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Case Number CVRI2500837 0000181161821 - Jason B. Galkin, Executive Officer/Clerk of the Court By Brian Votruba, Clerk

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

ALVIN COUNTS, an individual; on behalf of himself and all others similarly situated and the general public, Plaintiffs, vs. PROFESSIONAL AUTO TRANSPORT, INC., a Nevada corporation; and DOES 1 to 100, inclusive, Defendants.	**Case No. CVRI2500837** [Assigned for all purposes to the Hon. Harold W. Hopp, Dept. 1] **Court Reservation ID: 676643143203** **DECLARATION OF AARON A. BARTZ IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Date: November 12, 2026 Time: 8:30 a.m. Dept: 1

DECLARATION OF AARON A. BARTZ

I, Aaron A. Bartz, declare:

1. I am an attorney licensed to practice before all courts of the State of California. I am the owner of Bartz Law Group APC, and Class Counsel for the Plaintiff herein. I have personal knowledge of the facts herein. If called as a witness, I could and would competently testify to those facts under oath.

2. I submit this declaration in support of Plaintiff Alvin Counts' (Plaintiff's) Motion for Preliminary Approval of Class and PAGA Settlement. A true and correct copy of the Class Action and PAGA Settlement Agreement (Settlement Agreement), Class Notice, Request for Exclusion Form and Objection Form are attached collectively hereto as **Exhibit 1**. The capitalized terms used herein shall have the same meaning as the definitions in the Settlement Agreement.

FACTUAL BACKGROUND AND PROCEDURAL HISTORY

3. This case arises out of alleged wage and hour violations by Defendant Professional Auto Transport, Inc. ("Defendant") against its current and former California non-exempt employees. Plaintiff worked as a non-exempt hourly employee for Defendant between 2022 and 2024. On November 27, 2024, Plaintiff, on behalf of himself and all other aggrieved employees of Defendant, served a Private Attorneys General Act (PAGA) letter, alleging various Labor Code violations, including: (1) failure to pay all wages; (2) failure to provide meal periods; (3) failure to authorize and permit rest periods or provide compensation in lieu thereof; (4) failure to timely pay all wages owed; (5) failure to reimburse expenses; (6) failure to properly maintain and submit accurate itemized wage statements; and (7) waiting time penalties. A true and correct copy of Plaintiff's PAGA letter served on November 27, 2024 is attached hereto as **Exhibit 2**.

4. Plaintiff filed his Complaint on February 14, 2025. Thereafter, on April 25, 2025, Plaintiff filed a First Amended Class Action and PAGA Complaint against Defendant in the Riverside Superior Court, alleging (1) unfair competition; (2) failure to pay minimum and overtime wages; (3) waiting time penalties; (4) failure to pay meal and rest period premiums at

the regular rate of pay; (5) failure to provide accurate itemized wage statements; (6) failure to provide meal periods; (7) failure to authorize or permit rest periods; (8) failure to reimburse expenses; and (9) PAGA penalties. A true and correct copy of Plaintiff's operative Complaint is attached hereto as **Exhibit 3**.

SUMMARY OF SETTLEMENT

5. The gross settlement is for $736,520. The settlement fund is allocated as follows:

(1) Net Settlement Amount: Approximately $368,513 depending on approval of the other amounts outlined below;

(2) Attorney's fees and costs: $245,507 in Class Counsel Fees Payment and up to $30,000 in Class Counsel Litigation Expenses Payment;

(3) Administrator Expenses Payment not to exceed $7,500;

(4) PAGA payment to the LWDA: $48,750;

(5) PAGA payment to Aggrieved Employees: $26,250;

(6) Class Representative Service Payment totaling $10,000 for Plaintiff.

6. This declaration sets forth the required information required by the Court's Case Management Order (CMO), and the below numbering corresponds to the numbering in the CMO:

Number of Class Members

G(3)(a)(i): Based on data provided by Defendant, Class Counsel estimates that there are approximately 430 total Class Members during the Class Period, and 282 Aggrieved Employees during the PAGA Period;

Nature of the Claims

G(3)(a)(ii), (iii): The operative Complaint alleges claims for 1) Unfair Business Practices; 2) Failure to Pay All Wages; 3) Waiting Time Penalties; 4) Failure to Pay Meal and Rest Period Premiums at the Regular Rate of Pay; 5) Failure to Provide Accurate Itemized Wage Statements; 6) Failure to Provide Meal Periods; 7) Failure to Authorize and Permit Rest Periods; 8) Failure to Properly Maintain and Submit Itemized Wage Statements; 6) Failure to Reimburse Expenses;

and 9) Violation of Labor Code § 2699 (PAGA). Plaintiff further alleges that she and the Class are entitled to damages, restitution, wages, attorneys' fees, and interest, among other remedies.

Pursuant to *Kullar v. Footlocker Retail Inc*., 168 Cal. App 4th 116, 118 and *Dunk v. Ford Motor Co.*, (1996) 48 Cal.App.4th 1794, the following describes the settlement's reasonableness. Plaintiff recognizes the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff has also taken into account the uncertainty and risk of denial of motion for class certification and the uncertain outcomes resulting from further litigation, and the difficulties and delays inherent in such litigation.

Based on the foregoing, Plaintiff has determined that the settlement is a fair, adequate and reasonable settlement and is in the best interests of the Class Members. The reasonable exposure and the reasonable settlement value for each of the alleged claims are as follows:

CLAIM	**TOTAL EXPOSURE**	**SETTLEMENT VALUE**
Failure to Pay Wages	$1,500,000	$150,000
Meal	$18,900,000	$945,000
Rest	$19,000,000	$380,000
Paystub	$819,000	$81,900
Waiting time	$4,100,000	$410,000
Reimbursement	$273,000	$27,300
PAGA	$1,000,000	$100,000
TOTAL	**$45,592,000**	**$2,094,200**

I. Overtime/Minimum Wage Violations

California Labor Code § 510(a) and the IWC Wage Orders regulating payment of wages in the state of California, provide that eight (8) hours of labor constitutes a day's work and any work in excess of eight (8) hours in one (1) workday and any work in excess of forty (40) hours in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for each employee and any work in excess of twelve (12) hours in any one workday shall be compensated at the rate of no less than twice the regular rate of pay for each employee. In addition to not paying employees for all hours worked in excess of 8 in a given day or 40 during the week, Defendant also fails to pay for all hours worked at the minimum wage, by failing to pay drivers for pre-trip truck inspections prior to the beginning of their shifts. Defendant is therefore in violation of Labor Code §§ 510 and 1194, and the relevant California Industrial Welfare Commission Orders.

Plaintiff alleges that he and other drivers must conduct pre-trip inspections prior to their shifts beginning. Plaintiff and others will testify that they were trained to do such inspections prior to clocking in, and were told by manages not to "steal time" by conducting such inspections after their shifts were to begin. Off-the-clock time is compensable when an employer knows or should have known the employees are working off-the-clock time. *See Morillion v. Royal Packing Co.*, 22 Cal.4th 575, 585 (2000). Here, such pre-trip inspection time is compensable because Plaintiff alleges that and other drivers were instructed by Defendant's supervisors and managers to arrive before their shifts and perform such inspections to maximize their ability to meet strict delivery schedules.

Defendant contends that its regular and overtime payment policies were lawful, and that it paid for all time worked, including any overtime worked by Class Members. Defendant also contends that it properly calculated Class Members' overtime at the regular rate of pay.

Plaintiff and his expert analyzed payroll and time records for the class members and

calculated that the total verdict value for this claim is approximately $1,500,000.[1] Plaintiff and his expert assumed 20 minutes per shift of unpaid hours, based on discussions with the Plaintiff and other class members. Plaintiff's expert reviewed payroll records for the class, including pay period counts per year, and a weighted average rate of pay. Based on the defenses alleged, as well as fact that the failure to pay wage claims will rest on testimony from Plaintiff and class members, and documented evidence of such violations is scant, Plaintiff placed a reasonable settlement value of the overtime/minimum wage claim at ten percent of the total verdict value, or **$150,000**. This valuation takes into consideration Class Counsel's analysis of the law, and evidence produced by the Defendant.

II. Meal and Rest Period Claims

a. Meal period liability and damages

Plaintiff contends that Defendant failed to provide Plaintiff and Class Members with a duty-free 30-minute meal period for every five hours of work as is required by Labor Code § 512 and the applicable IWC Wage Order(s) and in violation of *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012). Failure to provide a meal in accordance with the applicable Wage Order(s) results in payment by the employer of one additional hour of pay at the employee's regular rate of pay for each workday that the meal period is not provided. (Labor Code § 226.7.)

In *Brinker*, *supra*, the California Supreme Court held that "under ... Labor Code § 512, subdivision (a), an employer must relieve the employee of all duty for the designated period, but need not ensure that the employee does no work" during the meal period. *Id.* at 1034. However, "...an employer may not undermine a formal policy of providing meal breaks by pressuring employees to perform their duties in ways that omit breaks. *Cicairos v. Summit Logistics, Inc.*,

[1] The total verdict value includes minimum wage violations only, because truck drivers are exempt from California's overtime laws, and there is no evidence that Defendant did not pay overtime to non-drivers.

133 Cal.App.4th 949, 962–63 (2005); *see also Jaimez v. DAIOHS USA, Inc*., 181 Cal.App.4th 1286, 1304–05 (2010) [proof of common scheduling policy that made taking breaks extremely difficult would show violation]; *Dilts v. Penske Logistics, LLC*, 267 F.R.D. 625, 638 (S.D.Cal.2010) [indicating informal anti-meal-break policy "enforced through 'ridicule' or 'reprimand'" would be illegal].) Defendant also cannot create "incentives to forego, or otherwise encourage[] the skipping of legally protected breaks." *Brinker*, *supra*, 53 Cal.4th at 1040.

Moreover, when time records show short, missed, and late meal periods, there is a presumption that an employer violated California's meal period requirements. *See Donohue v. AMN Services, LLC*, 11 Cal.5th 58, 78 (2021) ("If time records show noncompliant meal periods, then a rebuttable presumption of liability arises.")

Plaintiff contends that Defendant's meal period practices are unlawful under California law. ***First***, Defendant has produced no time records showing clock in and clock out times for meal periods. This is a prima facie violation of California law. Moreover, the lack of time records, under *Donahue*, creates a presumption that Defendant was not in compliance with the law. ***Second***, based on Plaintiff's expert analysis, despite the presumed violation rate, there were approximately $7,300 in meal period premiums paid during the class period.

Defendant contends that Plaintiff and Class Members had the ability and in fact did take meal periods, and that if they did not, it was their own choice, and therefore not actionable. Defendant further contends that it has time records showing such meal periods. Defendant also contends that for the truck drivers, they are not entitled to meal periods, as the Federal Motor Carrier Safety Administration's (FMCSA) orders preempt California's meal period rules. .

Class Counsel and Plaintiff's expert calculated the maximum verdict value of the meal break claim to be approximately $18,900,000. This calculation is based on the assumption that each late, missed or short meal period was the result of Defendant's interference with Plaintiff's and the class members abilities to take duty-free meal periods, and assumes that California's meal period laws are applicable to truck drivers. Accordingly, Class Counsel and his expert

determined a total violation rate for the class members, and average rate of pay based on the payroll data for the class. Based on discussions with Plaintiff and interviews of other Class Members, and the defenses raised, Plaintiff believes he had a five percent probability of recovering all of these damages. Accordingly, Plaintiff contends the reasonable exposure of the meal break claim is approximately **$945,000**.

b. Rest period liability and damages

Section 12(A) of the IWC Wage Order(s) states: "Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages."

Section 12(B) of the IWC Wage Order(s) states: "If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided." Moreover, during rest periods, "employees must not only be relieved of work duties, but also be freed from employer control over how they spend their time." *Augustus v. ABM Sec. Servs., Inc.*, 2 Cal.5th 257, 270 (2016). Further, when an employer adopts common policies that prevent employees from taking their rest breaks, it presents a common factual issue by which liability may follow. *See Jaimez v. Daiohs USA, Inc.*, 181 Cal.App.4th 1286, 1304 (2010). Indeed, "[t]he wage orders and governing statute do not countenance an employer's exerting coercion against the taking of, creating incentives to forego, or otherwise encouraging the skipping of legally protected breaks." *Brinker, supra*, 53 Cal.4th at 1040.

Here, Plaintiff contends that Defendant did not authorize or permit Plaintiff or the Class Members duty-free rest periods for multiple reasons. ***First***, with respect to Plaintiff and other drivers, Plaintiff alleges that when Plaintiff and other drivers attempted to take rest periods, they were admonished for doing so, as Defendant tracked Plaintiff and other drivers' locations and delivery time. Whenever Plaintiff and other drivers detoured from their expected deliveries, they were immediately contacted on their personal cell phones and questioned about why they were taking a break. As such, Plaintiff and other drivers simply did not take their rest periods, because if they did, they were disciplined.

Second, Plaintiff's damages analysis estimates the same violation rate as applied to the meal periods. Defendant's record sampling reflected that no premium payments were attributed to **any** rest period violations. A complete lack of premium pay "would require perfection or, more likely, a 'deep, system-wide error' in failing to pay such premiums." *In re Tea Station Inv*., 2021 Bankr. LEXIS 2985, at *22 (C.D. Cal. Oct. 26, 2021). In *Safeway v. Superior Court* (2015) 238 Cal. App. 4th 1138, 1153, the Court counseled against arguments that are based on human perfection.

Defendant contends that it had valid rest period policies, it authorized and permitted rest periods for non-drivers, and for drivers, the FMCSA orders preempt drivers' rest period claims.

Plaintiff's expert calculated total violations across the class, multiplied by an average rate of pay for the class members. As such, Class Counsel and the expert calculated the maximum verdict value of the rest period claims to be approximately $19,000,000. Based on the difficulty of proving rest period violations on a class-wide basis, and the lack of objective evidence proving such violations, Plaintiff believes they had a two percent chance of recovering all of the rest period damages. As such, Plaintiff believes the reasonable exposure of the rest break claim is approximately **$380,000**.

III. Waiting Time Penalty

The waiting time penalty claim is purely derivative. Plaintiff and his expert analyzed the

data to find that there are approximately 221 former employees included in the putative class that would be eligible for the Labor Code §203 penalties. Plaintiff and his expert calculated the reasonable exposure of this claim at approximately $4,100,000. Plaintiff further discounted the waiting time penalty claim based on risk and the fact that waiting time penalties are not awarded if a good faith dispute exists as to whether the wages were owing. Further, the Class would have the burden of proving a "willful" withholding of wages. Plaintiff considered that under *Labor Code* §203 there is only a penalty if "an employer willfully fails to pay" all wages due to an employee upon separation. Willfulness does not exist if there is a "good faith dispute," in fact or law that wages were due, even if the employer's reasoning ultimately proves incorrect. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1204; 8 Cal. Code Regs. § 13520 ("A 'good faith dispute' that any wages are due occurs when an employer presents a defense, based in law or fact which, if successful, would preclude any recover on the part of the employee. The fact that a defense is ultimately unsuccessful will not preclude a finding that a good faith dispute did exist.")

Once Plaintiff determined the maximum reasonable exposure of the claim, Plaintiff placed a settlement value of **$414,000** or approximately ten percent of the reasonable exposure value, based upon the above discounts applied to the reasonable value of the claim.

IV. Paystub

As to the paystub penalty, which is derivative of the other claims identified above, Plaintiff and his expert arrived at a maximum reasonable exposure of this claim of approximately $819,000. This figure was arrived at by assuming that each wage statement that was provided to the class members violated Labor Code §226.

Defendant argues that, even assuming there are any violations, which they deny, the fact that derivative violations were minor and that the Defendant had presented evidence of a good faith dispute as to any violation rendered the violations meritless. *Hurst v. Buczek Enters., LLC* (N.D. Cal. 2012) 870 F.Supp.2d 810, 829 (no section 226 violation where the employer "makes a

good faith claim" in its defense); *Harris v. Vector Mktg. Corp.* (2009) 656 F.Supp.2d 1128, 1146 (N.D. Cal. 2009) (the "employer did not knowingly and intentionally fail to provide itemized wage statements" where there was a "good faith dispute").

Based on the raised defenses, as well as the risk of certification and related risks of proving all violations, Plaintiff has placed a reasonable settlement value of **$81,900** or ten percent of the reasonable exposure of the pay stub claim.

V. PAGA

Plaintiff contends that PAGA penalties are owed based on the numerous alleged Labor Code violations identified above. Once a PAGA violation is found, a court must award civil penalties. *See Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1211-1213. Nevertheless, a court has discretion to reduce the award of civil penalties if it finds that "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." Cal. Lab. Code § 2699(e)(2).

Significantly, moreover, there is a very real possibility that a court would substantially reduce the penalties, even if they are proven. *See, e.g., Fleming v. Covidien, Inc.*, 2011 WL 7563047, *3-4 (C.D. Cal. 2011) (reducing penalties from $2.8 million to $500,000 based on wage statement violations because to assess full penalties would be unjust and arbitrary); *Thurman v. Bayshore Transit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1134 (2012) (reduction of PAGA penalties by 30% affirmed on appeal).

Plaintiff and his expert calculated the reasonable PAGA penalties to be valued at $1,000,000 based on this being an initial violation against Defendant. Plaintiff believes the few cases that reported a PAGA trial that the discretionary penalties are discounted by approximately 75%-85%. Based on the uncertainty of recovery, Plaintiff believes the PAGA claim's reasonable value is ten percent of the total value, or approximately **$100,000**.

VI. Reimbursement Claim

California Labor Code section 2802(a) provides:

> 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, 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.

Plaintiff contends that Defendant failed to comply with California's reimbursement requirements by failing to adequately reimburse Plaintiff and the class members for using their personal cell phones while working for Defendant and were not reimbursed for such usage. *See Cochran v. Schwan's Home Serv., Inc.*, 228 Cal. App. 4th 1137 (2014).

In *Cochran*, the court stated: "The threshold question in this case is this: Does an employer always have to reimburse an employee for the reasonable expense of the mandatory use of a personal cell phone, or is the reimbursement obligation limited to the situation in which the employee incurred an extra expense that he or she would not have otherwise incurred absent the job? The answer is that reimbursement is always required. Otherwise, the employer would receive a windfall because it would be passing its operating expenses on to the employee. Thus, to be in compliance with section 2802, the employer must pay some reasonable percentage of the employee's cell phone bill." *Id*. at 1144.

Defendant contends that it paid for all reasonable and necessary expenses incurred by Plaintiff and Class Members, and in fact reimbursed class members for cell phone usage, and therefore the claim has little to no value.

Plaintiff contends that this claim is valued at $273,000 based upon average cell phone usage and failure by Defendant to reimburse class members for their full monthly usage while at work. Given the fact that there are individualized issues in proving reimbursement violations and damages, Plaintiff believes this claim's reasonable value is **$27,300**, or ten percent of the total value.

VII. Total Damage Exposure[2]

Plaintiff believes that the $736,520 settlement achieved in this case is very good for the class members. Based upon a reasonable exposure value of $2,094,200, the Settlement represents approximately 35% of that total value. Given the many defenses raised, the uncertainty of the certifiability of any class, and the risks of going to trial, Class Counsel believe this Settlement is a good result for all of the Class Members.

Estimate of Recovery of Average Class Member

G(3)(a)(iv): Based upon the Net Settlement Amount set forth above, Class Counsel anticipates that each Class Member will receive, on average, approximately $857.

Estimate of PAGA Recovery

G(3)(a)(v): Each Aggrieved Employee will receive approximately $61 in penalties under PAGA.

Nature and Extent of Factual Investigation and Informal Discovery Exchanged

G(3)(a)(vi): Plaintiff filed his operative First Amended Class Action and PAGA Complaint on April 25, 2025. Shortly after filing, the parties discussed the possibility of early resolution and informal discovery to evaluate the class and PAGA claims.

To that end, Defendant produced hundreds of pages of time and payroll records, and an Excel spreadsheets with thousands of lines of pay data for the Class. Plaintiff also hired experienced damages expert Lawrence Beall to analyze the payroll and related wage data and create a damages model for the various claims alleged in the case. Based upon the analysis of the time records and payroll data, Mr. Beall and Class Counsel were able to calculate damage estimates on a class-wide basis.

[2] The Unfair Competition claim is subsumed into the *Kullar* analysis above. The Unfair Competition claim is based upon the wage and hour violations, and adds an extra year of damages, and is included within the above analysis.

The parties did not attend Mediation in this matter until they had sufficient data and documents to evaluate the claims in the case. On April 2, 2026, the parties attended a full-day Mediation before experienced wage and hour mediator Lynn Frank, Esq. After an all-day mediation, the parties reached a settlement, memorialized in a Memorandum of Understanding the day of the Mediation. Thereafter, the parties entered into the Settlement Agreement in July 2026.

No Other Competing Class Claims

G(3)(a)(vii): Class Counsel is unaware of any class, representative, or other collective action in any other court in this or any other jurisdiction that asserts claims similar to those asserted in this action on behalf of a class or group of individuals some or all of whom would also be members of the class defined in this action. Further, Class Counsel inquired with relevant court filing databases and was unable to locate any other similar filings.

Uncashed Checks

G(3)(c): All uncashed checks shall be voided by the Administrator and the Administrator shall transmit the funds represented by such checks to the California State Controller Unclaimed Property Fund pursuant to governing law to be held there for the benefit of Class Members under California's escheatment laws.

Settlement Administrator

G(3)(d)(i): The parties received quotes from various settlement administrators, and chose the lowest bid. The lowest bid came from experienced administrator, Xpand Legal ("Xpand"), who will prepare and send notice to the Class, receive and process objections and opt-outs, and prepare and mail settlement checks to Participating Class Members. The Administrator will conduct skip-tracing for any Class Member whose addresses cannot be found.

Release

G(3)(e): The settlement agreement's release includes Defendant and its directors, officers, employees, and agents. This is standard release language, and adequately protects Defendant.

The release includes only those claims alleged, or that could have been alleged, based on the facts stated in the Operative Complaint. The Aggrieved Employees release only civil penalties and other amounts recoverable under PAGA in connection with the PAGA claim, and as alleged in the Operative Complaint and PAGA Notice, not wages or damages, unless also released as part of the Class claims.

Class Notice

G(3)(f): In my opinion, the best and most practicable method to notify Class Members is by mail, as all members of the Class were at one time employed by Defendant in California. For current employees of Defendant who are Class Members, Defendant has current addresses. I am also informed and believe that Defendant maintains last known addresses for all of their former employees, so mailing the notices is preferable to some other method. In the event former employees are no longer at the addresses maintained by Defendant, Xpand will engage in skip tracing to track down their current addresses.

Employer's share of payroll taxes and settlement allocation

G(3)(i), (j): The employer's share of payroll taxes shall be paid outside of the settlement by Defendant. The Parties allocate the Net Settlement Amount as follows: 20% wages and 80% to penalties and interest.

PAGA Penalties

G(9)(b): The PAGA penalties were further explained in the *Kullar* analysis above. I believe there is a small chance that the violations would be determined to be knowing and intentional because, among other reasons, Defendant has facially compliant wage and hour policies, which is why I ascribe only a 5% chance of recovering those penalties. Based on the small chance of recovery, I believe the allocation of $75,000 to PAGA is fair and reasonable here.

NUMEROSITY AND ASCERTAINABILITY

7. Based on payroll and other employment records, Defendant has identified approximately 430 employees who fit within the class, who worked no more than 40,509

workweeks. As such, the Class is ascertainable based on Defendant's employment records and are numerous under any legal standard, therefore satisfying the numerosity requirements in California pursuant to California Code of Civil Procedure §382. The Class is defined as follows:

All non-exempt current and former employees who worked in California for Defendant during the Class Period (February 14, 2021 and May 1, 2026).

COMMONALITY

8. Common questions of law and fact predominate here for purposes of settlement, as the main issues involve the legality of Defendant's policies regarding the failure to pay all wages, failure to provide all legally compliant off duty and uninterrupted meal periods, the failure to provide all legally compliant off duty and uninterrupted paid rest periods, failure to timely furnish accurate itemized wage statements, and failure to timely pay all former employees all wages owed, and failure to reimburse for business expenses.

9. Plaintiff contends that these are all pay policy questions that are uniform and can be proven by common objective evidence. The evidence to support these claims consists of pay policies, payroll records, time records and pay stubs given to all Class Members.

TYPICALITY AND ADEQUACY

10. The claims of the Plaintiff are typical of the Class Members. The proposed Class Representative is adequate because he will adequately and fairly represent the Class and will not place his interests above any Member of the Class. The Class Representative Plaintiff worked for the Defendant in the state of California during the relevant time period and, therefore, worked under the same policies and procedures and was paid according to the same pay plans for the entire period, as all other Class Members.

ATTORNEY COMPETENCE IN CLASS ACTIONS

11. I am experienced class action counsel, including specializing in wage and hour and employment claims. Some of the class action litigation on which I have served as Class Counsel include:

a. *Wilkins, et al. v. Equinox Holdings, Inc.*
Los Angeles Superior Court, No.: BC440058

b. *TBC Retail Group Wage and Hour Cases*
Los Angeles Superior Court, No.: JCCP No. 4701

c. *Casserly v. Randstad US,L.P.,et al.*
U.S.D.C., Central District of California, No. SACV 12-1023-DOC(ANx)

d. *Crilly v. Micro Electronics, Inc*.
Orange County Superior Court, No.: 30-2013-00662586-CU-OE-CXC

e. *Concho, et al. v. Pipeline Carriers, Inc. et al.*
Orange County Superior Court, No.:30:2013-00649600-DU-OE-CXC

f. *Holsted et al. v. R.J. Noble Company et. al.*
Orange County Superior Court, No.:30:2010-00379770-CU-OE-CXC

g. *Piggue v. Chief Protective Services, Inc.*
Orange County Superior Court, No.:30-2013-00688107-CU-OE-CXC

h. *Walsh v. Pacific Bell Telephone Company*
Orange County Superior Court, No.:30-2011-00498062-CU-OE-CXC

i. *Woods v. JFK Memorial Hospital*
Riverside County Superior Court, No.: INC 1205209

j. *Ramirez et. al v. Titan Insurance of New Mexico*
Riverside County Superior Court, No.: RIC1211890

k. *DeSantos v. Jaco Oil Company*, et al.
U.S.D.C. Eastern District of California, No. 1:14-CV-00738-JLT

l. *Duran v. Big 5 Corp.*
Los Angeles Superior Court, Case No. BC557154

m. *Sheahan v. Celtic Leasing Corporation, Inc.*
Orange County Superior Court No.: 30-2016-00852151-CU-OE-CXC

n. *Panusis v. Control4 Corporation*
United States District Court, Central District of California
Case No. SACV-16-1179-DOC

o. *Matthews v. Whelan Security of California, Inc.*

Orange County Superior Court, No.: 30-2016-00833250-CU-OE-CXC

p. *Rodriguez v. R.J. Noble Company (Navarro/Kles)*
Orange County Superior Court, No.: 30-2017-00916018-CU-OE-CXC

q. *Wang v. Fountain Valley Regional Hospital*
Orange County Superior Court, No. 30-2015-00821329-CU-OE-CXC

r. *Skerl v. Sutter Bay Hospitals*
San Mateo Superior Court, No. 21-CIV-02057

s. *Rodriguez v. Travel Traders, Inc.*
Los Angeles Superior Court, Case No. 23STCV20804

t. *Franceschi v. Airport Appliance, Inc.*
Santa Clara Superior Court, Case No. 23CV421926

12. I graduated from Vanderbilt University in 1992 with a Bachelor of Arts in Economics and English, and graduated from Southwestern Law School in 1998. Since becoming a lawyer in 1998, my practice has focused on complex litigation matters, and since 2010, complex employment law and wage and hour matters.

13. I am a member of the California State Bar, the Orange County Bar Association, and Los Angeles County Bar Association. I have an AV rating from Martindale-Hubbell, the highest possible rating for a lawyer. During my 28+ year career, I have handled many successful employment law matters both at the trial and appellate levels. I estimate that I have represented plaintiffs in hundreds of employment cases, the vast majority of which have resulted in favorable settlements, awards and/or verdicts for my clients. I have successfully prosecuted and obtained significant recoveries in several class action lawsuits and other lawsuits involving complex legal and factual issues. For example, in 2015, I was co-lead counsel in *Walsh v. Pacific Bell*, which involved AT&T's leave policies, and settled for $16,800,000. Recently, in October 2023, I was also co-lead counsel in *Skerl v. Sutter Bay Hospitals*, in which final approval was granted for a $12,000,000 settlement for health care workers who experienced wage and hour violations. I have also been involved in many other million and multi-million dollar verdicts and settlements over the years.

14. In addition to myself, Rex J. Phillips, an attorney with over 19 years of experience, also assisted me with the prosecution of this case. Mr. Phillips graduated with Honors from Glendale University College of Law, achieved a B.A. in English from California State Polytechnic University, Pomona, and has many years of experience prosecuting employment actions, including wage and hour class and representative actions.

15. Also assisting Mr. Phillips and I in this case were our paralegals Nestor Mejia and Leanne Nguyen-Phuoc. Mr. Mejia has an AA from West Los Angeles College in Business Administration, and has many years of experience working on employment and wage and hour matters, including PAGA and complex class actions, for my firm and others within California. Ms. Nguyen-Phuoc obtained her BA in Criminology, Law and Society and her Paralegal Certification from UCI, and has worked on class actions and other complex cases since her inception with my firm.

CLASS ENHANCEMENTS AND ATTORNEYS' FEES, COSTS AND EXPENSES

16. Plaintiff has assisted Class Counsel in his investigation by connecting Class Counsel to other individuals who were employed by Defendant, and by corresponding with Class Counsel to answer questions about their employment. Plaintiff also spent many hours conferring with Class Counsel both prior to and after initiating this litigation, assisted in the preparation for mediation, and has produced payroll and other employment records to assist Class Counsel in pursuing the claims in this case.

17. In addition, Plaintiff is releasing all claims, not just wage and hour claims, as part of her release in this case. As such, Plaintiff's release includes a waiver of unknown claims and her rights under California Civil Code § 1542.

18. Based on the above, the requested service payment of $10,000 for Plaintiff is appropriate and justified. Plaintiff will submit a declaration in further support of his Class Representative Service Payment with the motion for final approval.

19. Plaintiff also intends to request attorneys' fees not to exceed one-third of the settlement, and reimbursement of costs not to exceed $30,000. Plaintiff's attorneys have

achieved an excellent result, and believe that the percentage requested is fair and appropriate in this case, and all of the costs requested assisted in the prosecution of this case. Plaintiff will submit a detailed declaration and attorneys' bills and costs with her motion for final approval.

20. Additionally, Plaintiff will request that the Administrator, Xpand, be paid no more than $7,500 to administer the settlement.

21. My office provided notice of the proposed settlement and all documents filed in support of this motion for PAGA settlement approval to the LWDA via uploading the documents to the California DIR/LWDA's website on the same date as the filing of the instant motion.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct. Executed on September 8, 2026, at Irvine, California.

//Aaron A. Bartz//
Aaron A. Bartz

EXHIBIT 1

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Attorneys for Defendant,
PROFESSIONAL AUTO TRANSPORT, INC.

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

ALVIN COUNTS, an individual; on behalf of himself and all others similarly situated and the general public, Plaintiff, v. PROFESSIONAL AUTO TRANSPORT, INC., a Nevada corporation; and DOES 1 to 100, inclusive, Defendants.	Case No. CVRI2500837 Honorable Harold Hopp Dept. 1 CLASS ACTION **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT** Complaint Filed: 02/14/2025 FAC Filed: 04/25/2025 Trial Date: None Set

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Alvin Counts, an individual, on behalf of himself and all others similarly situated and the general public ("Plaintiff") and defendant Professional Auto Transport, Inc. ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

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1. **DEFINITIONS**

1.1. "Action" means the Plaintiff's class action lawsuit alleging wage and hour violations and civil penalties under PAGA against Defendant captioned *Alvin Counts v. Professional Auto Transport, Inc.,* Case No. CVRI2500837, filed on February 14, 2025, and pending in Superior Court of the State of California, County of Riverside.

1.2. "Administrator" means Xpand Legal ("Xpand"), the neutral entity the Parties have agreed to appoint 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 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 persons currently or formerly employed by Defendant, either directly or through any subsidiary, staffing agency, or professional employer organization, as non-exempt, hourly-paid employees during the PAGA Period in the State of California.

1.5. "Class" means all persons currently or formerly employed by Defendant, as non-exempt, hourly-paid employees during the Class Period in the State of California.

1.6. "Class Counsel" means Aaron A. Bartz, Esq. of Bartz Law Group, APC.

1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Actions.

1.8. "Class Data" means Class Member identifying information in Defendants' custody, possession, or control, including the Class Member's (1) name; (2) last known address(es); (3) last known telephone number(s); (4) last known Social Security Number(s); (5) the dates of employment (i.e., hire dates, and, if applicable, re-hire date(s) and/or separation date(s)); and (6) the Class Member's gross earnings during the Class Period.

1.9. "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-

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Participating Class Member who qualifies as an Aggrieved Employee).

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

1.11. "Class Notice" means the NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE FOR FINAL APPROVAL HEARING, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. "Class Period" means the period from February 14, 2021 to May 1, 2026.

1.13. "Class Representative" means the named Plaintiff in the Operative Complaint in the Action seeking Court approval to serve as a Class Representative.

1.14. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Actions and providing services in support of the Action.

1.15. "Court" means the Superior Court of California, County of Riverside, where the Class Action was amended to add Plaintiff's PAGA claims.

1.16. "Defendant" means named defendant Professional Auto Transport, Inc.

1.17. "Defense Counsel" means Victor J. Cosentino, Esq. and Gloria G. Medel, Esq. of Larson & Gaston, LLP.

1.18. "Effective Date" means the later of: (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 if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final

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Approval of the Settlement.

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

1.22. "Gross Settlement Amount" means $736,520.00 (Seven Hundred Thirty-Six Thousand Five Hundred Twenty Dollars and Zero Cents) which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8.1 below and any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, and the Administrator's Expenses.

1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the amount of the Participating Class Member's gross earnings during the Class Period.

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

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

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

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

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

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

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1.30. "Notice Packet" means the packet of documents that will be mailed to all Class Members by the Administrator, including the Class Notice, Request for Exclusion Form, and Notice of Objection Form in Exhibit A.

1.31. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

1.32. "PAGA Period" means the period from November 27, 2023 through May 1, 2026.

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

1.34. "PAGA Notice" means Plaintiff's letter dated on or about November 27, 2024 to Defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3 subd. (a).

1.35. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees ($26,250.00) and the 65% to the LWDA ($48,750.00) in settlement of PAGA claims.

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

1.37. "Plaintiff" means Alvin Counts, the named plaintiff in the Action.

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

1.39. "Preliminary Approval Order" means the proposed Order granting Preliminary Approval of the Settlement including settlement of the PAGA claims.

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

1.41. "Released PAGA Claims" means the claims being released as described in Paragraph 5.4 below.

1.42. "Released Parties" means: Defendant, and each of its former, present and future officers, directors, employees and agents.

1.43. "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.

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1.44. "Response Deadline" means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 15 days beyond the Response Deadline has expired.

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

1.46. "Workweek" means any week during which a Class Member worked for Defendants, for at least one day during the Class Period, based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

2. **RECITALS**

2.1. On February 14, 2025, Plaintiff commenced the class action by filing a class action complaint in Riverside Superior Court, Case No. CVRI2500837, against Defendant for: failures to properly pay overtime and/or double time, provide meal and rest breaks premiums at the proper regular rates of pay, provide meal periods, provide rest breaks, pay minimum wage for all hours worked, willful failure to pay all wages owed upon separation, provide accurate wage statements, reimburse business expenses, unfair competition. ("Class Action").

2.2. On or about November 27, 2024, Plaintiff filed with the LWDA and served on Defendant a notice under Labor Code section 2699, *et seq*. seeking to represent other non-exempt employees against Defendant for various Labor Code violations. ("PAGA Notice").

2.3. After sixty-five (65) days had passed without any action by the LWDA with respect to the Labor Code violations alleged in the PAGA Notice, Plaintiff filed a separate representative action under PAGA against Defendant in Riverside Superior Court, Case No. CVRI2500838, for the Labor Code violations set out in the PAGA Notice ("Riverside PAGA Action").

2.4. On April 25, 2025, Plaintiff filed the First Amended Complaint, Case No. CVRI2500837 adding the PAGA claim to the Class Action claims and dismissed the separate Riverside PAGA Action. The First Amended Complaint is the operative complaint in the Action

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(the "Operative Complaint").

2.5. Thereafter, the Parties agreed to exchange informal discovery and attend mediation.

2.6. Prior to mediation Plaintiff obtained, through informal discovery: (a) time and payroll records for approximately 100% of Class Members from the beginning of the Class Period through February 13, 2026; (b) a class list of hire dates, termination dates, and rates of pay for all Class Members; (c) wage and hour policy documents; (d) employee handbooks; and (e) all documents pertaining to Plaintiff available to Defendant.

2.7. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.8. On April 2, 2026, the Parties participated in an all-day mediation presided over by mediator Lynn Frank. The mediation was successful, and the Parties agreed to globally resolve all Class and PAGA claims in the Action.

2.9. Plaintiff has not moved for, and the Court has not granted class certification.

2.10. 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 8.1 below, Defendant promises to pay $736,520.00 as the Gross Settlement Amount, unless increased pursuant to Paragraph 8.1 of this Agreement, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

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the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to Plaintiff of not more than $10,000.00 in addition to any Individual Class Payment and any Individual PAGA Payment Plaintiff is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 8.1 of this Agreement, is currently estimated to be $245,507 and a Class Counsel Litigation Expenses Payment of not more than $30,000.00. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will endeavor to file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment prior to the Final Approval Hearing. 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. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class 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

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harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. There will be no additional charge of any kind to either the Class Members or request for additional consideration from Defendant for such work unless Defendant materially breaches this Agreement, including any term regarding funding, and further efforts are necessary from Class Counsel to remedy said breach, including, without limitation, moving the Court to enforce the Agreement. Should the Court approve attorneys' fees and/or litigation costs and expenses in amounts that are less than the amounts provided for herein, then the unapproved portion(s) shall be a part of the Net Settlement Amount.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed $7,500 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than $7,500 the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Participating Class Member's gross earnings during the Class Period by the sum of all Participating Class Members' gross earnings during the Class Period and (b) multiplying the result by the Net Settlement Amount.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to 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

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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.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $75,000.00 to be paid from the Gross Settlement Amount, with 65% ($48,750.00) allocated to the LWDA PAGA Payment and 35% ($26,250.00) allocated to the Individual PAGA Payments.

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 $26,250.00 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 Aggrieved Employee's PAGA Period 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. 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 to date, during the period from the beginning of the Class Period through February 13, 2026, Defendant estimates there are 421 Class Members who collectively worked a total of 36,826 Workweeks and 282 Aggrieved Employees who worked a total of 17,411 PAGA Pay Periods.

4.2. Class Data. Not later than 30 days after this Agreement has been fully executed, 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

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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 Members' 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.

4.3. Funding of Gross Settlement Amount. Within five (5) days after entry of the order granting Final Approval, the administrator shall calculate entry of the order granting Final Approval and provide that information to Defense Counsel. The Defendant shall fully fund the Gross Settlement Amount and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator ten (10) business days after entry of the order granting Final Approval or until October 1, 2026, whichever is later.

4.4. Payments from the Gross Settlement Amount. Within ten (10) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and the 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, postage prepaid. The face of each check shall prominently state the date (not less than 180 calendar days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-

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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 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 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 cancelled after the void date, the Administrator shall redistribute those funds to class members who have cashed their checks on a pro rata basis. In the event that such redistribution of funds results in checks that remain uncashed, the Administrator shall transmit the funds represented by such checks to the California State Controller's Office, Unclaimed Property Division in the name of the Class Member thereby leaving no unpaid residue pursuant to the requirements of Code of Civil Procedure section 384.

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. RELEASE OF CLAIMS

Effective upon entry of Judgment, the Order granting Final Approval of this Settlement, and on the date when Defendant fully funds the entire Gross Settlement Amount and funds all

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employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiff's PAGA Notice. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.2. Release by Participating Class Members: For the duration of the Class Period, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint.

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5.3. Except as set forth in Section 5.2 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.4. Release by Aggrieved Employees: For the duration of the PAGA Period, 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 facts stated in the Operative Complaint and the PAGA Notice.

5.5. MOTION FOR PRELIMINARY APPROVAL

The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

5.6. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial

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notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), 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 the Administrator.

5.7. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

5.8. 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 and conferring, 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 and conferring, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

6. SETTLEMENT ADMINISTRATION

6.1. Selection of Administrator. The Parties have jointly selected Xpand to serve as the Administrator and verified that, as a condition of appointment, Xpand agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

6.2. 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. Such QSF will have its own Employer Identification Number.

6.3. Notice to Class Members

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6.3.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

6.3.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after Preliminary Approval, 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 and the amount of gross earnings and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

6.3.3. Not later than 3 business 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 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

6.3.4. The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 15 days beyond the 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.

6.3.5. If the Administrator, Defendant or Class Counsel are 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, and in good faith. in an effort to agree on whether to include them as Class Members. If

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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 15 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

6.4. Requests for Exclusion (Opt-Outs).

6.4.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion Form is included in the Notice Packet in Exhibit A, and reasonably communicate 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 postmarked by the Response Deadline.

6.4.2. 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 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.

6.4.3. 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 whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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6.4.4. 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 claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual PAGA Payment.

6.5. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 15 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via 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 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

6.6. Objections to Settlement

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

6.6.2. Participating Class Members may send written objections to the Administrator, by mail. A Notice of Objection form is included in the Notice Packet in Exhibit A. 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

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Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 15 days for Class Members whose Class Notice was re-mailed).

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

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

6.7.1. Website, Email Address and Toll-Free Number. The Administrator will 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, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls and emails.

6.7.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("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).

6.7.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,

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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 provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

6.7.4. 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.

6.7.5. Administrator's Declaration. Before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a 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.

6.7.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 7 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.

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7. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, Defendant estimates that, as of February 14, 2026, (1) there were 421 Class Members in the period from the beginning of the Class Period through February 13, 2026 and no more than 40,509 Total Workweeks during the Class Period and (2) there are 282 Aggrieved Employees who worked 17,411 Pay Periods during the PAGA Period.

7.1. Increase in Workweeks. In the event the number of Workweeks worked by Class Members during the Class Period increases by more than 10%, or 3,683 Workweeks, then the Defendant shall make an election that one of the following occur: (1) either the GSA shall be increased proportionally by the Workweeks in excess of 40,509 multiplied by the Workweek value; or (2) the Class Period and the PAGA Period (as well as the end date for the release period) will end on the date that the number of Workweeks worked by Class Members, when starting from the first day of the Class Period, reaches 40,509 Workweeks worked by Class Members. The Workweek Value shall be calculated by dividing the GSA ($736,520.00) by 36,826, and, thus, the Parties agree that the Workweek Value amounts to $20 per Workweek. ($736,520.00 / 36,826 Workweeks.) Thus, for example, should Defendant elect the former of the two options, and there are 44,559.90 Workweeks in the Class Period, then the GSA shall be increased by $81,020. ((44,560 Workweeks – 40,509 Workweeks) x $20 / Workweek).) Defendant shall provide the Class Data to the administrator no later than 30 days after full execution of the long form agreement. Defendant shall make its election regarding the above no later than 30 days before the first set Motion for Preliminary Approval. Should Defendant fail to make its election within the above timeframe, then option (2) in this paragraph shall automatically apply.

8. MOTION FOR FINAL APPROVAL

Prior to the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall endeavor to 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, and in good faith, to resolve any

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disagreements concerning the Motion for Final Approval.

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

8.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material 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 Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administrator Expenses Payment, shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

8.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected 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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8.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

9. AMENDED JUDGMENT

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

10. ADDITIONAL PROVISIONS

10.1. 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 or PAGA Notice 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 class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest 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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10.2. Confidentiality Prior to Preliminary Approval. Plaintiff, 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 each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, 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.

10.3. 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 Class Counsel's ethical obligations owed to Class Members.

10.4. 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.

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

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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.

10.6. 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.

10.7. 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.

10.8. No Tax Advice. Neither Plaintiff, 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.

10.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed or agreed to by all Parties or their representatives, and approved by the Court. Plaintiff and Defendant expressly agree that should the Parties agree to amend, modify, change, or waive this Agreement, or any part of it, Class Counsel and Defense Counsel are authorized to submit to the Court any amendments of this Agreement, amended Agreements, or amendments to the Agreement, on behalf of the Parties once fully executed, which includes, but is not limited to, authorization of the use of signatures previously provided by the Parties.

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

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10.11. 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.

10.12. 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.

10.13. 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.

10.14. Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.

10.15. 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.

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

10.17. 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 if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.18. 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 that pursuant to CCP section 583.330 to extend the

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date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

10.19. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defendant's Counsel and Class Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

IT IS SO AGREED:

DocuSigned by:

Plaintiff, Alvin Counts

Professional Auto Transport, Inc.
By: Christopher D. Wilno

AGREED AS TO FORM ONLY:

Signed by:
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Aaron A. Bartz
Counsel for Plaintiff

Victor J. Cosentino
Gloria G. Medel
Counsel for Defendant

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EXHIBIT A

CLASS NOTICE

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

Alvin Counts v. Professional Auto Transport, Inc.

(County of Riverside, California Superior Court Case No. CVRI2500837)

As a current or former non-exempt, hourly-paid California employee of Professional Auto Transport Inc. you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement fund.

You have received this Notice of Class Action Settlement because the records of Professional Auto Transport, Inc. ("Defendant"), show that you are a "Class Member" and, therefore, entitled to a payment from this class action settlement. Class Members are all persons currently or formerly employed by Defendant, as non-exempt, hourly-paid employees during the period from February 14, 2021, to May 1, 2026 ("Class Period") in the State of California.

- The settlement is to resolve a class action lawsuit, *Alvin Counts v. Professional Auto Transport, Inc.,* pending in the Superior Court of California for the County of Riverside, Case Number CVRI2500837 (the "Lawsuit"), alleging causes of action against Defendant for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage statement violations; (7) failure to indemnify; and (8) unfair competition.

- Based on these and other alleged Labor Code violations, Plaintiff also seeks penalties under the California Labor Code Private Attorneys General Act ("PAGA").

- On _____, the Riverside County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendant vigorously denies the claims in the Lawsuit and contends that it fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you were currently or formerly employed by Defendant, either directly or through any subsidiary, staffing agency, or professional employer organization, as non-exempt, hourly-paid employees during the period from November 27, 2023 through the end of the Class Period ("PAGA

	Period") in the State of California, then you will be deemed an "Aggrieved Employee" and you will still receive your share of the proceeds available from the settlement of the Released PAGA Claims, defined below, (your "Individual PAGA Payment") even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, _____, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for _____ in the Superior Court of California, County if Riverside – Historic Courthouse, located at 4050 Main Street, Riverside, CA 92501 in Department 1.

The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement will be held at _____, in the Superior Court of California, County of Riverside – Historic Courthouse, located at 4050 Main Street, Riverside, CA 92501 in Department 1. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendant's records show that you currently work, or previously worked, for Defendant as an hourly-paid, non-exempt employee in the State of California at some point during the Class Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them and how to get them.

What is This Case About?

Alvin Counts was an hourly-paid, non-exempt employee of Defendant. He is the "Plaintiff" in this case and is suing on behalf of himself and Class Members for Defendant's alleged (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage statement violations; (7) failure to indemnify; and (8) engaging in unfair competition. Based on the alleged Labor Code violations above-mentioned and other alleged Labor Code violations, Plaintiff also seeks penalties under California Labor Code Private Attorneys General Act ("PAGA").

Defendant denies all the allegations made by Plaintiff and denies that it violated any law. The Court has made no ruling on the merits of Plaintiff's claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiff and Defendant have agreed to settle this case on behalf of themselves and Class Members and Aggrieved Employees and for the Gross Settlement Amount of $736,520. The Gross Settlement includes (1) Administration Costs up to $7,500.00 (2) a service award of up to $10,000.00 to Plaintiff Alvin Counts for his time and effort in pursuing this case; (3) up to one third (1/3) of the Gross Settlement Amount in attorneys' fees which, unless increased pursuant to the Settlement Agreement, amounting to $245,507; (4) up to $30,000.00 in litigation costs to Class Counsel, according to proof; and (5) payment allocated to PAGA penalties in the amount of $75,000.00, of which 65% (or $48,750) will be paid to the California Labor and Workforce Development Agency ("LWDA") and 35% ($26,250.00) will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than $365,923.33 will be available for distribution to Class Members ("Net Settlement Amount").

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount calculated by (a) dividing the Participating Class Member's gross earnings during the Class Period by the sum of all Participating Class Members' gross earnings during the Class period and (b) multiplying the result by the Net Settlement Amount. In addition, Class Members who worked during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the $26,250.00 allocated as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Period.

Defendant's records indicate that your gross earnings as a non-exempt, hourly-paid employee in California during the Class Period and PAGA Period was [Class Member *gross earnings* during Class Period]. Defendant's records indicate you worked [PAGA Pay Periods During PAGA period] pay periods during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [$Estimated Class Award] and your estimated payment as an Aggrieved Employee would be [$Estimated PAGA Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than [Response Deadline]. Please include any documentation you have that you contend supports your dispute.

Tax Reporting

100% of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099. 20% of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2 ("Wage Portion"), and 80% will be allocated as penalties and interest ("Non-Wage Portion") reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Your check will be valid for 180 days after issuance. After 180 days, your check will be automatically cancelled, and the monies will go to other Class Members who have cashed their checks, and thereafter to the California State Controller Unclaimed Property Fund pursuant to governing law to be held there for the benefit of those Class Members who cashed their checks, under California's escheatment laws. Therefore, Class Members will be bound by the Settlement even if they do not cash their settlement check by the void date.

Your Options Under the Settlement

Option 1 – *Do Nothing and Receive Your Payment*

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the settlement, you will be bound by the entire release in the settlement and receive your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an Aggrieved Employee. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above**.

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all "Released Claims" he or she may have or had upon final approval of this Settlement and payment by Defendant to the Settlement Administrator.

Effective upon entry of Judgment, the Order granting Final Approval of this Settlement, and on the date when Defendant fully funds the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff and Class Members will release claims against all Released Parties as follows:

Release by Participating Class Members: For the duration of the Class Period, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (the "Released Class Claims").

Release by Aggrieved Employees: For the duration of the PAGA Period, 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 facts stated in the Operative Complaint and the PAGA Notices. (the "Released PAGA Claims").

"Released Parties" means Defendant, and each of its former, present and future officers, directors, employees and agents.

Option 2 – *Opt Out of the Settlement*

If you do not wish to receive your Individual Settlement Payment or release the Class Released Claims, you may exclude yourself by completing the Request for Exclusion Form included with this Notice, by setting forth your name, present address, telephone number, and returning the form to the Administrator by the date set forth below. Sign, date, and mail your written request for exclusion to the address below.

[Settlement Administrator]
[Mailing Address]

To be valid, your written request for exclusion must be mailed and postmarked to the Administrator not later than

[RESPONSE DEADLINE].

The proposed settlement includes the settlement of the PAGA Released Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are an Aggrieved Employee, you will still receive your Individual PAGA Payment and will be deemed to have released the PAGA Released Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Class Released Claims.

Option 3 – *Submit an Objection to the Settlement*

If you wish to object to the Settlement, you may object to the proposed settlement in writing using the attached Objection Form. Your written objection must provide your name, address, signature, a statement of whether you plan to appear at the Final Approval Hearing, and a statement of the reason(s), along with whatever legal authority, if any, why you believe that the Court should not approve the Settlement. Your written objection must be mailed to the Administrator no later than [RESPONSE DEADLINE]. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Even if you don't submit a written objection, you may appear at the Final Approval Hearing and provide a verbal objection before the Court.

Final Approval Hearing

You may, if you wish, appear at the Final Approval Hearing set for _____ at ____ a.m. at the Superior Court of California, County if Riverside – Historic Courthouse, located at 4050 Main Street, Riverside, CA 92501 in Department 1, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may attend this hearing virtually by audio or video at https://www.lacourt.ca.gov/pages/lp/lacc-welcome. You may also retain an attorney to represent you at the Hearing at your own expense.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at [PHONE NUMBER] or Class Counsel, whose information appears below:

BARTZ LAW GROUP, APC
Aaron Bartz, Esq.
5151 California Avenue
Irvine, CA 92617
Tel: (49)504-4413

You may also visit the Settlement Administrator's website at [WEBSITE] to gain access to key documents in this case, including the Settlement Agreement, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be

inspected at the Riverside Superior Court, 4050 Main Street, Riverside, California 92501during regular business hours of each court day. You may also obtain these documents through the Court's website at https://www.riverside.courts.ca.gov/.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT, OR DEFENDANT'S ATTORNEYS WITH INQUIRIES.

REQUEST FOR EXCLUSION FORM

Alvin Counts v. Professional Auto Transport, Inc.
Riverside Superior Court, Case No. CVRI2500837

Enclosed with this form is a Notice describing a class action settlement involving Professional Auto Transport, Inc.'s ("PAT") current and former non-exempt hourly employees between February 14, 2021 through May 1, 2026. The case involves alleged violations of the California Labor Code and Business & Professions Code, and related claims.

This settlement is the result of extensive settlement discussions. Both sides agree that, in light of the risks and expenses associated with further litigation, this Settlement is fair and appropriate under the circumstances. However, you have the opportunity to request exclusion from the proposed class settlement, as set out herein. **If you choose to exclude yourself from the class settlement, then you must accurately fill out and sign this Request for Exclusion Form and send it to the Settlement Administrator so that it is postmarked to the Settlement Administrator no later than xxxxx, 20__.**

This form must be addressed to:

Alvin Counts v. Professional Auto Transport, Inc.
c/o Settlement Administrator

IT IS MY DECISION TO BE EXCLUDED FROM THE CLASS SETTLEMENT AND NOT TO RECEIVE A CLASS SETTLEMENT PAYMENT. I UNDERSTAND THAT I HAVE THE RIGHT TO SEEK THE ADVICE OF COUNSEL WITH RESPECT TO THIS CHOICE AND HOW IT AFFECTS MY LEGAL RIGHTS, INCLUDING BUT NOT LIMITED TO THE APPLICABLE STATUTE OF LIMITATIONS.

By signing and returning this form, I certify that I have read the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval in this action and wish to be excluded from the class settlement. I understand that this means that I will not receive any payment under the class settlement, except as follows: The proposed settlement includes the settlement of claims for civil penalties under PAGA. You may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves this settlement, then even if you request exclusion from the class settlement, you still will receive an individual settlement share for the PAGA claims and will be deemed to have released the PAGA claims. A request for exclusion will preserve your right to individually pursue only the remaining class claims.

Dated: _____, 20__

_____ _____
(Signature) (Type or Print Name)

_____
(Address)

_____
(Telephone No.)

Alvin Counts v. Professional Auto Transport, Inc.
Riverside Superior Court, Case No.: CVRI2500837

OBJECTION FORM

MAIL TO:
c/o [Settlement Administrator]
P.O. Box *****
**********, CA *****
Telephone: (***) ***-****

ONLY SUBMIT THIS FORM WITH YOUR WRITTEN OBJECTION IF YOU WANT TO OBJECT TO THE SETTLEMENT.

Please provide the following information:

Name: _____

Address: _____

Telephone Number: _____

Signature: _____

ATTACH THIS OBJECTION COVER SHEET TO YOUR WRITTEN OBJECTION TO THE CLASS SETTLEMENT. IF YOU DO NOT OBJECT, DO NOT SUBMIT THIS FORM. INCLUDE ANY PAPERS UPON WHICH YOUR OBJECTION IS BASED.

PLEASE NOTE YOU CAN ONLY OBJECT TO THE CLASS SETTLEMENT IF YOU DO NOT REQUEST EXCLUSION FROM THE CLASS SETTLEMENT.

IF YOU WANT TO OBJECT, YOUR OBJECTION SHOULD BE POSTMARKED ON OR BEFORE _____, 20__, AND MAILED TO THE FOLLOWING MAILING ADDRESS:

c/o [Settlement Administrator]
P.O. Box *****
**********, CA *****
Telephone: (***) ***-****

EXHIBIT 2

BARTZ LAW GROUP, APC

5151 California Ave., Suite 100
Irvine, California 92617
(949) 504-4413
aaron@bartzlawgroup.com

November 27, 2024

Notice Via Online Submission

PAGA Administrator
California Labor and Workforce Development Agency

Via Certified Mail (Return Receipt Requested)

Professional Auto Transport, Inc.
c/o John David Floyd – Agent for Service of Process
4513 Parkhurst Street
Jurupa Valley, CA 91752

Re: ***PAGA Letter – Alvin Counts v. Professional Auto Transport, Inc.***

Dear PAGA Administrator:

Please be advised that Bartz Law Group, APC represents Alvin Counts and all other similarly situated aggrieved employees ("Plaintiffs") with respect to their employment in California with Professional Auto Transport, Inc. ("Employer").

Employer has committed numerous violations of the California Labor Code, including, but not limited to, sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1198, 1198.5, and 2802. The facts and theories to support the alleged violations are set forth herein.

Employer provides auto transport services throughout California. Plaintiff Counts was employed as a non-exempt employee for Employer from February 2022 to September 2024. Plaintiffs worked for Employer in California within the last year and were subject to the same wage and hour violations as Plaintiff Counts.

A. Failure to Pay All Wages

Employer has regularly failed to pay Plaintiff Counts and all other aggrieved employees all wages that they are owed, based upon Employer's policy and practice of failing to pay for all hours worked, by failing to pay for work performed prior to clocking in and after clocking out for work, as well as failing to pay for all overtime hours, including 8 in a given day or 40 hours per workweek. Employer further fails to pay for all overtime compensation at the proper regular rate of pay. That is, Employer fails to properly calculate the regular rate of pay for Plaintiffs who are paid hourly wages plus other compensation. As a result of failing to calculate the regular rate properly, the overtime premium rate is not calculated properly such that the Employer does not pay the full 1.5 premium for overtime hours and does not pay the full 2 times premium when calculating the double time premium. Further, Employer fails to pay Plaintiffs for missed meal and rest periods at the Plaintiffs' regular rate, pursuant to *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858 (2021). As

such, Employer is in violation of Labor Code §§ 226.7, 510 and 1194.

Employer further fails to pay Plaintiffs for all hours worked because Plaintiffs must work off-the-clock, and Employer's compensation system does not account for any time spent by Plaintiffs before and after their pre-designated shifts.

Labor Code § 204(a) provides in pertinent part that "[a]ll wages, other than those mentioned in [Labor Code] Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month." Pursuant to Labor Code § 204(b)(1), moreover, "all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period." Here, Employer did not pay Plaintiffs all wages owed in a timely manner, based on the allegations above, thereby violating Labor Code § 204.

B. Meal Breaks

Employer adopted, implemented and enforced uniform meal period policies that are not lawful under California law. Employer is required to provide a first meal period no later than the end of the 5th hour of work, and a second meal period no later than the end of the 10th hour of work. Employer fails and refuses to properly record meal periods, and Plaintiffs' meal periods often were late, missed, or short, because Plaintiffs were required to complete their jobs before taking their required meal period. Moreover, Plaintiffs frequently have to work through their meal periods, and even when getting their meal period, Plaintiffs are often interrupted and/or otherwise meal periods are taken while Plaintiffs are still attending to work, and as such, the meal periods are not duty-free.

Employer has also failed to pay Plaintiffs one hour of pay at their regular rate of pay for each workday that a compliant meal period was not provided. As such, Employer has violated Labor Code §§ 226.7 and 512.

C. Rest Breaks

Employer failed to adopt, implement, or enforce a rest break policy that complied with California law. Employer failed to authorize and permit Plaintiffs to take duty-free rest periods of 10 minutes for every four hours worked or major fraction thereof, by requiring Plaintiffs to regularly work through their rest periods to complete their duties. Moreover, Employer imposed obstacles to taking of rest periods, including restricting Plaintiffs from taking their rest periods because they were attending to work duties, disciplining Plaintiffs when they took rest periods, and otherwise discouraging the taking of rest periods. As a result of Employer's lack of a rest break policy that complies with California law, Employer has violated Labor Code section 226.7.

Employer also failed to pay Plaintiffs one hour of pay at their regular rate of pay for each workday that a compliant rest period was not authorized or permitted. As such, Employer has violated Labor Code §§ 226.7 and 512.

D. Wage Statement Violations

In conjunction with the above-referenced violations, Employer willfully failed to provide properly itemized wage statements to Plaintiffs pursuant to Labor Code section 226. Violations include, but are not limited to: an inaccurate showing of wages due and owing, failing to include gross wages earned as a result of not showing the correct meal and rest period premium payments on

Plaintiffs' paystubs, failing to show all hourly rates in effect and the corresponding number of hours at each hourly rate, failing to identify the name of the legal entity that is the employer, failing to show the inclusive dates of the period for which the employee is paid, and failing to maintain accurate payroll and itemized wage statements. The failure to provide accurate itemized wage statements violates Labor Code § 226 and 1174.

E. Waiting Time Penalties

Employer willfully failed and refused to timely pay all compensation due and owing to Plaintiffs whose employment was terminated during the relevant time period, by failing to pay overtime, straight time and minimum wages for all hours worked, and failing to pay Plaintiffs for an extra hour at the regular rate of pay because Employer failed to provide compliant meal and rest periods. As such, Employer is liable for accrued wages due, and waiting time penalties owed, in accordance with Labor Code §§ 201, 202, and 203.

F. Failure to Reimburse Expenses

Employer also failed to reimburse Plaintiffs for all of their necessary and reasonable expenses incurred on behalf of the Employer. For example and without limitation, Plaintiffs were required to use their personal cell phones for company business, including responding to work calls and text messages on their personal cell phones and purchasing supplies to perform their jobs, all without reimbursement, in violation of Labor Code § 2802.

CONCLUSION

Pursuant to Labor Code Section 2699.3, the undersigned, on behalf of Plaintiff Alvin Counts and other aggrieved employees, are providing written notice of the alleged Labor Code violations. Please advise the undersigned if the agency intends to investigate the alleged violations. If not, Plaintiffs intend to pursue their claims under PAGA in a representative action lawsuit. Please also consider this letter as providing notice on behalf of other similarly aggrieved employees working for Employer, that were subject to the same Labor Code violations described above.

Additionally, please preserve any and all evidence relating to Plaintiff Alvin Count's employment. This letter constitutes notice and a demand to preserve evidence under *Cedars-Sinai Medical Center v. Superior Court* (1998) 18 Cal.4th 1, 12. In particular, please maintain all video and audio recordings of Plaintiff Counts, all information in Plaintiff's files and in any computer system, including but not limited to hard files, computer or digital files, Outlook folders, direct messages, Teams, Zoom and/or Slack messages, archives, e-mails, office applications, calendars, faxes, tasks, project files, and any other files, drives, and information. Employers may have relevant evidence including e-mail and draft documents stored in electronic or digital form, which must be preserved.

Please note that litigants owe an "uncompromising duty to preserve" what they know or reasonably should know may be relevant evidence in a pending lawsuit. *Kronisch v. United States* (2nd Cir. 1998) 150 F.3d 112, 126-127, 130; *Mathias v. Jacobs* (Fed. Cir. 1996) 197 F.R.D. 29, 37; *Reeves v. MV Transportation, Inc*. (2010) 186 Cal.App.4th 666, 681. The duty to preserve exists when a party "is on notice that documents and information in its possession are relevant to litigation, or potential litigation, or are reasonably calculated to lead to the discovery of admissible evidence." *Kronisch*, *supra*, at 126-127; *Wm. T. Thompson Co. v. General Nutrition Corp., Inc.* (C.D. Cal. 1984) 593 F. Supp. 1443, 1455. This duty extends to documents that are "relevant in the action, [are] reasonably calculated to lead to the discovery of admissible evidence, [are] reasonably likely to be requested during discovery, and/or [are] the subject of a pending discovery request." *Wm. T. Thompson*, *supra*, at 1455.

Should you have any questions with respect to the above, please do not hesitate to contact the undersigned.

Very truly yours,

BARTZ LAW GROUP, APC

/s/ Aaron A. Bartz
Aaron A. Bartz

cc: Daniel K. Gaston, Esq.
LARSON & GASTON, LLP
200 South Robles Ave., Suite 440
Pasadena, CA 91101

EXHIBIT 3

Electronically FILED by Superior Court of California, County of Riverside on 04/25/2025 12:20 PM
Case Number CVRI2500837 0000127074770 - Jason B. Galkin, Executive Officer/Clerk of the Court By Adriana Leonard, Clerk

Aaron A. Bartz (SBN 198722)
Rex J. Phillips (SBN 237747)
BARTZ LAW GROUP, APC
5151 California Ave., Suite 100
Irvine, California 92617
Tel: (949) 504-4413 / Fax: (949) 656-7760
Email: aaron@bartzlawgroup.com
rex@bartzlawgroup.com

Attorneys for Plaintiff ALVIN COUNTS and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

ALVIN COUNTS, an individual; on behalf of himself and all others similarly situated and the general public,

Plaintiffs,

v.

PROFESSIONAL AUTO TRANSPORT, INC., a Nevada corporation; and DOES 1 to 100, inclusive,

Defendants.

CASE NO. CVRI2500837

[Assigned for all purposes to the Hon. Harold W. Hopp, Dept. 1]

CLASS ACTION

FIRST AMENDED COMPLAINT FOR:

1. Violation of B&PC §17200, et seq.
2. Violation of Labor Code §§ 204, 510, 1194 and 1198;
3. Violation of Labor Code §§ 200, et seq.;
4. Failure to Pay Meal and Rest Break Premium at the Proper Regular Rate of Pay (Labor Code § 226.7)
5. Failure to Provide & Maintain Accurate Wage Statements Pursuant to Labor Code §226
6. Failure to Provide Meal Periods (Lab. Code §226.7);
7. Failure to Provide Rest Breaks (Lab. Code 226.7); and
8. Failure to Reimburse Expenses (Lab. Code §2802).
9. Violation of Labor Code §§2698-2699 (PAGA)

DEMAND FOR JURY TRIAL

Plaintiff ALVIN COUNTS, on behalf of himself and all other persons similarly situated, and the general public (hereinafter, "Plaintiffs"), hereby complain against Defendants PROFESSIONAL AUTO TRANSPORT, INC. a Nevada corporation ("Professional Auto"); and DOES 1 to 100, inclusive (hereinafter Professional Auto and Does 1-100 are collectively referred to herein as "Defendants"), and on information and belief allege as follows:

GENERAL ALLEGATIONS

JURISDICTION

1. This is a civil action seeking recovery of unpaid wages, waiting time penalties, pay stub penalties and meal and rest period premiums under California Labor Code §§ 510, 1194 et seq., 201 et seq., 226 and 226.7. Plaintiffs bring an action for monetary damages for failure to pay wages as well as for restitution for Defendants' violations of Business and Professions Code (B&PC) §17200, et seq., including full restitution of all compensation retained by Defendants as a result of their unlawful, fraudulent and unfair business practices. Plaintiffs seek all available relief, including full restitution of all compensation retained by Defendants as a result of their unlawful and unfair business practices. Further, Plaintiffs seek injunctive relief under B&PC §17200, et seq.

VENUE

2. Venue as to each of the Defendants is proper in this judicial district pursuant to California Code of Civil Procedure (CCP) §§ 395(a) and 395.5, as at least some of the acts complained of herein occurred in the County of Riverside. Each defendant either owns, maintains offices, transacts business, has an agent or agents within the County of Riverside, or otherwise is found within the County of Riverside, and each defendant is within the jurisdiction of this Court for purposes of service of process.

PARTIES

3. Plaintiff Alvin Counts ("Counts") is an individual over the age of eighteen (18). At all relevant times herein, Plaintiff Counts worked for Defendants within the State of California.

4. Plaintiffs are informed, believe, thereon allege that at all times mentioned

herein, Defendant Professional Auto is a Nevada corporation doing business in California.

5. Plaintiffs are informed and believe and thereon allege that at all times mentioned herein, Defendant Professional Auto was authorized to do business in the State of California, County of Riverside, and owning, operating an auto transport company. Thus, each named defendant and DOES 1 to 100 are subject to B&PC §17200, et seq. (Unfair Competition Law) and the Labor Code, as hereinafter alleged.

6. Plaintiffs do not know the true names or capacities, whether individual, partner, or corporate, of defendants sued herein as DOES 1 to 100, inclusive, and for that reason, those defendants are sued under such fictitious names, and Plaintiffs will seek from this Court leave to amend this Complaint when such true names and capacities are discovered. Plaintiffs are informed and believe and thereon allege that each of the Defendants and each fictitious defendant, whether individual, partners, or corporate, was responsible in some manner for the circumstances alleged herein, and proximately caused Plaintiffs and all others similarly situated hereinafter alleged and the general public to be subjected to the unlawful employment practices, wrongs, injuries and damages complained of herein.

7. At all times herein mentioned, each of the Defendants participated in the doing of the acts hereinafter alleged to have been done by the named Defendants; and furthermore, Defendants, and each of them, were the agents, servants, and employees of each and every one of the other Defendants, as well as the agents of all Defendants, and at all times herein mentioned were acting within the course and scope of said agency and employment. Plaintiffs herein allege that Defendants and each of them is the joint employer of Plaintiffs and the classes.

8. At all times mentioned herein, Defendants, and each of them, were members of and engaged in a joint venture, partnership, and common enterprise, and acting within the course and scope of and in pursuance of the said joint venture, partnership, and common enterprise.

9. At all times herein mentioned, the acts and omissions of various Defendants, and each of them concurred and contributed to the various acts and omissions of each and every one of the other Defendants in proximately causing the complaints, injuries, and damages alleged herein.

10. At all times herein mentioned, Defendants, and each of them, approved of, condoned, and/or otherwise ratified each and every one of the acts or omissions complained of herein. At all times herein mentioned, Defendants, and each of them, aided and abetted the acts and omissions of each and every one of the other Defendants, thereby proximately causing the damages, as herein alleged.

11. The California Superior Court also has jurisdiction in this matter because both the individual and aggregate monetary damages and restitution sought herein exceed the minimal jurisdictional limits of the Superior Court and will be established at trial, according to proof. The California Superior Court also has jurisdiction in this matter because Plaintiffs and the putative classes herein worked within the State of California, and were subject to California's wage and hour laws.

PLAINTIFF CLASSES

12. The class representative Plaintiff who worked in the position of an hourly non-exempt employee or another similar title while employed by Defendants within the State of California, is as follows:

a. Alvin Counts

Plaintiff Alvin Counts worked as a non-exempt hourly employee for Defendants from February 2022 to September 2024.

CLASS ACTION ALLEGATIONS

13. Plaintiff Counts brings this action on behalf of himself and all others similarly situated as a class action pursuant to CCP §382. The Classes which Plaintiff Counts seeks to represent are composed of and defined as follows:

Class 1:

All non-exempt hourly employees from 2021 through the date of judgment, who were not paid premium overtime and/or double time at the employee's regular rate of pay.

Subclass 1:

All non-exempt hourly employees of Defendants who were paid for a missed meal or rest period at an allegedly "reduced" rate of pay from 2021 through the date of judgment (Meal and Rest Reduced Rate Subclass);

Class 2:

All non-exempt hourly employees who worked for Defendants in California from 2021 through the date of judgment, who were not paid the minimum wage for all hours worked (Minimum Wage Class);

Class 3:

All non-exempt hourly employees who worked for Defendants in California and who worked at some point from 2022 through the present, who are no longer employed with Defendants and to whom Defendants willfully failed to pay all wages due upon separation from Defendants (Waiting Time Penalty Class);

Class 4:

All non-exempt hourly employees who worked for Defendants in California from 2021 to the present who were not provided legally compliant meal periods (Meal Break Class);

Class 5:

All non-exempt hourly employees who worked for Defendants in California from 2021 through the present who were not provided legally-compliant rest breaks (Rest Break Class);

Class 6:

All non-exempt hourly employees who worked for Defendants in California from 2024 through the present who were provided a paystub (a.k.a. wage statement) which failed to list all hours actually worked and wages owed (Pay Stub Class);

Class 7:

All non-exempt hourly employees who worked for Defendants in California from 2021 through the present who were not reimbursed for their necessary and reasonable business expenses (Reimbursement Class).

The members of the classes are so numerous that joinder of all members would be

unfeasible and not practicable. The membership of the classes is unknown to Plaintiffs at this time; however, it is estimated that the classes number greater than 100 individuals. The identity of such membership is readily ascertainable by inspecting Defendants' employment records.

14. There are common questions of law and fact as to Plaintiffs and all others similarly situated which predominate over questions affecting only individual members including, without limitation to:

i. Whether Defendants paid their employees proper premium overtime and/or double time at the employees' regular rate for hours over eight (8) in a day and/or forty (40) hours in a week, in paying their hourly non-exempt employees;

ii. Whether Defendants violated the applicable Labor Code provisions including §510, 1194, and 203 by requiring substantial overtime work and not paying for said work according to the overtime laws of the State of California;

iii. Whether Defendants failed to pay the appropriate premium overtime compensation to the hourly employees;

iv. Whether Defendants improperly retained, appropriated or deprived Plaintiffs and the class members of the use of monies or sums to which Plaintiffs and the class were legally entitled;

v. Whether Defendants engaged in unfair business practices;

vi. Whether Defendants and each of them, were participants in the alleged unlawful conduct;

vii. Whether Defendants' conduct was willful or reckless;

viii. The effect upon and the extent of injuries suffered by Plaintiffs and all others similarly situated and the appropriate amount of compensation;

ix. The appropriate amount of monetary penalties allowed by Labor Code §201, et. seq.;

x. Whether Defendants pay and continue to pay for missed meal and rest period premiums at an allegedly "reduced" rate of pay in violation of Section 11 of the applicable Wage Orders;

xi. Whether Defendants failed and refused to reimburse Plaintiffs and the class members for their reasonable and necessary expenses incurred in fulfilling their work duties for Defendant;

xii. Whether Defendants violated Labor Code §226 and relevant IWC Wage Orders by failing to, among other violations, accurately report total hours worked, all applicable hourly rates in effect during each pay period and the corresponding number of hours worked at each hourly work, by Plaintiffs and the members of the Class; and

xiii. Whether Defendants knowingly and intentionally failed to maintain records for Plaintiffs and members of the class as required by Labor Code § 1174 and the applicable IWC Wage Orders;

15. Plaintiffs' claims are typical of the claims of all members of the classes and subclasses mentioned herein. Plaintiffs, as representative parties, will fairly and adequately protect the interest of the classes by vigorously pursuing this suit through their attorneys who are skilled and experienced in handling matters of this type. Plaintiffs have no claim or interest that is antagonistic to any class member.

16. The nature of this action and the nature of laws available to the members of the classes and subclasses identified herein make use of the class action format a particularly efficient and appropriate procedure to afford relief to Plaintiffs for the wrongs alleged herein. Further, this claim involves a large corporate employer, Defendant Professional Auto, and a large number of individual employees (Plaintiffs and all others similarly situated) with many relatively small claims with common issues of law and fact. If each employee were required to file an individual lawsuit, the corporate defendants would necessarily gain an unconscionable advantage since they would be able to exploit and overwhelm the limited resources of each individual plaintiff with their vastly superior financial and legal resources. Requiring each class member to

pursue an individual remedy would also discourage the assertion of lawful claims by employees who would be disinclined to pursue an action against their present and/or former employer for an appreciable and justifiable fear of retaliation and permanent damage to their careers at present and/or subsequent employment. Proof of a common business practice or factual pattern, of which the Plaintiffs experienced, is representative of the class mentioned herein and will establish the right of each of the members of the named class to recovery on the causes of action alleged herein.

17. The prosecution of separate actions by the individual class members, even if possible, would create a substantial risk of inconsistent or varying verdicts or adjudications with respect to the individual class members against Defendants herein; and which would establish potentially incompatible standards of conduct for Defendants; and/or (b) legal determinations with respect to individual class members which would, as a practical matter, be dispositive of the interest of the other class members not parties to adjudications or which would substantially impair or impede the ability of the class members to protect their interests. Further, the claims of the individual members of the class are not sufficiently large to warrant vigorous individual prosecution considering all of the concomitant costs and expenses attending thereto.

18. Plaintiffs and all others similarly situated are entitled to the wages and other monies unlawfully withheld. This action is brought for the benefit of the public.

FIRST CAUSE OF ACTION

(Violation of B&PC §17200, et seq.)

19. Plaintiffs re-allege and incorporate by reference herein the allegations of all preceding paragraphs as though fully set forth herein.

20. Beginning on an exact date unknown to Plaintiffs but believed to have occurred from 2021 on, Defendants have engaged in a pattern and practice of acts of unfair competition in violation of B&PC §17200, including the practices alleged herein.

21. Defendants, and each of them, own and operate auto transport locations in California, and have engaged in the practice of paying their non-exempt employees, in a fashion that circumvents California's wage and hour laws.

FAILURE TO PAY PROPER WAGES AND OVERTIME COMPENSATION

22. Plaintiffs are informed, believe, and thereon allege that as part of Defendants' ongoing unfair business practices, Defendants' hourly employees worked in excess of eight (8) hours per day, and excess of forty (40) hours per week without receiving all wages owed, and the proper regular rate of pay and therefore have failed to receive overtime compensation and/or the proper overtime premium. Defendants are therefore in violation of Labor Code §§ 510 and 1194, and the relevant California Industrial Welfare Commission Orders.

23. Defendants, and each of them, consistently administered a corporate policy regarding off-the-clock work, staffing levels, duties, and responsibilities of Defendants' employees, which required that the entirety of the employees work overtime without proper premium overtime pay and/or the regular rate of pay. This corporate policy and pattern of conduct is accomplished with the advanced knowledge and designed intent to avoid paying premium overtime. Accordingly, Plaintiffs and the class members are entitled to the proper overtime compensation under California law. Further, Plaintiffs and the class are entitled to restitution of these wages obtained by Defendants, and each of them. Furthermore, Defendants have failed to properly include items of remuneration when determining the employees' regular rate, including but not limited to the failure to include performance and other non-discretionary bonuses paid to all eligible employees, including for sick time and overtime, among others.

VIOLATION OF LABOR CODE § 200, ET SEQ.

24. Plaintiffs are informed and believe and thereon allege that as part of Defendants' ongoing unfair business practices, Defendants failed to provide all employees all wages at the time of their separation in violation of Labor Code § 200, et. seq., including but not limited to, §§201, 202, 203 & 204.

25. Labor Code § 200, et seq. provides that an employer is required to pay an employee all wages (including accrued vacation) immediately upon the employee's involuntary separation from employment; immediately upon his or her voluntary separation if the employee gave at least seventy-two (72) hours notice, and within seventy-two (72) hours, if the employee voluntarily separated, but did not give at least seventy-two (72) hours notice.

26. Plaintiffs are informed and believe and thereon allege that all employees who have been separated from Defendants did not timely receive a final paycheck detailing the proper amount of pay from Defendants in violation of Labor Code § 200, et. seq.

27. Pursuant to Labor Code § 200, et seq. employees that no longer work for Defendants, and who were not timely paid, are entitled to one (1) day of pay in penalties for each day that he or she was paid late, until payment was made, up to a maximum of thirty (30) days.

VIOLATION OF MEAL AND REST PERIOD PROVISIONS

28. Defendants' improper meal and rest period policies are in violation of California law including, but not limited to Labor Code § 226.7, 512, and the applicable IWC Wage Orders. Plaintiffs and the class are entitled to wages at their regular rate of pay for each violation where Defendants violated the meal and rest break provisions and paid the class the missed meal and rest period premiums at an artificially reduced regular rate. Plaintiffs and the class were entitled to 1 hour of pay for each meal and rest break violation at their regular rate of pay. Defendants failed and continue to fail to pay for meal and rest period violations at the employees' regular rate of pay in violation of Section 11 of the applicable Wage Orders.

29. Plaintiffs seek restitution and injunctive relief for said violations.

30. Plaintiffs are informed and believe and thereon allege that at all times herein mentioned, Defendants have engaged in unlawful, deceptive, and unfair business practices prohibited by California B&PC §17200, thereby depriving their employees and the putative class the minimum working standards and conditions due to them under the California labor laws and Industrial Welfare Commission wage orders as specifically described herein. Plaintiffs seek an injunction preventing Defendants from continuing their unfair business practice of improperly depriving their employees of overtime pay, and payment of their regular rate of pay for meal and rest period premiums. Plaintiffs further seek an order requiring Defendants to identify by full name, telephone number, and last known address employees who worked or still work for Defendants between 2021 through the date of judgment; Plaintiffs further seek an order requiring Defendants to timely pay restitution to all current and former employees, including back wages, premium payments, and interest.

FAILURE TO PROVIDE ITEMIZED WAGE STATEMENTS

31. Plaintiffs are informed and believe and thereon allege that as part of Defendants' ongoing unfair business practices, Defendants, and each of them, fail to provide their employees with proper and understandable itemized wage statement, as required by Labor Code § 226.

32. Plaintiffs are informed and believe, and thereon allege, that Defendants, and each of them, fail to provide each employee with an itemized statement which states the actual regular rate paid, the total hours worked by the employee, the gross and net wages earned, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

FAILURE TO REIMBURSE EXPENSES

33. Defendants have adopted and implemented an illegal reimbursement policy that fails to compensate Plaintiffs for all necessary business expenses incurred in discharging their duties for Defendants.

34. Defendants' conduct in failing to reimburse Plaintiffs and the class for their necessary business expenses is also unfair within the meaning of Business and Professions Code §17200 because it is against established public policy and has been pursued to attain an unjustified monetary advantage for Defendants by unfairly and unlawfully reducing Plaintiffs and the other class members' compensation, as Plaintiffs and the class are required to come out of pocket for such expenses. As such, Defendants' business practices, including their illegal reimbursement policy and practice, is unfair, illegal and fraudulent, in that such policy and practice was intended to reduce Plaintiffs' and the class' due and owing compensation.

SECOND CAUSE OF ACTION

RECOVERY OF UNPAID WAGES & PENALTIES

(Violation of Labor Code §§ 204, 510, 1194, and 1198)

35. Plaintiffs re-allege and incorporate by reference herein the allegations of all preceding paragraphs as though fully set forth herein.

36. Plaintiffs and all others similarly situated identified herein were and are employed and scheduled as a matter of established company policy to work and in fact worked as non-

exempt hourly employees in excess of eight (8) hours per day and/or in excess of forty (40) hours per week. Defendants employed and scheduled all employees without providing overtime compensation for such excess hours worked in violation of Labor Code §§ 510 and 1194 and the relevant California Industrial Welfare Commission (IWC) orders. Labor Code § 204 establishes the fundamental right of all employees in the State of California to be paid the proper amount of wages in a timely fashion for their work, including overtime. Defendants always had a written and verbal agreement to pay overtime and double time based on the Plaintiffs and classes' regular rate of pay.

37. Pursuant to Labor Code §§ 218 and 1194(a), Plaintiffs may bring a civil action for overtime wages directly against the employer without first filing a claim with the Division of Labor Standards Enforcement (hereinafter "DLSE") and may recover such wages, together with interest thereon, penalties, attorneys' fees, and costs.

38. At all times relevant hereto, Defendants have failed to pay to Plaintiffs and all persons similarly situated wages when due as required by Labor Code § 204.

39. Pursuant to Labor Code § 1198, it is unlawful to employ persons for longer than the hours set by the IWC or under conditions prohibited by the applicable IWC Wage Orders.

40. At all times relevant hereto, Plaintiffs are informed and believe and thereon allege that Defendants have treated Plaintiffs as hourly non-exempt employees. Despite this classification, Defendants have willfully violated the Labor Code with respect to meeting the requirements of paying one (1) regular rate of pay and calculating overtime and double time based on that regular rate, as herein before alleged. Defendants have failed to properly pay premium overtime for hours worked in a week, and as such, Defendants are able to reduce their overhead and operating expenses and gain an unfair advantage over competing companies complying with state law. Furthermore, Defendants have failed to include all items of remuneration when determining the employees' regular rate of pay, as described above.

41. Plaintiffs are informed and believe and thereon allege that Defendants consistently administered a corporate policy regarding off-the-clock work, staffing levels and duties and responsibilities of the members of the classes which required the entirety of all classes

to work overtime without proper premium pay, and to fail to pay all wages for hours worked. This corporate policy and pattern of conduct was/is accomplished with the advanced knowledge and design of all Defendants herein. Thus, Plaintiffs and all others similarly situated routinely, regularly and customarily performed overtime work and/or work that they failed to be compensated at the appropriate hourly wage.

42. Plaintiffs are informed and believe and thereon allege that the obligations and responsibilities of the class employees are irrelevant because Plaintiffs and all others similarly situated merely allege wrongdoing with Defendants' pay plans, policies and practices. Further, the duties of Plaintiffs and all others similarly situated are not relevant in certifying any of the classes.

43. Plaintiffs are informed, believe, and thereon allege that Defendants consistently administered a corporate policy and practice of failing to include all remuneration into the regular rate for purposes of calculating premium overtime payments and meal period penalties. This corporate policy and pattern of conduct was/is accomplished with the advanced knowledge and design of all Defendants herein. Thus, Plaintiffs and all others similarly situated routinely, regularly, and customarily performed overtime work. Accordingly, Plaintiffs and all others similarly situated are entitled to overtime compensation under California law. Further, Defendants disseminated false information throughout Defendants' facilities and among the employees reciting that all hourly non-exempt employees would receive premium overtime pay.

44. Defendants, and each of them, in violation of Labor Code §§ 201 and 202, et seq., respectively, had a consistent and uniform policy, practice, and procedure of willfully failing to pay the earned and unpaid wages of all such former employees. Defendants have willfully failed to pay the earned and unpaid wages of such individuals, including, but not limited to regular pay, premium pay, and other wages earned and remaining uncompensated according to amendment, or proof.

45. The pattern, practice and uniform administration of corporate policy regarding illegal employee compensation as described herein is unlawful and creates an entitlement to recovery by Plaintiffs and all others similarly situated, in a civil action, for the unpaid balance of

the full amount of the all wages owing, including the proper calculation of the regular rate and the proper overtime premiums calculated at 1.5 or 2 times the legal regular rate which are owing, including interest thereon, willful penalties, reasonable attorneys' fees, and costs of suit according to the mandate of Labor Code § 1194, et. seq.

46. Likewise, Defendants have a pattern, practice, and uniform administration of corporate policy regarding failure to comply with the required provisions of Labor Code § 226.7, in failing to pay Plaintiffs and the class the meal and rest period premium payment at the regular rate.

THIRD CAUSE OF ACTION

(Violation of Labor Code §§ 200, et. seq.)

47. Plaintiffs re-allege and incorporate by reference herein the allegations of all preceding paragraphs as though fully set forth herein.

48. Labor Code §§ 200, et. seq., provides that an employer is required to pay an employee all wages (including accrued vacation) immediately upon an employee's involuntary separation from employment; immediately upon his or her voluntary separation if the employee gave at least seventy two (72) hours notice, and within seventy-two (72) hours, if the employee voluntarily separated, but did not give at least seventy-two (72) hours notice.

49. Plaintiffs and other former employees of Defendants employed in the State of California separated from employment with Defendants, and did not timely receive a final paycheck with all of their wages due from Defendants in violation of Labor Code §§ 200, et seq. Plaintiffs are informed, believe, and thereon allege that Defendants also violated the mandates of Labor Code §§ 200, et seq., as to other employees whose employment ended during the period of time covered by this action.

50. Pursuant to Labor Code §§ 200, et. seq., each member of the class that no longer works for Defendants, and who was not timely paid all of his or her wages due is entitled to one (1) day of pay in penalties for each day that he or she was paid late, until payment was made, up to a maximum of thirty (30) days.

FOURTH CAUSE OF ACTION

FAILURE TO PAY MEAL AND REST PERIOD PREMIUMS AT THE PROPER REGULAR RATE OF PAY

(Violation of Labor Code §§ 226.7 & 512, et seq.)

51. Plaintiffs re-allege and incorporates by reference herein the allegations of all preceding paragraphs as though fully set forth herein.

52. Plaintiffs believe and thereon allege that Labor Code §226.7 requires an employer to pay an additional hour of compensation at the employee's regular rate of pay for each meal period and rest period violation. During the class period, Plaintiffs are informed and believe, and based thereon allege that Defendants have failed to pay Plaintiffs and the class members meal period and rest period premium pay at their regular rate of pay. Defendants' improper meal and rest period practices and policies are in violation of California law including, but not limited to Labor Code § § 226.7, 512, and the IWC Wage Orders. Plaintiffs and the class are entitled to 1 hour of pay for each meal and rest period violation at their regular rate of pay.

53. Pursuant to Labor Code §226.7, Plaintiffs are entitled to damages in an amount equal to one (1) hour of the employee's regular rate of pay per each meal and rest period violation, in a sum to be proven at trial.

FIFTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(Violation of Labor Code § 226)

54. Plaintiffs re-allege and incorporate by reference herein the allegations of all preceding paragraphs as though fully set forth herein.

55. Labor Code §226(a) provides, in pertinent part:

> An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown

> as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of 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. . ..

56. During the Class Period, Defendants knowingly and intentionally failed to provide the Class Members, including Plaintiff Counts, with timely and accurate wage and hour statements showing gross wages earned, total hours worked, all deductions made, net wages earned, the name and address of the legal entity employing that Class Member, and all applicable hourly rates in effect during each pay period and the corresponding number of hours worked at each hourly rate by that Class Member.

57. The Class Members, including Plaintiff Counts, suffered injury as a result of Defendants' knowing and intentional failure to provide the Class Members, with the wage and hour statements required by law.

58. Based on Defendants' conduct as alleged herein, Defendants are liable for actual damages, statutory damages, and/or statutory penalties pursuant to California Labor Code § 226, attorney's fees and costs, and other applicable provisions of the Labor Code and applicable Wage Order.

SIXTH CAUSE OF ACTION

FAILURE TO PROVIDE MEAL PERIODS

(Violation of Labor Code §§ 226.7 and 512)

59. Plaintiffs incorporate by reference as if fully set forth herein, the allegations of paragraphs above.

60. California Labor Code § 512 and IWC Wage Order 5-2001 state that an employer may not employ an employee for a work period of more than five (5) hours per day without providing the employee a meal period of not less than 30 minutes, and an employer may not employ an employee for a work period of more than 10 hours per day without providing the

employee with a second meal period of not less than 30 minutes. Unless the employee is relieved of all duty during a 30-minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. California Labor Code § 226.7(a) further states that no employer shall require any employee to work during any meal or rest period mandated by an applicable order of the IWC.

61. Employers are prohibited from exerting coercion against the taking of, creating incentives to forego, or otherwise encouraging the skipping of legally protected breaks.

62. Plaintiffs and members of the Class were not provided with or given the opportunity to take the requisite meal periods before the end of the first 5 hours of work, nor were they provided with or given the opportunity to take a proper second meal period during the days when they worked more than 10 hours in a day. Defendants coerced Plaintiffs and the members of the Class to forego meal periods by disciplining and/or threatening disciplinary action against them if they attempted to take meal periods, created incentives to forego meal breaks, and encouraged the skipping of meal periods by scheduling work to coincide with the meal periods, among other things. As a result, Plaintiffs and members of the Class were required to work and/or were not relieved of all duties during any meal period taken, and thus were considered "on duty;" however, Defendants failed to count as time worked any "on duty" meal period taken by Plaintiffs and the members of the Class.

63. Pursuant to California Labor Code § 226.7(c) and IWC Wage Order 5-2001, if an employer fails to provide an employee a meal period in accordance with the applicable provisions of the IWC Wage Orders, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of pay for each workday that the meal period is not provided. As such, Plaintiffs and members of the Class are entitled to an additional one hour's pay for each day in which Plaintiffs and members of the Class were not provided a proper meal break under the above-described authorities.

64. Plaintiffs and the members of the Class request that the Court award interest on all unpaid wages at the legal rate specified by California Civil Code § 3289(b), accruing from the date the wages were due and payable pursuant to Labor Code § 218.6.

SEVENTH CAUSE OF ACTION

FAILURE TO AUTHORIZE OR PERMIT REST PERIODS

(Violation of Labor Code § 226.7)

65. Plaintiffs re-allege and incorporate by reference as if fully set forth herein, the allegations of the preceding paragraphs.

66. The applicable IWC Wage Orders state that every employer shall authorize and permit all employees to take rest periods. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four hours of work, or a major fraction thereof. An employer must provide employees with 10 minutes' rest for shifts from three and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, and 30 minutes for shifts of more than 10 hours up to 14 hours, and so on.

67. Plaintiffs and Class Members were not permitted to take rest periods, were required to work during their rest periods, and/or were disciplined and/or were advised that they would be disciplined if they took rest periods during work hours, in contravention of California law. Moreover, based on Defendants' compensation plans, Plaintiffs and Class Members were not separately compensated for their rest periods as required under California law.

68. Pursuant to California Labor Code § 226.7(c) and the applicable IWC Wage Orders, if an employer fails to provide an employee a rest period in accordance with the applicable IWC Wage Orders, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided.

69. As such, Plaintiffs and the Class members are entitled to an additional one hour's pay for each day in which they were not provided a proper rest period under the above-described authorities.

70. Plaintiffs and the members of the Class request that the Court award interest on all unpaid wages at the legal rate specified by California Civil Code § 3289(b), accruing from the date the wages were due and payable pursuant to Labor Code § 218.6.

EIGHTH CAUSE OF ACTION

FAILURE TO REIMBURSE EXPENSES

(Violation of (Labor Code § 2802)

71. Plaintiffs re-allege and incorporate by reference as if fully set forth herein, the allegations of the preceding paragraphs.

72. California Labor Code § 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."

73. Plaintiffs are informed and believe and thereon allege that at all relevant times Plaintiffs and the class members incurred certain expenses for their jobs with Defendants, including but not limited to using their personal cell-phones for company business. Despite this, Defendants failed and refused to indemnify Plaintiffs and the class for all of their expenditures in carrying out their duties for Defendants.

74. As a result of Defendants' failure to indemnify Plaintiffs and the class members, they have suffered losses according to proof, including prejudgment interest, costs, and attorneys' fees in prosecuting this case.

NINTH CAUSE OF ACTION

PRIVATE ATTORNEYS GENERAL ACT

(Violation of Labor Code §§ 2698 and 2699)

75. Plaintiffs re-allege and incorporate by reference as if fully set forth herein, the allegations of the preceding paragraphs.

76. On or about November 27, 2024, Plaintiff Counts provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violations.

77. The LWDA failed to respond to Plaintiffs' counsel's correspondence and failed to notify Plaintiffs' counsel as to whether it would investigate the allegations contained therein, within the time period requirements of the Private Attorneys General Act (PAGA), under Labor Code §2699.3. Plaintiffs have fully complied with the notice requirements set forth in Labor

Code §2699.3 in order to commence a civil action against an employer pursuant to Labor Code §2699.

78. Defendants' failure to pay Plaintiffs for all hours worked, minimum wages, overtime compensation, failure to provide meal periods, failure to authorize and permit rest periods, failure to pay all wages upon termination or resignation, and failure to provide accurate itemized wage statements, will subject Defendants to civil penalties pursuant to, without limitation, Labor Code §§ 201, 202, 203, 204, 226, 245, 246, 510, 512, 551, 552, 1174, 1194, 1198, 2802 and IWC Wage Orders.

79. Plaintiffs are aggrieved employees as defined in Labor Code §§2699(a) and (c), and related Labor Code provisions. Plaintiffs bring this cause of action on behalf of themselves, as private attorneys general, and in a representative capacity on behalf of other aggrieved employees, affected by the labor law violations alleged herein.

80. Defendants committed numerous violations of the California Labor Code and IWC Wage Orders against the Plaintiffs, and on information and belief, against members of the Class and other current and former employees while they were employed by Defendants, including but not limited to:

a. Defendants violated Labor Code §§ 510, 511, 1194 and/or IWC Wage Orders by failing to pay Plaintiffs and the members of the Class, and on information and belief, other current and former employees of Defendants, all minimum, straight time and overtime wages owed in compliance with California law;

b. Defendants violated Labor Code §§ 226.7, 510, 1194, 1197 and/or IWC Wage Orders by failing to pay Plaintiffs and the members of the Class by failing to pay for a missed meal or rest period at the regular rate of pay;

c. Defendants violated Labor Code §§ 1194, 1197 and/or IWC Wage Orders by failing to pay Plaintiffs and the members of the Class, and on information and belief, other current and former employees of Defendants, all minimum wages owed in compliance with California law;

d. Defendants violated Labor Code §§ 1194, 204, 510, 511 and/or IWC Wage Orders by failing to pay Plaintiffs and the members of the Class, and on information and belief,

other current and former employees of Defendants, all wages owed in a timely manner in compliance with California law;

e. Defendants violated Labor Code § 226.7, 512, and /or IWC Wage Orders by failing to provide Plaintiffs and the members of the Class, and on information and belief, other current and former employees of Defendants, the opportunity to take the requisite meal periods in compliance with California law;

f. Defendants violated Labor Code § 226.7 and/or IWC Wage Orders by failing to authorize and permit Plaintiffs and the members of the Class, and on information and belief, other current and former employees of Defendants, the opportunity to take the requisite rest periods in compliance with California law;

g. Defendants violated Labor Code §§ 226, 1174 and/or IWC Wage Orders by failing to properly maintain accurate employment time and records, maintain and/or submit accurate itemized wage statements on behalf of Plaintiffs, members of the Class, and on information and belief, on behalf of other current and former employees of Defendants as described herein; and

h. Defendants violated Labor Code §§ 201, 202 and/or IWC Wage Orders by failing to pay Plaintiffs, the Class, and on information and belief, other current and former employees of Defendants as described herein;

i. Defendants violated Labor Code § 2802 and/or the IWC Wage Orders by failing to pay Plaintiffs and other members of the Class all of their reasonable and necessary expenses.

81. Pursuant to Labor Code § 2699, Plaintiffs, members of the Class, and all other aggrieved current and former employees seek to recover civil penalties, as otherwise provided by statute and wage order, for which Defendants are liable as a result of their violations of the California Labor Code and applicable wage order(s) in an amount to be proven at trial. These penalties include, but are not limited to, those provided by Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 245, 246, 256, 510, 512, 558, 1174, 1194, 1197, 2699, and IWC Wage Orders. Plaintiffs and aggrieved current and former employees further seek and award of reasonable attorneys' fees and costs pursuant to Labor Code § 2698 and 2699.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray:

1. That the Court determines this action may be maintained as a class action;

As to the First Cause of Action:

2. For an order preliminarily and permanently enjoining Defendants from engaging in the practices challenged herein;

3. An order for full restitution of all monies, as necessary and according to proof, to restore any and all monies withheld by the Defendants by means of the unfair practices complained of herein. Plaintiffs seek, on behalf of the putative class, the appointment of a receiver, as necessary. The restitution includes all monies retained as wages, as defined in Labor Code §§ 201, 202, 510, and 1194, and interest, and attorneys' fees as a result of the unfair business practices;

4. For an order finding and declaring that Defendants' acts and practices as challenged herein are unlawful, unfair, and/or fraudulent;

5. For an accounting, under the administration of Plaintiffs and subject to court supervision, to determine the amount to be returned by Defendants and the amounts to be refunded to members who are or were not paid all their wages due to Defendants' unfair business practices;

6. For the creation of an administrative process wherein each injured current and former employee receives his or her back wages in the form of overtime pay or alternatively that each current or former eligible employee may submit a claim in order to receive his/her money;

7. For an order requiring Defendants to make full restitution and payment pursuant to B&PC Sections 17200, et seq.;

8. For all other appropriate declaratory and equitable relief;

9. For pre-judgment interest to the extent permitted by law;

10. For an order requiring Defendants to identify, by name, address and telephone number of each person who worked in California as an hourly non-exempt employee for Defendants between 2021 through the time of judgment;

11. For an order imposing all civil and statutory penalties provided by law.

As to the Second and Fourth Cause of Action:

12. For damages according to proof, as set forth in Labor Code §§ 510, 226.7 and 1194, et seq., (and the applicable California Industrial Welfare Commission wage orders) regarding wages due and owing;

13. For pre-judgment interest as allowed by Labor Code § 1194 and California Civil Code § 3287(b), for waiting time penalties as authorized by Labor Code § 203, and for reasonable attorneys' fees;

14. For an order imposing all civil and statutory penalties provided by law.

As to the Third Cause of Action:

15. For waiting for time penalties for all former employees not timely paying their last paycheck, including vacation pay;

16. For reasonable attorneys' fees and costs;

17. For an order imposing all civil and statutory penalties provided by law.

As to the Fifth Cause of Action:

18. For recovery as authorized by Labor Code §226(e);

19. For injunctive relief to ensure Defendants' compliance with Labor Code §226 and the IWC Wage Orders §7(A) pursuant to Labor Code §226(h);

20. For an award of costs and reasonable attorneys' fees pursuant to Labor Code §226(e) and/or §226(h);

21. For an order imposing all civil and statutory penalties provided by law.

As to the Sixth Cause of Action:

22. One (1) hour of pay at each of the employees' regular rate of compensation for each workday that a meal period was not provided, impeded, discouraged, and/or dissuaded;

23. For an order imposing all civil and statutory penalties provided by law.

As to the Seventh Cause of Action:

24. One (1) hour of pay at each of the employees' regular rate of compensation for each workday that a rest period was not authorized or permitted, or impeded, interrupted, discouraged, and/or dissuaded;

25. For an order imposing all civil and statutory penalties provided by law.

As to the Eighth Cause of Action:

26. For recovery of all necessary expenditures or losses incurred by Plaintiffs and the class members, according to proof;

27. For pre-judgment interest as allowed by Labor Code §§ 218.6, 1194(a), and Civil Code § 3287;

28. For an award of reasonable attorneys' fees and costs pursuant to Labor Code § 2802(c).

As to the Ninth Cause of Action:

29. That the Court declare, adjudge and decree that Defendants violated California Private Attorneys General Act, Labor Code § 2698 and 2699;

30. For an order imposing all civil and statutory penalties provided by law;

31. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to California Labor Code § 2699(g); and

32. For such other and further relief as the Court may deem equitable and appropriate.

As to All Causes of Action:

33. For reasonable costs incurred; and

34. For such other and further relief as this Court may deem just and proper.

Dated: April 25, 2025

BARTZ LAW GROUP, APC

By: /s/ Aaron A. Bartz
AARON A. BARTZ
REX J. PHILLIPS
Attorneys for Plaintiff Alvin Counts
and all others similarly situated

DEMAND FOR JURY TRIAL

Plaintiffs demand a jury trial on all issues triable to a jury.

Dated: April 25, 2025

BARTZ LAW GROUP, APC

By: /s/ Aaron A. Bartz
AARON A. BARTZ
REX J. PHILLIPS
Attorneys for Plaintiff Alvin Counts
and all others similarly situated