 194, precludes any recovery of civil penalties in the form of unpaid wages.

25. Likewise, where the employer does not act willfully, and makes good faith attempts to comply with wage and hour laws, a reduction or lesser penalty is warranted because imposing maximum PAGA penalty for each violation could be seen as unjust, arbitrary, and oppressive. (*Carrington v. Starbucks Corp*., *supra*, 30 Cal.App.5th at 528-529.) (affirming trial court's award of only 10% of maximum PAGA penalty for meal break violations). The amount to be paid to the LWDA under this settlement comports with PAGA settlement amounts approved by other courts.

26. Assuming liability was found as set forth above after accounting for the potential risks, the overall PAGA penalties in this case may also be reduced under the discretionary authority provided to the Court pursuant to California Labor Code section 2699(e)(2). I believe it is likely that such discretion would be exercised due to the fact that much of the penalties are based on violations resulting from technical non-compliance with the Labor Code or represent damages far exceeding the substantive loss actually experienced by the violation. Furthermore, Defendant appears to have updated a number of policies and practices covering the wage and hour issues being litigated, which a Court may find shows a good faith attempt to comply with the law, meriting a reduction of civil penalties. The statutorily authorized discretion that Courts have used to reduce penalties ranges substantially. *See, e.g., Thurman v. Bayshore Transit Mgmt., Inc*., 203 Cal.App.4th 1112, 1135 (2012) (30% reduction); *Fleming v. Covidien, Inc.*, 2011 U.S. DIST. LEXIS 154590, *9 (C.D. Cal. 2011) (82% reduction).

27. Plaintiff determined the maximum exposure to be $280,000.00. The Parties settled this matter for $185,000.00, which is approximately 66% of the maximum exposure. The maximum exposure is based upon an analysis of a 100% violation rate. While this would be unlikely, even for purposes of the maximum exposure, Plaintiff calculated the PAGA liability at 100%. Plaintiff used the data provided by Defendant and determined there were approximately 2,800 PAGA pay periods. Since the Labor Code allows for a maximum exposure of $100 per pay period, and there are 2,800

PAGA pay periods, the maximum exposure was calculated to be **$**280,000.00. PAGA claims are subject to a one-year statute of limitations, and penalties can be received for a period of one year prior to the date notice is sent to the LWDA. *Taylor v. Interstate Grp., LLC*, No. 15-CV-05462-YGR, 2016 WL 335226, at *1 (N.D. Cal. Jan. 28, 2016). Unless a Labor Code provision provides for a specific civil penalty, PAGA imposes a default civil penalty of "one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation and two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation." Cal. Lab. Code § 2699(f)(2). The court in *Bernstein v. Virgin Am., Inc.* (9th Cir. 2021) 3 F.4th 1127, 1144, held that the defendant was not liable for heightened penalties for any Labor Code violation that occurred before the defendant was notified by the Labor Commissioner or any court that it had violated the Labor Code provisions at issue. The California Court of Appeal in *Gunther v. Alaska Airlines, Inc.* (2021) 72 Cal.App.5th 334, 356 confirmed that "the increased $200 civil penalty for 'subsequent violation[s]' does not apply unless [plaintiff] presents evidence that the Labor Commission or a court notified [defendant] that it was in violation of the Labor Code"). Here, PAGA penalties were discounted by using only initial violation rates, based on Defendant's argument that heightened penalties would not apply because Defendant has not been notified by the Labor Commissioner or any court that it has violated the Labor Code provisions at issue.

Based on the analysis above, as well as the thorough informed discussions and negotiations that took place between the Parties, I believe that this is a favorable settlement for Plaintiff and the Aggrieved Employees, providing a remedy consistent with what the employees could expect to receive if they prevailed at trial, but without the lengthy delay and risk of loss that a trial and subsequent appeal would entail. The settlement terms represent a compromise of the Parties' disputes and are fair, adequate and reasonable to the representative group given the risks that both sides faced in the litigation.

28. My office uploaded the Settlement Agreement as required to the LWDA website on August 24, 2026. Confirmation of submission to the LWDA is attached hereto as **Exhibit 3**. The LWDA has not objected to the Settlement to date. My office also gave notice of the instant Motion

and hearing date to the LWDA on October 12, 2026. Confirmation of providing notice of the hearing date to the LWDA is attached hereto as **Exhibit 4**. My office will further serve the instant Motion on the LWDA.

29. Defendant denies any and all liability to Plaintiff and/or the Aggrieved Employees. Defendant further contends that nothing in the Settlement Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Action have merit or that Defendant has any liability for any claims asserted.

30. The Parties understand, acknowledge, and agree that the settlement constitutes a compromise of Plaintiff's PAGA Claim, and that it is the desire and intention of the Parties to affect a final and complete resolution of the PAGA Claim against Defendant. The Parties further acknowledge that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission of liability by Defendant.

Risk Assumed by Otkupman Law Firm, A Law Corporation

31. My office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome. My office's efforts included, without limitation, the following: interviews with Plaintiff; review of documents produced by the Plaintiff; preparation of multiple drafts of the PAGA notice letter, drafting the complaint; drafting informal discovery; numerous conferences and correspondence with Defendant's counsel to obtain relevant documents and information; review of extensive documents produced by Defendant, including employment records, and time and payroll records; analyzing and interpreting time records produced by Defendant, and formatting said data in a manner that could be used to support Plaintiff's legal theories and damage analysis; legal research regarding Defendant's practices; attending mediation; drafting the settlement agreement and revisions to the Settlement Agreement; preparation and filing of the motion to approve settlement; and uploading all necessary documents to the LWDA website.

32. Because most individuals cannot afford to pay for representation in litigation on an hourly basis, my firm represents virtually all of its employment law clients on a contingency fee basis.

Pursuant to this arrangement, we are not compensated for our time and costs, unless we prevail at trial or successfully settle our clients' cases. Because my firm is taking the risk that we will not be reimbursed for our time and costs unless our client settles or wins his or her case, we cannot afford to represent an individual employee on a contingency basis if, at the end of our representation, all we are to receive is our regular hourly rate for services. It is essential that we recover more than our regular hourly rate when we win if we are to remain in practice so as to be able to continue representing other individuals in employment disputes.

Plaintiff's Counsel's Attorney's Fees and Costs

33. The Parties have agreed that Plaintiff's Counsel will seek no more than $64,750.00 (i.e., 35% of the Gross Settlement Amount) in attorneys' fees. This agreement is fully disclosed in the Settlement Agreement. My firm's time records for services performed in this case are attached hereto as **Exhibit 5.**

34. The requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis, especially in light of the benefits achieved by Plaintiff's counsel for the Aggrieved Employees. My office diligently litigated and investigated the case.

35. My firm has worked no less than 124.6 hours on the matter. Plaintiff's Counsel's fees from the inception to completion of this matter are no less than $112,420.00. As such, the fees requested equate to a *negative* multiplier.

36. Here, my firm was required to expend considerable time and resources to investigate, litigate, and successfully settle these claims for the benefit of the Aggrieved Employees.

37. While I work exclusively on a contingency fee basis, I charge a rate of $950.00 per hour when the award of fees is considered. My charge rate is commensurate with the market rates in Los Angeles for attorneys of comparable experience and skill handling complex litigation, based on my 18 years of experience, qualifications, and expertise. My hourly rates are reasonable in light of my significant experience, expertise, and skill. The attorneys at Otkupman Law Firm, A Law Corporation specialize in employment law and have substantial experience in wage and hour

litigation.

39. My firm has incurred out-of-pocket expenses to date amounting to $11,822.12, which is the amount paid attributed to filing, service, mailing, printing, mediation, and PAGA fees. These costs were reasonably incurred in prosecuting this action on behalf of the Aggrieved Employees. Attached hereto as **Exhibit 6** is a true and correct copy of my firm's costs incurred to date.

40. I believe that the fee and costs provisions are reasonable. The fee percentage requested is less than the usual customary percentage fee for most employment cases. Moreover, the efforts of my office have resulted in substantial benefits to Plaintiff, the Aggrieved Employees, and the State in the form of a substantial settlement. I am informed and believe that, without the efforts of my office, the Labor Code violations alleged in the Complaint would have gone completely unremedied. The requested fee award, i.e. 35% of Gross Settlement Amount, and cost award provided for in the Settlement Agreement are reasonable given the result achieved.

Administration Costs

41. The Parties obtained a bid from Phoenix Settlement Administrators ("Phoenix") for administration costs in the amount of $3,250.00, which was the lowest of three bids the Parties obtained. The bid is attached hereto as **Exhibit 7**. The Notice that will be mailed to Aggrieved Employees with their checks is attached hereto as **Exhibit 8**.

No Conflicts of Interest

42. As a result of my prior experience as PAGA counsel in other actions, I am fully aware of the responsibilities I owe. Finally, I am not aware of any conflict of interest between myself, on the one hand, and Plaintiff or any other Aggrieved Employee of the State of California, on the other hand, which would interfere with my duties as Counsel or impede on my representation of the Aggrieved Employees.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 12th day of October 2026 at Westlake Village, California.



Roman Otkupman

EXHIBIT 1

OTKUPMAN LAW FIRM, A LAW CORPORATION
5743 Corsa Ave, Suite 123
Westlake Village, CA 91362
Tel.: 818-293-5623
Fax: 888-850-1310

October 9, 2024

VIA ELECTRONIC FILING
Labor & Workforce Development Agency

VIA CERTIFIED MAIL
Power Machinery Center
3450 E. Camino Ave
Oxnard, CA 93030
Defendant certified mail # 9589 0710 5270 1505 8078 49

VIA CERTIFIED MAIL
Agent for Service of Process
Richard S Power
3450 E. Camino Ave
Oxnard, CA 93030
Agent certified mail # 9589 0710 5270 1505 8078 49

VIA CERTIFIED MAIL
Power Machinery Center
3263 Rio Mirada Dr
Bakersfield, CA 93308
Defendant certified mail # 9589 0710 5270 1505 8078 32

Re: ***Robert Houston Jr. v. Power Machinery Center – Labor Code Violations of Power Machinery Center – Compliance Letter of California Labor Code § 2698 – Private Attorneys General Act***

Dear Sir or Madam:

This office represents Robert Houston Jr. ("Plaintiff"), a former California employee of Power Machinery Center ("Defendants"). The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.*

Our client works for Defendant in Southern California. Herein we set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to our client and other of its California non-exempt employees.

Plaintiff began working for Defendants on or about August 3, 2023 While working for Defendant as a Parts Associate and Parts Delivery, Plaintiff was earning seventeen ($17.00) dollars per hour.

Plaintiff and Defendant's California employees were routinely unable, and not authorized to take their 10-minute rest periods and were also unable to take an uninterrupted 30-minute meal break for every shift they worked. Specifically, Plaintiff and other California employees were further forced to keep their work cell phone on during their meal and rest breaks in case of emergencies or to address the needs of Defendants' personnel. Because of this, Plaintiff and Defendant's California employees were unable to take their required meal and rest breaks. Moreover, Defendants failed to pay premium wages of one hour's pay for each missed meal and rest break to Plaintiff and Defendant's California employees who were denied timely meal and rest breaks, in violation of Labor Code §§ 226.7, 512, and 558, and IWC Order No. 5-2001, Section 12.

Plaintiff also claims that Defendant has failed to pay all overtime wages due to non-exempt employees. As a result, employees are not properly compensated for work performance in excess of eight (8) hours in a workday and work performed in excess of forty (40) hours in a workweek at a rate of no less than one and one-half times the regular rate of pay. Employees of Defendant regularly work in excess of eight (8) hours in a day or more than forty (40) hours per week and do not receive overtime compensation at a rate of one and one half of their regular rate. Plaintiff and Defendant's California employees were forced to work overtime and were not paid for all hours worked including all straight time wages, and overtime wages. These failures to pay all overtime wages constitute violations of Labor Code §§ 510, 1194, 1194.2.

Additionally, Labor Code Section 1194(a) states: "[n]otwithstanding 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. Plaintiff and Defendant's California employees claim that Defendant engaged in "rounding" This essentially means that the Defendant underpaid Plaintiff by rounding the time Plaintiff worked in violation of Labor Code Section 1194(a).

Defendant failed to issue Plaintiff and Defendant's California employees accurately itemized wage statements. As Defendant failed to compensate Plaintiff and Defendant's California employees with all wages due, as detailed above, their wage statements failed to accurately state all gross wages earned, in violation of Labor Code § 226(a)(1), total hours worked, in violation of Labor Code § 226(a)(2), net wages earned, in violation of Labor Code § 226(a)(5), and all applicable hourly rates during the pay period and the corresponding number of hours worked, in violation of Labor Code § 226(a)(9), as a result of Defendants' failure to pay all overtime wages due. Since the wage statements provided to Plaintiff failed to accurately reflect the total number of Plaintiff's worked hours, due to the illegal rounding. These violations also violate Labor Code §§ 226(e) and 226.3 with respect to Plaintiff and Defendants' California employees.

Defendants knowingly and intentionally failed to provide Plaintiff and Defendant's California employees timely, accurate, itemized wage statements in accordance with Labor Code § 226 and

keep accurate records and required by §1174(d). The statements provided to Plaintiff and Defendant's California employees, and the records maintained by Defendants, have not accurately reflected actual gross wages earned, including pay for all hours worked, overtime, and meal/rest premiums, and total hour worked.

Our client further alleges that Defendants paid him and Defendant's California employees their final wages beyond the time frames set forth in Labor Code §§ 201 and 202. As they were not paid all wages due and owing throughout the course of their employment as a result of Defendants' failure to pay all premium wages as detailed above, at the time of their separation, they were not paid all final wages due and owing for the entirety of their employment. This violates Labor Code §§ 201-203.

Defendant pays Plaintiff and it's California employees on a bi-weekly basis and has failed to comply with Labor Code § 204(a) which holds that wages earned on a bi-weekly basis must be paid no later than seven calendar days following the close of the payroll period. Due to the violations described above, Plaintiff and Defendant's California employees did not receive all of their wages earned in a timely manner as required by Labor Code § 204(a)(b).

Defendants failed to reimburse Plaintiff and Defendant's California employees for their Personal Protective Equipment (PPE) such as, steel toe boots they purchased to perform work for Defendant. Labor Code section 2802 provides 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." As such, Plaintiff and Defendant's California employees have incurred reasonable and necessary expenses in the course of their job duties, which were not reimbursed by Defendants, in violation of Labor Code § 2802.

Plaintiff alleges that Defendant failed to comply with Labor Code § 227.3, which states that unless otherwise provided by a collective-bargaining agreement, whenever a contract of employment or employer policy provides for paid vacations, and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with such contract of employment or employer policy respecting eligibility or time served; provided, however, that an employment contract or employer policy shall not provide for forfeiture of vested vacation time upon termination. The Labor Commissioner or a designated representative, in the resolution of any dispute with regard to vested vacation time, shall apply the principles of equity and fairness, pursuant to Labor Code § 227.3. Defendant violated Labor Code § 227.3 because they failed to pay Plaintiff and Defendant's California employees wages for unused vested vacation time.

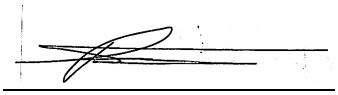
Defendants failed to pay all wages earned to Plaintiff and Defendant's California employees as a result of the unlawful employment policies and practices herein. As a result of these practices, Plaintiff and Defendant's California employees were underpaid for hours worked, including overtime and penalty wages, and this underpayment resulted in a failure to pay all wages owed twice per month. Due to this failure, Defendants are liable under Labor Code § 210 for failure to pay wages as required by law.

We invite Defendants or its attorney(s) to contact our office to discuss this matter, including whether an early resolution of the claims can be reached.

Our office awaits your response.

Very truly yours,

OTKUPMAN LAW FIRM



ROMAN OTKUPMAN

EXHIBIT 2

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Robert Houston Jr. ("Plaintiff") and Defendant Power Machinery Center, a California Corporation ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means Plaintiff's class and PAGA lawsuit alleging wage and hour violations against Defendant captioned *Robert Houston Jr. v. Power Machinery Center, a California Corporation*, filed December 17, 2024, pending in the Superior Court of the State of California, County of Kern, Case No. BCV-24-104326, and the underlying PAGA Notice sent to the LWDA by Plaintiff on October 9, 2024.

1.2. "Administrator" means the neutral settlement administration entity jointly selected by the Parties to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses, not to exceed Ten Thousand Dollars ($10,000.00), in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employees" means all current and former non-exempt employees of Defendant who worked for Defendant in California at any time during the PAGA Period, as defined below.

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

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee 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 Aggrieved Employees.

1.7. "Court" means the Superior Court of California, County of Kern.

1.8. "Defense Counsel" means Chandra Beaton and Ryan Ely of LightGabler LLP, counsel of record for Defendant in the Action.

1.9. "Effective Date" means the date upon which the Court enters a Judgment on its Order Approving the PAGA Settlement

1.10. "Enhancement Payment" means the sum of Two Thousand Five Hundred Dollars ($2,500.00) paid to Plaintiff Robert Houston Jr. in recognition of his service as the representative plaintiff and the risks and efforts undertaken in prosecuting this Action on behalf of the Aggrieved Employees, to be paid from the Gross Settlement Amount.

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1.11. "Gross Settlement Amount" means One Hundred Eighty-Five Thousand Dollars ($185,000.00), which is the total amount Defendant agrees to pay under this Settlement. The Gross Settlement Amount will be used to pay the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Administration Expenses Payment, Enhancement Payment, LWDA PAGA Payment, and Individual PAGA Payments. None of the Gross Settlement Amount will revert to Defendant.

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

1.13. "Judgment" means the judgment entered by the Court granting approval of the Settlement.

1.14. "LWDA" means the California Labor and Workforce Development Agency, as entitled under Labor Code section 2699, subdivision (i).

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

1.16. "Net Settlement Amount" means the Gross Settlement Amount less: the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Administration Expenses Payment, and Enhancement Payment. The Net Settlement Amount constitutes the PAGA Penalties pool, of which 65% shall be paid to the LWDA and 35% shall be distributed to Aggrieved Employees as Individual PAGA Payments.

1.17. "PAGA Counsel" means Roman Otkupman and Nidah Farishta of Otkupman Law Firm, A Law Corporation, the attorneys representing Plaintiff in the Action.

1.18. "PAGA Counsel Fees Payment" means the amount allocated to PAGA Counsel for attorneys' fees, not to exceed 35% of the Gross Settlement Amount ($64,750.00), subject to Court approval.

1.19. "PAGA Counsel Litigation Expenses Payment" means the amount allocated to PAGA Counsel for reimbursement of reasonable litigation costs and expenses, not to exceed Twenty Thousand Dollars ($20,000.00), subject to Court approval and proof.

1.20. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one (1) day during the PAGA Period.

1.21. "PAGA Period" means the period from October 9, 2023 through June 21, 2026.

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

1.23. "PAGA Notice" means Plaintiff's October 9, 2024, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.24. "PAGA Penalties" means the Net Settlement Amount constituting the total PAGA civil penalties pool, allocated 65% to the LWDA PAGA Payment and 35% to the Individual PAGA Payments.

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1.25. "Plaintiff" means Robert Houston Jr., the named plaintiff in the Action.

1.26. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.27. "Released PAGA Claims" means the claims released by Plaintiff and PAGA Counsel as described in Paragraph 5 below.

1.28. "Released Parties" means Defendant and each of its former and present directors, officers, shareholders, owners, members, managers, agents, employees, attorneys, insurers, employees, independent contractors, predecessors, successors, parents, assigns, subsidiaries, affiliates, related entities or representatives of any kind.

1.29. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.30. "Defendant" means Power Machinery Center.

2. RECITALS.

2.1. On October 9, 2024, Plaintiff sent a letter to the California Labor and Workforce Development Agency alleging that Defendant violated the following provisions of the Labor Code: sections 226.7, 512, 558, 510, 1194, 1194.2, 1194(a), 226(a), (e), 1174(d), 201-203, 204(a)(b), 2802, 227.3, 210, and 218 ("PAGA Notice").

2.2. On December 17, 2024, Plaintiff commenced this Action by filing a Complaint alleging class and PAGA representative causes of action, including penalties pursuant to Labor Code section 2699(f) for alleged violations of the Labor Code sections identified in the PAGA Notice. Defendant denies the allegations in the PAGA Notice and Operative Complaint, denies any failure to comply with the laws identified therein, and denies any and all liability for the causes of action alleged.

2.3. Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.4. On April 20, 2026, the Parties participated in an all-day mediation presided over by Allison Eckstrom, Esq., which led to this Agreement to settle the Action.

2.5. Prior to mediation, Defendant provided pay period data reflecting approximately 2,605 Pay Periods worked by Aggrieved Employees during the PAGA Period.

2.6. The Parties, PAGA 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 promises to pay $185,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline

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stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment.

3.2. Allocation of Gross Settlement Amount. Subject to Court approval, the Gross Settlement Amount of $185,000.00 shall be allocated as follows:

(a) **PAGA Counsel Fees Payment:** Not to exceed 35% of the Gross Settlement Amount, equal to **$64,750.00**. Defendant will not oppose a request for Court approval of this amount. If the Court approves a lesser amount, the Administrator will allocate the remainder to the PAGA Penalties pool.

(b) **PAGA Counsel Litigation Expenses Payment:** Reasonable litigation costs and expenses, not to exceed **$20,000.00**, subject to proof and Court approval. If the Court approves a lesser amount, the Administrator will allocate the remainder to the PAGA Penalties pool.

(c) **Administration Expenses Payment:** Not to exceed **$10,000.00**, subject to Court approval. If the actual administration costs are less than $10,000.00 or the Court approves a lesser amount, the Administrator will retain the remainder in the PAGA Penalties pool.

(d) **Enhancement Payment to Plaintiff:** The sum of **$2,500.00** to Plaintiff Robert Houston Jr. as an enhancement payment in recognition of his service as the representative plaintiff, subject to Court approval.

(e) **PAGA Penalties Pool** (Net Settlement Amount after the above deductions): Approximately **$87,750.00**, allocated as follows:

(i) **65% to LWDA** (LWDA PAGA Payment): Approximately $57,037.50;

(ii) **35% to Aggrieved Employees** (Individual PAGA Payments): Approximately $30,712.50, distributed pro rata based on the number of PAGA Pay Periods worked by each Aggrieved Employee during the PAGA Period.

3.3. Calculation of Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the Aggrieved Employees' 35% share of the PAGA Penalties 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 Aggrieved Employee's individual PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. The Administrator will report Individual PAGA Payments on IRS Form 1099.

3.4. Payment to PAGA Counsel. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment via IRS Form 1099. PAGA Counsel assumes full responsibility and liability for taxes owed on these payments and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of such payments.

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3.5. Payment of Enhancement. The Administrator will pay the Enhancement Payment to Plaintiff via IRS Form 1099. Plaintiff assumes full responsibility for taxes owed on the Enhancement Payment.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates that during the PAGA Period there are a total of approximately 2,605 pay periods.

4.2. Aggrieved Employee Data. Within fourteen (14) days after the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. The Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify the Administrator if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data to the Administrator as soon as reasonably feasible.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than sixty (60) days after the Effective Date.

4.4. Disbursements. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail or wire all required payments. Disbursement of PAGA Counsel Fees and Expenses Payments and the Enhancement Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. Each check shall prominently state the date when the check will be voided. Any check not cashed within one hundred and eighty (180) days will be void. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without a USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, as requested prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled 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 Aggrieved Employee.

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4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release. In addition to the release of claims against the Released Parties made by all Aggrieved Employees as set forth in Paragraph 5.2 below, Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from any and all claims, actions, charges, complaints, grievances and causes of action, of whatever nature, whether known or unknown, which exist or may exist on Plaintiff's behalf as of the date of this Agreement, including but not limited to any and all tort claims, contract claims, wage claims, wrongful termination claims, disability claims, benefit claims, claims identified in Paragraph 5.2 below, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance, including any claims arising under the California Fair Employment and Housing Act (FEHA), the California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, the Civil Rights Act of 1991; the Americans with Disabilities Act of 1990; the Fair Labor Standards Act; the Occupational Safety and Health Act; the Consolidated Omnibus Budget Reconciliation Act of 1985, the Worker Adjustment and Retraining Notification Act ("WARN"); the Rehabilitation Act of 1973; the Internal Revenue Code of 1986, as amended; the Employee Retirement Income Security Act of 1974; California's Whistleblower Protection Act, California Business & Professions Code Section 17200, *et seq.*, the California Family Rights Act; the California Labor Code; the California Civil Code; the California Government Code; the California Constitution; and all claims for punitive damages, exemplary damages, attorneys' fees and costs, as well as any other statutes, laws regulations or damages of similar effect and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance. Plaintiff hereby expressly waives and relinquishes any and all claims, rights or benefits that they may have under California Civil Code § 1542, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

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Plaintiff may hereafter discover claims or facts in addition to, or different from, those which he now knows or believes to exist, but he expressly agrees to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist against Released Parties at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant. The Parties further acknowledge, understand, and agree that this representation and commitment is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation and commitment. Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledges this Settlement is intended to include in its effect, without limitation, all claims that Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Settlement Agreement, and that this Settlement contemplates the extinguishment of any such claims. Plaintiff warrants that he has read this Settlement Agreement, including this waiver of California Civil Code section 1542, and that he has consulted with or had the opportunity to consult with counsel of her choosing about this Settlement and specifically about the waiver of section 1542, and that he understands this Settlement and the section 1542 waiver, and so he freely and knowingly enters into this Settlement Agreement. Plaintiff expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Settlement Agreement or with regard to any facts now unknown to Plaintiff relating thereto. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff's release under this Agreement specifically excludes Plaintiff's individual claims, which are being resolved pursuant to the separate Confidential Settlement Agreement and General Release.

5.2. Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including PAGA claims arising under California Labor Code sections 201-204, 210, 218, 226(a), 226(e), 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197.1, 1198, 2802, and all applicable IWC Wage Orders.

5.3. Request for Dismissal and Notice of Settlement. In exchange for Defendant's funding of the Gross Settlement Amount, Plaintiff shall file a Notice of Settlement with the Court and a request for entry of dismissal, without prejudice, of the class action claims alleged in the Operative Complaint within five (5) days of the execution of this Agreement. The Parties agree that the entry of the Court's Order dismissing the class action claims alleged in the Operative Complaint without prejudice is a condition precedent to Defendant's obligation to pay the Settlement pursuant to this Agreement.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

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6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subdivision (f)(2), including (i) a draft motion or stipulation for PAGA approval, and (ii) a proposed Order Granting Approval of PAGA Settlement, prior to filing. The motion for approval shall be filed no later than sixty (60) days after the full execution of this Agreement.

6.2. Responsibilities of Counsel. PAGA Counsel, with the cooperation of Defense Counsel, is responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA 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 the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties shall jointly select a neutral settlement administrator to serve as the Administrator. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports 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 U.S. Treasury Regulation section 468B-1.

7.4. 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.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Defendant represents that there were approximately 2,605 Pay Periods worked by Aggrieved Employees from October 9, 2023 through April 20, 2026 (i.e., the date of mediation). If the actual number of pay periods worked by Aggrieved Employees from October 9, 2023 through April 20, 2026 exceeds the foregoing representation by more than ten percent (10%) (i.e., if there are 2,866 or more total pay periods), the Gross Settlement Amount shall be proportionally increased (i.e., if pay periods increase by twelve percent (12%), the Gross Settlement Amount would increase by

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twelve percent (12%)). The class action claims alleged in the Operative Complaint shall be dismissed without prejudice as part of the Court's approval of this PAGA Settlement.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction pursuant to Code of Civil Procedure section 664.6 over the Parties, Action, 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.

10. ADDITIONAL PROVISIONS.

10.1. No Admission of Liability. 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 PAGA Notice or Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with the separate Confidential Settlement Agreement and General Release and any 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.

10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.

10.4. 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 and 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.

10.5. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,

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transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.6. No Tax Advice. Neither Plaintiff, PAGA 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.

10.7. 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.

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

10.9. 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.

10.10. 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.

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

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

10.13. Calendar Days. Unless otherwise noted, all references 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 extended to the first business day thereafter.

10.14. 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 day sent by email.

10.15. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or 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. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.16. 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 Code of Civil Procedure

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section 583.330, the date to bring the case to trial under Code of Civil Procedure section 583.310 is extended for the entire period of this settlement process.

10.17. Attorneys' Fees and Costs. Except as otherwise specifically provided herein, each Party shall bear their or its own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other Party to this Agreement. Notwithstanding the foregoing, in the event any Party initiates an action to enforce or effectuate its rights under this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including mediation, arbitration, litigation, and court fees, together with reasonable attorneys' fees incurred in connection with such enforcement action.

10.18. Publication of Agreement. Plaintiff and Defendant, and their respective counsel, agree to limit public comment on this Settlement, the Action, and claims in the Action, stating that the matter has been resolved to the satisfaction of the Parties. Plaintiff and Defendant, and their respective counsel, shall not initiate public comment and/or discuss with or present to the media or press any information regarding the Settlement or the Action.

ALL SIGNATURES ON FOLLOWING PAGE

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Plaintiff Robert Houston, Jr.

By: _____

ROBERT HOUSTON JR.

Dated: 07 / 08 / 2026

Defendant Power Machinery Center

By: _____

Its: _____

Dated: _____

APPROVED AS TO FORM:

By: Roman Otkupman

Roman Otkupman
Nidah Farishta
Otkupman Law Firm, A Law Corporation
Counsel for Plaintiff, Robert Houston Jr.

Dated: 07 / 22 / 2026

By: _____

Chandra A. Beaton
Ryan C. Ely
LightGabler LLP
Counsel for Defendant,
Power Machinery Center

Dated: _____

Doc ID: 0532165a8f6e91e26380d1707805a54e6a741c9672

Plaintiff Robert Houston, Jr.

By: _____

ROBERT HOUSTON JR.

Dated: _____

APPROVED AS TO FORM:

By: _____

Roman Otkupman
Nidah Farishta
Otkupman Law Firm, A Law Corporation
Counsel for Plaintiff, Robert Houston Jr.

Dated: _____

Defendant Power Machinery Center

By: Michael Power

Its: CFO

Dated: 7/1/2026

By: Ryan Ely

Chandra A. Beaton
Ryan C. Ely
LightGabler LLP
Counsel for Defendant,
Power Machinery Center

Dated: July 14, 2026

Doc ID: c5321508af7e91e2cb80d179780554e3a8e17872

EXHIBIT 3

Outlook

Thank you for your Other Response or Document Submission

From DIR PAGA Unit <no-reply@formassembly.com>
Date Mon 2026-08-24 13:54
To Bella Viramontes <bella@olfla.com>

08/24/2026 01:54:22 PM

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

Item submitted: Other Response or Document Submission
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: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 4

Roman Otkupman, CSBN 249423
Roman@OLFLA.com
Nidah Farishta, CSBN 312360
Nidah@OLFLA.com
OTKUPMAN LAW FIRM, A LAW CORPORATION
5743 Corsa Ave., Suite 123
Westlake Village, CA 91362
Telephone: (818) 293-5623
Facsimile (888) 850-1310

Attorney for Plaintiff,
Robert Houston Jr., on behalf of himself, and all others similarly situated, and on behalf the general public

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF KERN

ROBERT HOUSTON JR., on behalf of himself, and all others similarly situated, and on behalf of the general public, Plaintiff, vs. POWER MACHINERY CENTER, a California Corporation, and DOES 1 through 10, inclusive, Defendants.	Case No. BCV-24-104326 **NOTICE OF HEARING ON PLAINTIFF'S MOTION FOR APPROVAL OF PAGA SETTLEMENT** **Date:** October 28, 2026 **Time**: 8:30 a.m. **Dept.:** Division J **Judge:** Hon. Gregory Pulsksmp

PLEASE TAKE NOTICE that Plaintiff's Motion for Approval of PAGA Settlement will be heard on October 28, 2026 at 8:30 a.m. in Division J of the Kern County Superior Court.

DATED: October 12, 2026

OTKUPMAN LAW FIRM,
A Law Corporation

By: 

Roman Otkupman
Nidah Farishta
Attorneys for Plaintiff

Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>
Date Mon 2026-10-12 13:51
To Bella Viramontes <bella@olfla.com>

10/12/2026 01:51:21 PM

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

Item submitted: Proposed Settlement

On 10/12/2026 01:51:21 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1055514-24

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: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 5

Summary Report

Time - Robert Houston Jr.

Print - Close Window

Year	Month	Project	Rate	Hours	Amount
2024	Sep	Roman Otkupman	$950.00	3.80	$3,610.00
Total for September 2024				3.80	$3,610.00
2024	Oct	Roman Otkupman	$950.00	9.60	$9,120.00
Total for October 2024				9.60	$9,120.00
2024	Dec	Nidah Farishta	$600.00	0.30	$180.00
2024	Dec	Roman Otkupman	$950.00	3.50	$3,325.00
Total for December 2024				3.80	$3,505.00
Grand Total for 2024				17.20	$16,235.00
2025	Jan	Nidah Farishta	$600.00	1.40	$840.00
Total for January 2025				1.40	$840.00
2025	Feb	Roman Otkupman	$950.00	1.20	$1,140.00
Total for February 2025				1.20	$1,140.00
2025	Mar	Nidah Farishta	$600.00	0.20	$120.00
2025	Mar	Roman Otkupman	$950.00	0.80	$760.00
Total for March 2025				1.00	$880.00
2025	May	Nidah Farishta	$600.00	0.10	$60.00
Total for May 2025				0.10	$60.00
2025	Sep	Nidah Farishta	$600.00	0.60	$360.00
Total for September 2025				0.60	$360.00
2025	Nov	Nidah Farishta	$600.00	0.20	$120.00
2025	Nov	Roman Otkupman	$950.00	3.40	$3,230.00
Total for November 2025				3.60	$3,350.00
Grand Total for 2025				7.90	$6,630.00
2026	Feb	Roman Otkupman	$950.00	1.40	$1,330.00
Total for February 2026				1.40	$1,330.00
2026	Mar	Roman Otkupman	$950.00	6.70	$6,365.00
Total for March 2026				6.70	$6,365.00
2026	Apr	Nidah Farishta	$600.00	3.20	$1,920.00
2026	Apr	Roman Otkupman	$950.00	52.60	$49,970.00
Total for April 2026				55.80	$51,890.00
2026	Jun	Nidah Farishta	$600.00	1.80	$1,080.00

Total for June 2026				1.80	$1,080.00
2026	Aug	Roman Otkupman	$950.00	6.70	$6,365.00
Total for August 2026				6.70	$6,365.00
2026	Sep	Nidah Farishta	$600.00	9.00	$5,400.00
2026	Sep	Roman Otkupman	$950.00	7.90	$7,505.00
Total for September 2026				16.90	$12,905.00
2026	Oct	Nidah Farishta	$600.00	0.20	$120.00
2026	Oct	Roman Otkupman	$950.00	10.00	$9,500.00
Total for October 2026				10.20	$9,620.00
Grand Total for 2026				99.50	$89,555.00
Grand	Total	Nidah Farishta	$600.00	17.00	$10,200.00
Grand	Total	Roman Otkupman	$950.00	107.60	$102,220.00
Grand Total for All				124.60	$112,420.00

EXHIBIT 6

Robert Houston Jr. v. Power Machinery Center, A California Corporation

Counsel's Costs

EXPENSE CATEGORY	**EXPENSE**
Filing Fee	$1,492.21
Service	$82.40
EFiling Fees	$364.36
Mediation	$9,750
LWDA	$75
Mailing	$56.80
Printing	$1.35
Total Expenses	**$11,822.12**

EXHIBIT 7

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS	
Aggrieved Members	100
Opt Out Rate	N/A
Opt Outs Received	
Total Aggrieved Claimants	100
Subtotal Admin Only	**$3,250.00**

Not-to-Exceed Total $3,250.00

For 100 Aggrieved Members

Pricing Good for Scope of Estimate Only

April 29, 2026

Case: (Houston Jr.) PAGA Administration wTranslation

Phoenix Contact: Jodey Lawrence
Contact Number: 800-523-5773
Email: Jodey@phoenixclassaction.com

Requesting Attorney: Roman Otkupman
Firm: Otkupman Law Firm, ALC
Contact Number: 818.293.5623
Email: roman@olfla.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly. Estimate is based on 100 Aggrieved Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of $150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Manager	$125.00	2	$250.00
Programming Database & Setup	$125.00	2	$250.00
Toll Free Setup*	$28.00	1	$28.00
Call Center & Long Distance	$2.00	10	$20.00
NCOA (USPS)	$50.00	1	$50.00
Language Translation	$200.00	1	$200.00
		Total	**$798.00**

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Check & Postage			
Project Action	**Rate**	**Hours/Units**	**Line Item Estimate**
Notice Packet Formatting	$125.00	1	$125.00
Data Merge & Duplication Scrub	$0.35	100	$35.00
Notice and Check Packet	$1.25	100	$125.00
Estimated Postage (up to 1 oz.)*	$0.79	100	$79.00
		Total	**$364.00**

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Associate	$55.00	1	$55.00
Skip Tracing Undeliverables	$1.00	10	$10.00
Remail Notice Packets	$1.70	10	$17.00
Estimated Postage	$0.60	10	$6.00
Programming Undeliverables	$55.00	1	$55.00
		Total	**$143.00**

Database Programming			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Claims Database	$125.00	1	$125.00
Case Manager	$125.00	1	$125.00
		Total	**$250.00**

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Calculations	$125.00	1	$125.00
Disbursement Review	$125.00	1	$125.00
Programming Manager	$95.00	1	$95.00
QSF Bank Account & EIN	$75.00	1	$75.00
Check Run Setup & Printing	$125.00	3	$375.00
		Total	**$795.00**

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Supervisor	$125.00	1	$125.00
Remail Undeliverable Checks (Postage Included)	$3.00	5	$15.00
Case Associate	$100.00	1	$100.00
Reconcile Uncashed Checks	$100.00	1	$100.00
Conclusion Reports	$100.00	1	$100.00
Case Manager Conclusion	$50.00	1	$50.00
Final Reporting & Declarations	$100.00	1	$100.00
QSF Annual Tax Reporting * (State Tax Reporting Included)	$310.00	1	$310.00
		Total	**$900.00**

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibilty.

Estimate Total: $3,250.00

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.

2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.

3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.

4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.

5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT 8

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>
<<ADDRESS 1>>
<<ADDRESS 2>>

Re: Notice of PAGA Settlement
Robert Houston Jr. v. Power Machinery Center, et al.
Kern County Superior Court Case No. BCV-240104326

Dear <<FIRST_NAME>> <<LAST_NAME>>:

You have received the enclosed check in connection with the Settlement ("Settlement") of the above-referenced lawsuit ("Lawsuit") filed by former employee Robert Houston Jr. ("Plaintiff") against Power Machinery Center ("Defendant") pursuant to the California Private Attorneys General Act of 2004, Labor Code section 2698, *et seq*. (called "PAGA"). The Lawsuit was filed by Plaintiff on behalf of the State of California and all allegedly aggrieved employees of Defendant.

The Lawsuit sought penalties under PAGA for certain alleged California Labor Code violations. Specifically, Plaintiff alleged that Defendant failed to pay premium wages for missed meal and rest breaks, failed to pay all wages, failed to issue accurate itemized wage statements, failed to timely pay wages during employment, failed to timely pay all wages upon separation of employment, failed to reimburse necessary business expenses, and failed to pay all accrued and vested vacation/PTO wages. Defendant adamantly denies liability and vigorously disputes that any PAGA penalties are due. To avoid further time and expense of protracted and uncertain litigation, however, the parties have agreed to settle the Lawsuit without further court action.

The Gross Settlement Amount is $185,000.00, from which the following amounts were paid: $64,750.00 for attorneys' fees to PAGA Counsel; $11,822.12 for PAGA counsel's litigation costs and expenses; $3,250.00 for administration expenses to the Administrator; and $2,500.00 to Plaintiff as an Enhancement Payment for his service as the representative Plaintiff. The remainder of $102,677.88 was allocated to PAGA penalties. Under California law, any settlement of a PAGA case results in 65 percent of the PAGA penalties being paid to the State of California Labor and Workforce Development Agency and 35 percent of the PAGA penalties being paid to allegedly aggrieved employees who worked during the applicable period. You received this Notice because records indicate that you are or were a non-exempt employee of Defendant during the period of October 9, 2023 through June 21, 2026 (the "PAGA Period"). The Settlement releases all claims for PAGA penalties that were alleged (as referenced above) or reasonably could have been alleged during the PAGA Period, including the facts stated in the Operative Complaint and the PAGA Notice. You will be bound by the Approval Order and Judgment and will be barred from bringing, joining, or otherwise participating in a claim against any of the Released Parties for any of the Released PAGA Claims.

Enclosed is a check representing your share of the Settlement. You have 180 days to cash the settlement check. You will receive an IRS Form 1099 for the check. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the

settlement and should consult a tax advisor regarding the tax consequences of such payment. Your individual settlement check is based on the total number of pay periods during which you were worked for Defendant in California for at least one day during the PAGA Period. According to Defendant's records, you had a total of ___ Pay Periods.

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.