IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	:	Chapter 11
MODIVCARE INC., *et al.*,	:	Case No. 25-90309 (ARP)
Reorganized Debtors.[1]	:	(Jointly Administered)

REORGANIZED DEBTORS' NINETEENTH
OMNIBUS OBJECTION TO CERTAIN CLAIMS (INVALID CLAIMS)

THIS IS AN OBJECTION TO YOUR CLAIM. THIS OBJECTION ASKS THE COURT TO DISALLOW THE CLAIM THAT YOU FILED IN THE BANKRUPTCY CASE. IF YOU DO NOT FILE A RESPONSE WITHIN 30 DAYS AFTER THE OBJECTION WAS SERVED ON YOU, YOUR CLAIM MAY BE DISALLOWED WITHOUT A HEARING.

TO THE CLAIMANT WHOSE CLAIMS ARE SUBJECT TO THIS OBJECTION:

YOUR SUBSTANTIVE RIGHTS MAY BE AFFECTED BY THIS OBJECTION AND ANY FURTHER OBJECTIONS THAT MAY BE FILED IN THE CHAPTER 11 CASES.

THE RELIEF SOUGHT IN THIS OBJECTION IS WITHOUT PREJUDICE TO THE RIGHTS OF THE REORGANIZED DEBTORS AND THEIR ESTATES OR OTHER PARTIES IN INTEREST TO PURSUE FURTHER OBJECTIONS AGAINST THE CLAIMS LISTED HEREIN AND OTHER CLAIMS FILED IN THE CHAPTER 11 CASES.

[1] A complete list of each of the Reorganized Debtors in these chapter 11 cases (the "***Chapter 11 Cases***") and the last four digits of each Reorganized Debtor's taxpayer identification number (if applicable) may be obtained on the website of the Reorganized Debtors' claims and noticing agent at https://www.veritaglobal.net/ModivCare. Reorganized Debtor ModivCare Inc.'s principal place of business and the Reorganized Debtors' service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1200, Denver, Colorado 80237.

The above-captioned reorganized debtors (prior to the Effective Date,[2] collectively, the "***Debtors***" and after the Effective Date, collectively, the "***Reorganized Debtors***") respectfully state the following in support of this omnibus claim objection (this "***Objection***").

RELIEF REQUESTED

1. By this Objection, the Reorganized Debtors seek entry of an order, substantially in the form attached hereto (the "***Proposed Order***"), disallowing and expunging proof of claim numbers 1568, 1569, and 1649 (the "***Disputed Claims***") filed by Easter Lyons as "Settlement Class Representative" (in such capacity, "***Claimant***") because: (i) at this juncture, over ten months after the passage of the General Bar Date (as defined below) and over seven months after the Plan was substantially consummated,[3] Claimant has failed to file a motion to request that the Court exercise its discretion, pursuant to Bankruptcy Rule 9014, to apply Bankruptcy Rule 7023 to the Disputed Claims (as purported class proofs of claim); and (ii) despite each of the Disputed Claims identifying the basis of such claim as "[p]re-petition litigation settlement, Calif. Super. Ct. San Bernardino Cnty. CIVSB2312049" no enforceable settlement was ever reached. Additionally, assuming the Court disallows and expunges the Disputed Claims, the Court should not, under these circumstances, toll the Claims Bar Date for the members of the putative class who failed to file individual claims.

2. The Reorganized Debtors reserve their rights related thereto, including without limitation the right to object to the Disputed Claims on any additionally applicable grounds, including, without limitation, to contest that the Court exercise its discretion, pursuant to

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[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the *Second Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and its Debtor Affiliates* [Docket No. 1055, Ex. A] (together with all supplemental or supporting documentation related thereto, the "***Plan***"), as applicable.

[3] *See* Plan, § 12.3 (providing that the Plan shall be deemed substantially consummated, for purposes of sections 1101 and 1127(b) of the Bankruptcy Code, upon the occurrence of the Effective Date).

Bankruptcy Rule 9014, to apply Bankruptcy Rule 7023 to the Disputed Claims (as purported class proofs of claim), and to contest certification of the putative class to the extent the Court elects to exercise its discretion, pursuant to Bankruptcy Rule 9014, to apply Bankruptcy Rule 7023 to consider certification of the putative class.

3. In support hereof, the Reorganized Debtors submit the declaration of Kenneth Shepard, an executive vice president and group chief financial officer for the Reorganized Debtors (the "***Shepard Declaration***"), attached hereto as **Exhibit A**.

JURISDICTION AND VENUE

4. The United States Bankruptcy Court for the Southern District of Texas (the "***Court***") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.

5. The Disputed Claims that are the subject of this Objection were asserted on a proof of claim form (a "***Proof of Claim***") filed with the Claims and Noticing Agent (as defined below). By seeking recovery from the Reorganized Debtors' estates based on the filing of a Proof of Claim, the Claimant has submitted to the Court's jurisdiction over this matter.

6. Venue of the Chapter 11 Cases and this Objection in this district is proper under 28 U.S.C. §§ 1408 and 1409.

7. The statutory and legal predicates for the relief requested herein are sections 105(a) and 502 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "***Bankruptcy Code***"), Rule 3007 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***"), Rule 3007-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "***Bankruptcy Local Rules***"),

and the Procedures for Complex Cases in the Southern District of Texas (the "***Complex Case Procedures***").

BACKGROUND

8. On August 20, 2025, the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Chapter 11 Cases are being jointly administered, for procedural purposes only, pursuant to Rule 1015(b) of the Bankruptcy Rules and Rule 1015-1 of the Bankruptcy Local Rules. The factual background regarding the Debtors, including their business, their capital structure, and the events leading to the commencement of the Chapter 11 Cases is set forth in the *Declaration of Chad J. Shandler in Support of Chapter 11 Petitions and First-Day Relief* [Docket No. 14].

9. On December 15, 2025, the Court entered the Confirmation Order[4] which, among other things, confirmed the Plan. The Effective Date occurred on December 29, 2025. The Plan was deemed "substantially consummated under sections 1101 and 1127 of the Bankruptcy Code" upon the Effective Date. Plan, § 12.3.

CLAIMS RECONCILIATION PROCESS

10. On August 21, 2025, the Court entered the *Order Establishing (A) Bar Dates and Related Procedures for Filing Proofs of Claim; (B) Approving the Form and Manner of Notice Thereof; and (C) Granting Related Relief* [Docket No. 66] (the "***Bar Date Order***") setting, *inter alia*, (i) October 1, 2025, as the deadline for non-governmental creditors and interest holders to file claims in the Chapter 11 Cases (the "***General Bar Date***"); and (ii) February 16, 2026, at 5:00 p.m. (prevailing Central Time) as the deadline for all governmental units (as defined in section 101(27) of the Bankruptcy Code) to assert a claim (as defined in section 101(5) of the Bankruptcy

[4] Docket No. 1055.

Code) that arose on or prior to the Petition Date (the "***Governmental Bar Date***" and together with the General Bar Date, as applicable, depending on whether the claimant is a governmental unit or non-governmental unit, the "***Claims Bar Date***").

11. The Bar Date Order establishes certain requirements that a filed claim must satisfy to be considered valid. A filed claim must, among other things, "set forth with specificity the legal and factual basis for the alleged claim," and "include supporting documentation or an explanation as to why such documentation is not available." Bar Date Order, ¶ 7. If such filed claims are not properly submitted prior to the Claims Bar Date, the Bar Date Order provides that the relevant claimant "shall not be treated as a creditor with respect to such claim for purposes of voting and ***distribution***." *Id.* at ¶ 20 (emphasis added).

12. On August 23, 2025, the Reorganized Debtors' claims and noticing agent, Kurtzman Carson Consultants, LLC d/b/a Verita Global (the "***Claims and Noticing Agent***"), served notice of the Claims Bar Date (the "***Bar Date Notice***") to potential claimants in accordance with the procedures set forth in the Bar Date Order, and, as necessary, supplemented such service. *See* Bar Date Affidavits of Service.[5] Also, as certified at Docket No. 142, in accordance with the Bar Date Order, the Reorganized Debtors published the Bar Date Notice in *The New York Times* on August 26, 2025. *See Affidavit of Publication of the Notice of Deadline for the Filing of Proofs of Claim, Including for Claims Asserted Under Section 503(b)(9) of the Bankruptcy Code in the New York Times* [Docket No. 142] ("***Affidavit of Publication***").

[5] "***Bar Date Affidavits of Service***" means, collectively, (i) *Certificate of Service* [Docket No. 113]; (ii) *Certificate of Service* [Docket No. 353]; (iii) *Supplemental Certificate of Service* [Docket No. 400]; (iv) *Supplemental Certificate of Service* [Docket No. 442]; (v) *Supplemental Certificate of Service* [Docket No. 492]; (vi) *Supplemental Certificate of Service* [Docket No. 602]; (vii) *Supplemental Certificate of Service* [Docket No. 603]; (viii) *Supplemental Certificate of Service* [Docket No. 700]; (viii) *Supplemental Certificate of Service* [Docket No. 727]; (ix) *Supplemental Certificate of Service* [Docket No. 1067]; (x) *Supplemental Certificate of Service* [Docket No. 1127]; (xi) *Supplemental Certificate of Service* [Docket No. 1143]; (xii) *Supplemental Certificate of Service* [Docket No. 1148]; (xiii) *Supplemental Certificate of Service* [Docket No. 1184]; (xiv) *Supplemental Certificate of Service* [Docket No. 1285]; and (xv) *Supplemental Certificate of Service* [Docket No. 1320].

13. The Reorganized Debtors also listed numerous claims in their Schedules[6] (such claims, along with the claims asserted in each proof of claim filed in the Chapter 11 Cases, collectively, the "***Claims***"),[7] some of which have been satisfied under the authority granted to the Reorganized Debtors pursuant to certain "first day" orders and other orders entered in the Chapter 11 Cases. A database of all Claims is being maintained by the Reorganized Debtors' Claims and Noticing Agent (the "***Claims Register***").

14. On February 19, 2026, the Court entered the *Order Approving Procedures for Reorganized Debtors' Filing of Omnibus Claims Objections and Granting Related Relief* [Docket No. 1313] (the "***Omnibus Objection Procedures Order***") approving the procedures for filing and resolving omnibus objections to Claims asserted against the Reorganized Debtors in the Chapter 11 Cases appended to the Omnibus Objection Procedures Order as Exhibit 1 (the "***Objection Procedures***"). The Objection Notice (as defined in the Objection Procedures) and the Objection Procedures will be served on the holders of the Disputed Claims along with this Objection.

15. Pursuant to the Plan, the Claims Objection Deadline was initially March 29, 2026 (*i.e.*, the date that was ninety (90) days after the occurrence of the Effective Date), subject to the Reorganized Debtors' right to seek a further extension of such deadline in accordance with the Plan.[8]

16. On April 13, 2026, the Court entered the *Order Granting Reorganized Debtors' Second Motion for Entry of an Order Extending the Time to File and Serve Objections to Claims*

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[6] On September 7, 2025, the Reorganized Debtors filed their respective schedules of assets and liabilities (the "***Schedules***") and statements of financial affairs [Docket Nos. 177–322], pursuant to Bankruptcy Rule 1007.

[7] Under section 1111(a) of the Bankruptcy Code, scheduled claims are treated as proofs of claim. *See* 11 U.S.C. § 1111(a) ("A proof of claim . . . is deemed filed under section 501 of this title for any claim . . . that appears in the schedules . . . except a claim . . . that is scheduled as disputed, contingent, or unliquidated.").

[8] *See* Plan, p. 3 (defining "Claims Objection Deadline" as "ninety (90) days after the Effective Date … which dates may be extended pursuant to an order of the Bankruptcy Court upon a motion Filed by the Reorganized Debtors.").

[Docket No. 1649], which extended the Claims Objection Deadline by an additional ninety (90) days through and including September 27, 2026, subject to the Reorganized Debtors' right to seek a further extension of such deadline in accordance with the Plan.

THE DISPUTED CLAIMS

17. Prior to the Petition Date, Easter Lyons (the "***Lyons Plaintiff***") filed a statewide representative action (the "***Lyons Action***") for penalties pursuant to California's Private Attorneys General Act (the "***PAGA***") in the Superior Court of California, County of San Bernardino (the "***California State Court***") against Debtors Ride Plus, LLC, ModivCare Solutions, LLC, and ModivCare Inc. (the "***Debtor Defendants***").[9] Through the Lyons Action, the Lyons Plaintiff seeks to recover penalties on behalf of herself as well as other allegedly aggrieved employees who were classified as independent contractors within the last one year and sixty-five days prior to the filing of in California.

18. The Lyons Plaintiff alleges that she and all other individuals that performed transportation services using the Debtor Defendants' mobile applications were misclassified as independent contractors and, as a result, suffered violations of the California Labor Code.[10] The Lyons Plaintiff seeks PAGA penalties for failure to pay minimum and overtime wages, failure to provide meal periods and rest breaks, failure to reimburse business expenses, failure to timely pay wages during employment and at termination, failure to maintain meal time records, and failure to provide accurate, itemized wage statements.[11]

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[9] A true and correct copy of the *Representative Enforcement Action Complaint* filed by the Lyons Plaintiff to initiate the Lyons Action is attached hereto as **Exhibit B** (the "***PAGA Complaint***").

[10] PAGA Complaint, ¶ 1.

[11] *Id.* at ¶¶ 27-113.

19. On May 22, 2025, the Lyons Plaintiff and the Debtor Defendants (together, the "***Parties***") attended private mediation to attempt to resolve the Lyons Action. While the Parties did not reach a resolution at the aforementioned private mediation, the Parties, ultimately, reached agreement in principle on the terms of a settlement that would, subject to the parties negotiating and entering into a formal settlement agreement and the California State Court's approval of such settlement, resolve the claims asserted in the PAGA Complaint along with putative class claims for the same theories to be added through an amended pleading.[12]

20. On August 14, 2025, the Parties filed a stipulation in the Lyons Action to allow the Lyons Plaintiff to file a first amended complaint adding putative class claims for settlement purposes only and to reserve a hearing date for the Lyons Plaintiff's anticipated motion for preliminary approval of a class action and PAGA settlement.[13] The California State Court approved the Lyons Stipulation on August 25, 2025.

21. Pursuant to the Lyons Stipulation, (i) the Lyons Plaintiff was "granted to leave to file her First Amended Complaint a copy of which [was] attached [t]hereto as Exhibit A …"; and (ii) the Debtor Defendants had "no obligation to file a responsive pleading to the First Amended Complaint, and the First Amended Complaint will be deemed withdrawn if the Court fails to approve the forthcoming Motion for Final Approval of Class/PAGA Settlement."[14] Critically, the Lyons Stipulation expressly provides that: (i) the Debtor Defendants "consent[ed] to the filing of Plaintiff's FAC ***for purposes of facilitating settlement only***"; and (ii) in entering into the Lyons

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[12] *See Notice of Settlement and Stipulation to Continue Case Management Conference* filed on June 24, 2025, a true and correct copy of which is attached hereto as **Exhibit C**.

[13] *See Stipulation to: (I) Allow Plaintiff to File First Amended Complaint, and (2) Reserve Hearing Date for Preliminary Approval Motion; Order* entered by the California State Court on August 25, 2025 (the "***Lyons Stipulation***").

[14] Lyons Stipulation, ¶¶ 1-2.

Stipulation, the Debtor Defendants did not (a) "conced[e] the merits of any claim set forth [in the Lyons Plaintiff's First Amended Complaint]," nor (b) "waiv[e] any right to compel arbitration of any claims alleged in the FAC."[15]

22. On August 27, 2025 (after the Chapter 11 Cases had been commenced), the Debtor Defendants, through their counsel in the Lyons Action, filed a *Suggestion of Bankruptcy* in the Lyons Action, which resulted in the Lyons Action being stayed. At the time the Lyons Action was stayed, (i) the Lyons Plaintiff had not filed a first amended complaint asserting class action claims on behalf of a putative class, and, by extension, no putative class was certified by the California Court for settlement purposes or otherwise; (ii) the Parties did not execute any settlement agreement; and (iii) no motion seeking preliminary, or final, approval of a proposed settlement (including certification of a putative class for settlement purposes or otherwise) had been filed. All of which remains true as of the filing of this Objection.

23. As attested to in the Shepard Declaration, based on their review of the Claims Register, the Reorganized Debtors and their advisors have identified the Disputed Claims as claims that due to the procedural and substantive deficiencies set forth herein, should be disallowed and expunged in their entirety. To identify the Disputed Claims, the Reorganized Debtors:

(a) consulted with counsel, including defense counsel to the Reorganized Debtors in the Lyons Action (as defined below), regarding the viability of such claims under applicable state and federal law; and

(b) determined that, based on the advice of counsel, the Disputed Claims suffer from procedural and substantive deficiencies set forth in greater detail herein and, as a result, the Disputed Claims should be disallowed and expunged in their entirety.

24. Accordingly, the Reorganized Debtors hereby request that the Disputed Claims be disallowed and expunged in their entirety.

[15] *Id.* at p. 2.

BASIS FOR RELIEF

25. Section 502 of the Bankruptcy Code provides, in pertinent part, that: "[a] claim or interest, proof of which is filed under section 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest … objects." 11 U.S.C. § 502. Moreover, section 502(b)(1) of the Bankruptcy Code provides, in relevant part, that a claim may not be allowed if "such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law . . . ." 11 U.S.C. § 502(b)(1).

26. As set forth in Bankruptcy Rule 3001(f), a properly executed and filed proof of claim constitutes *prima facie* evidence of the validity and the amount of the claim under section 502(a) of the Bankruptcy Code. *See, e.g.*, *In re Jack Kline Co., Inc.*, 440 B.R. 712, 742 (Bankr. S.D. Tex. 2010). A proof of claim loses the presumption of *prima facie* validity under Bankruptcy Rule 3001(f) if an objecting party refutes at least one of the allegations that are essential to the claim's legal sufficiency. *See In re Fidelity Holding Co., Ltd.*, 837 F.2d 696, 698 (5th Cir. 1988). Once such an allegation is refuted, the burden reverts to the claimant to prove the validity of its claim by a preponderance of the evidence. *Id*. Despite this shifting burden during the claim objection process, "the ultimate burden of proof always lies with the claimant." *In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006) (citing *Raleigh v. Ill. Dep't of Rev.*, 530 U.S. 15 (2000)).

27. Here, the Disputed Claims should be disallowed and expunged in their entirety because: (i) as of the date hereof, over ten months after the passage of the General Bar Date and over seven months after the Plan was substantially consummated, Claimant has failed to file a motion to request that the Court exercise its discretion, pursuant to Bankruptcy Rule 9014, to apply Bankruptcy Rule 7023 to the Disputed Claims (as purported class proofs of claim); and (ii) despite

each of the Disputed Claims identifying the basis of such claim as "[p]re-petition litigation settlement, Calif. Super. Ct. San Bernardino Cnty. CIVSB2312049" no enforceable settlement was ever reached. Additionally, assuming the Court disallows and expunges the Disputed Claims, the Court should not, under these circumstances, toll the General Bar Date for the members of the putative class who failed to file individual claims.

I. The Court Should Disallow and Expunge the Disputed Claims In Their Entirety.

28. The Fifth Circuit has yet to address the question of "whether a *class* claim is even permissible." *Teta v. Chow (In re TWL Corp.)*, 712 F.3d 886, 892 (5th Cir. 2013) (emphasis in original). Nonetheless, "[t]he majority of Federal Circuit Courts determining whether a class proof of claim is permissible under the Bankruptcy Code and Federal Rules of Bankruptcy Procedure have ruled that Bankruptcy Code 9014 allows bankruptcy courts to apply Bankruptcy Rule 7023 and [Federal] Rule [of Civil Procedure] 23 to any stage of a contested matter, including the filing of a proof of claim." *In re Vanguard Nat. Res., LLC*, Case No. 17-30560, 2017 WL 5573967, at *4 (Bankr. S.D. Tex. Nov. 20, 2017). Under this majority approach, "a putative representative may file a ***conditional*** class proof of claim on behalf of a putative class that may later be certified …[, but,] [i]f the class is not certified, ***each putative class member would be required to file its own proof of claim***." *Id.* (emphases added). Thus, the Fifth Circuit has recognized that the application of Bankruptcy Rule 7023 in a contested matter is subject to a two-step process: "First, the court must exercise its discretion [under Rule 9014] as to whether to apply Rule 23 to the contested proceeding. Second, if the court decides to apply Rule 23, it then must determine whether the Rule's requirements for class certification have been satisfied." *In re TWL Corp.*, 712 F.3d at 892 (alteration in original) (internal citations and quotation marks omitted).

29. Critically, for purposes of the first-step of the inquiry (seeking an order from the Court determining, pursuant to Bankruptcy Rule 9014, that Bankruptcy Rule 7023 should apply),

the claimant is "***required*** to make a motion under Federal Rule of Bankruptcy Procedure 9014 requesting class action status." *Lucas v. Dynergy Inc. (In re Dynergy, Inc.)*, 770 F.3d 1064, 1068 (2d Cir. 2014) (emphasis added); *see also Gentry v. Siegel*, 668 F.3d 83, 88 (4th Cir. 2012) ("Rule 9014 also authorizes the bankruptcy court, ***on motion***, to make 'one or more of the other rules in Part VII' [Adversary Proceedings] applicable to contested matters, which includes Rule 7023 [Class Proceedings]."") (quoting Fed. R. Bankr. P. 9014(c)) (emphasis added). "Thus, in a 'contested matter,' absent a ***successful*** motion under Rule 9014 requesting class representative status under Rule 7023, Rule 23 cannot be invoked in bankruptcy proceedings." *Dynergy*, 770 F.3d at 1069 (emphasis added).

30. The Claimant has never filed such a motion despite the fact it is now over ten months after the passage of the General Bar Date and over seven months after the Plan was substantially consummated.

31. Additionally, although the issue is not before the Court, each of the relevant factors would weigh heavily against the Court exercising its discretion, under Bankruptcy Rule 9014, to apply Bankruptcy Rule 7023 to the Disputed Claims. Specifically, courts consider a variety of factors to determine whether to apply Bankruptcy Rule 7023, including:

> (1) whether the class was certified pre-petition, (2) whether the members of the putative class received notice of the bar date, and (3) whether class certification will adversely affect the administration of the case, especially if the proposed litigation will cause undue delay.

In re TWL Corp., 712 F.3d at 893 (internal citation and quotation marks omitted). A court may also consider "the benefits and costs of class litigation to the estate." *Id.* (internal citation omitted).

32. First, the putative class was not certified prior to the Petition Date, thus the first factor would weigh against applying Bankruptcy Rule 7023. *In re Vanguard*, 2017 WL 5573967,

at *5 (finding first factor weighed against application of Bankruptcy Rule 7023 when no class was certified prior to the petition date).

33. Second, the Reorganized Debtors served all known claimants with the Bar Date Notice, and provided publication notice through the publishing of the Bar Date Notice in the New York Times. *See* Bar Date Affidavits of Service; *see also* Affidavit of Publication (certifying publication notice). Thus the second factor also would weigh against application of Bankruptcy Rule 7023. *In re Vanguard*, 2017 WL 5573967, at *5 (finding factor two weighs against application of Bankruptcy Rule 7023 where debtors has served the entire creditor matrix with notice of relevant bar date in addition to providing publication notice).

34. Third, class certification would adversely affect the administration of the Chapter 11 Cases because the General Bar Date passed over seven months ago and the Plan was substantially consummated over five months ago. These critical milestones passed with only the Claimant (in her individual and purported representative capacity) and proposed class counsel (whose claim the Reorganized Debtors have also, substantially contemporaneously with the filing of this Objection, objected) filing claims on account of the Lyons Action. Despite the passage of this substantial time, no motion has been filed for the Court to exercise its discretion, under Bankruptcy Rule 9014, to apply Bankruptcy Rule 7023 to the Disputed Claims.

35. Thus, certifying the class and permitting the Disputed Claims (as class claims on behalf of the members of the putative class) at this late date would unfairly serve to resurrect the claims of the members of the putative class who failed to timely filed a Proof of Claim on account of the underlying allegations in the Lyons Action. *See In re Vanguard*, 2017 WL 5573967, at *5 (concluding that certifying putative class and permitting class proof of claim well after the passage of the bar date would merely "resurrect claims already discharged under 11 U.S.C. § 1141 and the

[Reorganized] Debtors' [Plan]"). Thus, factor three also would weigh against application of Bankruptcy Rule 7023.

36. Similarly, with respect to the benefits and costs to the Estates, the costs of resurrecting otherwise discharged claims of the putative class members who failed to timely file Proofs of Claim would substantially outweigh any benefits. If such claims were Allowed, they would dilute the recoveries of creditors who timely their Proofs of Claim, and, even if not Allowed, they would force the Reorganized Debtors to establish a reserve for the Disputed Claims. Establishing such a reserve would be a particularly challenging endeavor given the unliquidated nature of the claims.

37. Under these circumstances, the Fifth Circuit's decision in *CJ Holding Co.* is particularly instructive. *W. Wilmington Oil Field Claimants v. Nabors Corp. Servs., Inc. (In re CJ Holding Co.)*, 27 F.4th 1105, 1118-19 (5th Cir. 2022). In *CJ Holding Co.*, the Fifth Circuit affirmed the bankruptcy court's denial of a motion to permit members of a putative class to file late-filed claims. *Id.* The putative class members in *CJ Holding Co.*, like here, had filed a prepetition class action against the *CJ Holding Co.* debtors. *Id.* at 1109. The *CJ Holding Co.* debtors then removed that litigation to federal district court and moved to compel arbitration, pursuant to a company-wide arbitration agreement that included a class-action waiver. *Id.* The federal district court judge denied the motion to compel arbitration after finding that the class-action waiver provision was unenforceable, and the *CJ Holding Co.* debtors appealed the order denying the motion to compel to the Ninth Circuit. *Id.*

38. While that appeal was pending, the *CJ Holding Co.* debtors filed voluntary petitions in this Court and obtained entry of a bar date order which was then served on all members of the putative class in addition to the *CJ Holding Co.* debtors providing publication notice of the bar

date. *Id.* at 1110. The bankruptcy court later entered an agreed order lifting the automatic stay to permit, among others, the members of the putative class to prosecute their claims in the pending class action, and the *CJ Holding Co.* debtors, in the agreed order lifting the automatic stay, reserved their rights to challenge the validity of the purported class proof of claim filed on behalf of the putative class members. *Id.* Shortly thereafter, the Ninth Circuit reversed the district court and held that the arbitration provision, including the class-action waiver, was enforceable. *Id.* The Ninth Circuit's ruling had the "practical effect of disallowing any claim from being certified, meaning that all claims by the purported 'class' members had to be arbitrated individually." *Id.*

39. A subset of the putative class, specifically twenty-nine of the total ninety-six members, had timely filed individual proofs of claim, but the remaining putative class members failed to do so. *Id.* at 1111. The *CJ Holding Co.* debtors then filed an omnibus objection arguing, among other things, that "the Claimants [i.e., the putative class members] could not rely on class proofs of claim in light of the Ninth Circuit's decision enforcing the arbitration and waiver clause." *Id.* The putative class members and the *CJ Holding Co.* debtors agreed to mediate, and, while mediation was ongoing, the bankruptcy court abated proceedings pertaining to the *CJ Holding Co.* debtors' omnibus objection. *Id.* After the mediation failed to resolve the disputes, the bankruptcy court entered an order granting the *CJ Holding Co.* debtors' omnibus objection (thereby disallowing the class proof of claim), and held that the twenty-nine members of the putative class who timely filed proofs of claim could proceed in individual arbitrations while the members of the putative class who failed to timely file claims could file a motion seeking leave to file late proofs of claim. *Id.*

40. The members of the putative class who failed to timely file proofs of claim, in keeping with the bankruptcy court's ruling, then filed a motion seeking leave to file late proofs of

claim which the bankruptcy court denied after finding such claimants had failed to meet their burden of showing excusable neglect. *Id.* The claimants appealed that decision first to the district court which reversed and remanded after finding the claimants satisfied their burden of demonstrating excusable neglect, which the *CJ Holding Co.* debtors then timely appealed to the Fifth Circuit. *Id.* The Fifth Circuit reversed the district court's decision, agreeing with the bankruptcy court that the claimants had failed to meet their burden of showing excusable neglect, reasoning:

> [T]his court has not spoken definitively on the issue [of whether class proofs of claim are permitted]. Yet, since 2016, the Claimants have ostensibly proceeded under the assumption that a class proof of claim would ultimately be available to them. Such is not settled law in this Circuit, and the Claimants' reliance on unsettled law casts serious doubt on their claim of good faith. Second, even if the Claimants had moved the bankruptcy court to apply Rule 23 to their purported class proof of claim, they had a second hurdle to overcome. Namely, the bankruptcy court would still have had to certify the class proof of claim. Only once the bankruptcy court determines, in its *discretion*, that Rule 23 applies does it the evaluate whether the proposed class meets Rule 23's requirements. Thus, the Claimants' failure to move the bankruptcy court to apply Rule 23 to their purported class proof of claim evinces ***both a lack of diligence and a misunderstanding of bankruptcy procedure***.

Id. at 1118-19 (bolded emphasis added) (internal citations omitted).

41. Here too, Claimant's lack of diligence and/or misunderstanding of bankruptcy procedure, caused Claimant to fail to timely seek certification of the putative class, and, at this late juncture in the Chapter 11 Cases, it would be inefficient and inequitable for the Court to exercise its discretion, pursuant to Bankruptcy Rule 9014, to apply Bankruptcy Rule 7023 to the Disputed Claims to consider certification of the putative class.

42. As a result, for the reasons set forth above, the Reorganized Debtors respectfully submit that the Court should disallow and expunge the Disputed Claims in their entirety.

II. There Is No Basis to Allow the Disputed Claims Because the California State Court Has Not Approved an Enforceable Settlement.

43. As set forth above, each of the Disputed Claims identifies the basis of the claim as "[p]re-petition litigation settlement, Calif. Super. Ct. San Bernardino Cnty. CIVSB2312049." Contrary to this assertion, no enforceable settlement was ever reached. Among other things, no settlement agreement was ever agreed upon or executed. Moreover, any such settlement would have required the approval of the California State Court, and such approval was never granted. The Disputed Claims were filed by the Claimant, in her purported capacity as "Class Representative," and, thus, embody so-called class proofs of claim. Because the basis of the Disputed Claims is the purported prepetition settlement, the operative inquiry, for purposes of whether an enforceable settlement was entered into, is whether an enforceable settlement was reached between, on the one hand, the Debtor Defendants, and, on the other hand, the members of a contemplated settlement class. It is beyond dispute that no such settlement was reached.

44. At present, the Lyons Plaintiff has failed to even seek relief from, prior to the Effective Date, the automatic stay, and, presently, the injunctions embodied in the Plan to even file the first amended complaint contemplated by the PAGA and Class Action Stipulation, thus no claims on behalf of the putative class are even ***pending*** before the California State Court (much less this Court). Even if one sets aside this threshold deficiency and assumes, *arguendo*, that claims on behalf of the putative class had at least been ***asserted***, there is still no basis to allow such claims on account of a purported settlement because any settlement of such class action claims would have required court approval that was never obtained. Rule 3.769 of the California Rules of Court mandates that court approval is required for any settlement of a California state law action under California Code of Civil Procedure section 382. *See Dunk, et al. v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1800-1801 (Cal. Ct. App. 1996) ("To prevent fraud, collusion or unfairness to the

class, the settlement or dismissal of a class action ***requires court approval***.") (emphasis added). Among the other procedural requirements set forth in Cal. Civ. Proc. Code § 382, a court is required to approve the settlement of a class action, provide notice to the putative class members, and conduct a final approval hearing to "conduct an inquiry into the fairness of the proposed settlement." Cal. Civ. Proc. Code § 382(a)-(g).[16] It is only after each of these steps have occurred and the court presiding over the class action grants final approval of the class-action settlement that absent members of the class are bound. *See Richardson v. Wells Fargo Bank, N.A.*, 839 F.3d 442, 449 (5th Cir. 2016) (recognizing judicially approved settlement constitutes a final judgment and that a class action settlement that has been finally approved binds absent class members by the doctrine of res judicata).

45. Here, (i) the Lyons Plaintiff never even filed the first amended complaint in which it was contemplated class action claims would be asserted for purposes of settlement, (ii) by extension, no putative class has been even preliminarily certified (for settlement purposes or otherwise) much less on a final basis, (iii) no settlement agreement was ever entered into, much less approved by the California State Court which, as noted above, is a mandatory prerequisite to settle any class-action claims and bind the members of the class. Accordingly, the Disputed Claims should be disallowed and expunged in their entirety because the purported settlement that such claims are premised on was never entered into and was never presented to the California State Court (much less approved).

[16] The same would be true if the Claimant pursued certification of the putative class and settlement of the class action claims in this Court. *See* Fed. R. Civ. P. 23(e) (providing "[t]he claims, issues, or defenses of a certified class—or a class proposed to be certified for purposes of settlement—may be settled, voluntarily dismissed, or compromised, ***only with the court's approval*** ….") (emphasis added); *see also In re Shell Oil Refinery*, 155 F.R.D. 552, 555 (E.D. La. 1993) ("There are three steps that ***must precede*** a class action settlement. First, the court must preliminarily approve the settlement. Then, the members of the class must be given notice of the proposed settlement, and, finally, after a hearing, the court must determine whether the proposed settlement is fair, reasonable, and adequate.") (emphasis added) (internal citation omitted)

III. Assuming the Court Disallows and Expunges the Disputed Claims, the Court Should Not Toll the Claims Bar Date For Members of the Putative Class Who Failed to File an Individual Proof of Claim.

46. Assuming the Court, as requested herein, disallows and expunges the Disputed Claims, the Court should ***not*** toll the Claims Bar Date as to the individual members of the putative class who failed to file Proofs of Claim. While a bankruptcy court may provide the individual members of a putative class a reasonable time within which to file proofs of claim after denying class certification, *In re Vanguard*, 2017 WL 5573967, at *5 (citing *In re TWL Corp.*, 712 F.3d at 899 (citing *Gentry v. Siegel*, 668 F.3d at 91)), such tolling is not ***required***. *In re Vanguard*, 2017 WL 5573967, at *6 (declining to toll claims bar date after determining, in the exercise of the court's discretion under Bankruptcy Rule 9014, that application of Bankruptcy Rule 7023 was not warranted). Indeed, *Vanguard* is particularly instructive on this point. In *Vanguard*, the putative class members had received notice of the relevant bar date well in advance of its passage, and only the putative class action representative timely filed a proof of claim—but the filing of such proof of claim "***took place on the bar date itself*** …." *Id.* (emphasis added). As a result, the *Vanguard* court concluded that "[i]t would be inequitable for the Court to toll the Debtors' claim bar date based upon [the putative class action representative's] application and establish a new bar date for the putative class members' individual claims." *Id.*; *see also In re CJ Holding Co.*, 27 F.4th at 1119 (Thus, the Claimants' failure to move the bankruptcy court to apply Rule 23 to their purported class proof of claim evinces ***both a lack of diligence and a misunderstanding of bankruptcy procedure***.").

47. Here too, (i) the Reorganized Debtors served all known claimants with the Bar Date Notice and provided publication notice through the publishing of the Bar Date Notice in the New York Times; (ii) the Disputed Claims were not filed until the General Bar Date; (iii) only the Lyons Plaintiff herself, and her counsel, timely filed individual Proofs of Claim; and (iv) even now

Claimant has failed to move for the Court to exercise its discretion, pursuant to Bankruptcy Rule 9014, to apply Bankruptcy Rule 7023 to the Disputed Claims. Accordingly, the Reorganized Debtors submit that, just as in *Vanguard*, it would be inequitable to permit the other members of the putative class—who received timely notice of the General Bar Date—to be subject to a new, belated General Bar Date at the expense of the Reorganized Debtors' other creditors whose recoveries could be diluted to the extent any of the putative class member's individual Proofs of Claim are ultimately Allowed. Moreover, it would be inequitable to reward the members of the putative class for their "lack of diligence and [] misunderstanding of bankruptcy procedure," while many other creditors who failed to timely file Proofs of Claim will have their claims disallowed and expunged, forfeiting their right to any Distribution on account of such Proofs of Claim.

RESERVATION OF RIGHTS

48. The Reorganized Debtors reserve the right to amend, modify, or supplement this Objection, and to file additional objections to any other Claims (filed or not) that may be asserted against the Reorganized Debtors and their estates (including, without limitation, the Disputed Claims). Should one or more of the grounds of objection stated in the Objection be dismissed or overruled, the Reorganized Debtors reserve the right to object to the Disputed Claims or any other Claims on any other grounds that the Reorganized Debtors discover or elect to pursue.

49. Nothing contained herein shall be deemed: (a) an admission as to the amount of, basis for, or validity of any Claim against the Reorganized Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) an impairment or waiver of the Reorganized Debtors' or any other party in interest's right to dispute any Claim against, or interest in, the Reorganized Debtors, or their property or estates; (c) a promise or requirement to pay any prepetition Claim; (d) an implication or admission that any particular Claim is of a type specified or defined in this

Objection, or any order granting the relief requested by this Objection; (e) an implication, admission, or finding as to (i) the validity, enforceability, or perfection of any interest or encumbrance on the property of the Reorganized Debtors or their estates or (ii) the applicability of any exception or exclusion from property of the estate under section 541 of the Bankruptcy Code or other applicable law; (f) an impairment or waiver of any claims or causes of action which may exist against any entity; or (g) a waiver of the Reorganized Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable law.

NOTICE

50. Notice of this Objection will be given to the Claimant, the parties on the Reorganized Debtors' Master Service List, and all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002. The Reorganized Debtors submit that, under the circumstances, no other or further notice is required.

51. A copy of this Objection is available on (a) the Court's website, at www.txs.uscourts.gov and (b) the website maintained by the Claims and Noticing Agent at https://www.veritaglobal.net/ModivCare.

WHEREFORE, the Reorganized Debtors respectfully request that the Court enter the Proposed Order sustaining the Objection and granting such other and further relief as may be just and proper.

Dated: August 21, 2026

Respectfully submitted,

/s/ Timothy A. ("Tad") Davidson II

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Co-Counsel for the Reorganized Debtors

CERTIFICATE OF SERVICE

I certify that on August 21, 2026, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Timothy A. ("Tad") Davidson II
Timothy A. ("Tad") Davidson II

Exhibit A

Shepard Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	:	Chapter 11
MODIVCARE INC., *et al.*,	:	Case No. 25-90309 (ARP)
Reorganized Debtors.[1]	:	(Jointly Administered)

AFFIDAVIT OF KENNETH SHEPARD
IN SUPPORT OF REORGANIZED DEBTORS' NINETEENTH
OMNIBUS OBJECTION TO CERTAIN CLAIMS (INVALID CLAIMS)

I, Kenneth Shepard, hereby declare as follows:

1. I submit this affidavit (this "***Affidavit***") in support of the *Reorganized Debtors' Nineteenth Omnibus Objection to Certain Claims (Invalid Claims)* (the "***Objection***")[2] pursuant to Rule 3007-1 of the Bankruptcy Local Rules.

2. I am an executive vice president and group chief financial officer for the Reorganized Debtors a role that I have served in for approximately two months. I have worked for the Reorganized Debtors for over ten years and in finance for approximately 20 years.

3. I am knowledgeable about, and familiar with, the Reorganized Debtors' day-to-day operations, business and financial affairs, books and records, and the circumstances that led to the commencement of the Chapter 11 Cases. The facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by

[1] A complete list of each of the Reorganized Debtors in these chapter 11 cases (the "***Chapter 11 Cases***") and the last four digits of each Debtor's taxpayer identification number (if applicable) may be obtained on the website of the Reorganized Debtors' claims and noticing agent at https://www.veritaglobal.net/ModivCare. Debtor ModivCare Inc.'s principal place of business and the Reorganized Debtors' service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1200, Denver, Colorado 80237.

[2] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Objection.

employees working under my supervision, my own reasonable inquiry, and/or my discussions with the Reorganized Debtors' other officers, directors, and restructuring advisors, including professionals at Latham & Watkins LLP, Hunton Andrews Kurth LLP, FTI Consulting, Inc., Moelis & Company, and Kurtzman Carson Consultants, LLC d/b/a Verita Global. If called upon to testify, I would testify to the facts set forth in this Affidavit. I am authorized to submit this Affidavit.

OBJECTION TO DISPUTED CLAIMS

4. Article VII of the Plan empowers the Reorganized Debtors to undertake a claims allowance process. Thus, pursuant to the Plan, the Reorganized Debtors and their advisors have identified the Disputed Claims which they seek the disallowance and expungement of so that they may be removed from the Claims Register.

5. The Disputed Claims were identified after the Reorganized Debtors:

(a) consulted with counsel, including defense counsel to the Reorganized Debtors in the Lyons Action, regarding the viability of such claims under applicable state and federal law; and

(b) determined that based on the advice of counsel, the Disputed Claims suffer from procedural and substantive deficiencies set forth in greater detail in the Objection, and, as a result, should be disallowed and expunged in their entirety.

[*Remainder of page intentionally left blank.*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: August 21, 2026

/s/ Kenneth Shepard
Name: Kenneth Shepard
Title: EVP and Group Chief Financial Officer
ModivCare Solutions, LLC and its
Reorganized Debtor Affiliates

CASE ATTACHMENT COVER PAGE	(ENDORSED) **ELECTRONICALLY FILED**
SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN BERNARDINO STREET ADDRESS: 247 West Third Street MAILING ADDRESS: CITY AND ZIP CODE: San Bernardino, CA 92415 BRANCH NAME: San Bernardino Justice Center WEBSITE: http://www.sb-court.org	BY SUPERIOR COURT OF CALIFORNIA, COUNTY OF **San Bernardino** on **May 4, 2023** *CLERK OF THE SUPERIOR COURT* *Deputy Clerk:* *Jasmine Segura*
ATTACHMENT NAME: **Complaint: Complaint**	
CASE NAME: **Easter Lyons vs. Ride Plus, LLC**	CASE NUMBER: CIVSB2312049
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Attorneys for Plaintiff, on behalf of the State of California as the Real Party In Interest

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

EASTER LYONS, on behalf of the State of California as the Real Party In Interest;

Plaintiff,

vs.

RIDE PLUS, LLC, a Delaware Limited Liability Company; MODIVCARE INC., a Delaware Corporation; MODIVCARE SOLUTIONS, LLC, a Delaware Limited Liability Company; and DOES 1 through 20, inclusive;

Defendants.

Case No.: CIV SB 2312049

REPRESENTATIVE ENFORCEMENT ACTION COMPLAINT [Private Attorneys General Act of 2004 ("PAGA"), Lab. Code § 2698, *et seq.*]

(1) Willful Misclassification;
(2) Failure to Pay Minimum Wages;
(3) Failure to Pay Overtime Wages;
(4) Failure to for Rest and Recovery Periods and Nonproductive Time;
(5) Failure to Provide Meal Periods;
(6) Failure to Provide Rest Breaks;
(7) Failure to Reimburse Bus. Expenses;
(8) Failure to Timely Pay Wages;
(9) Failure to Timely Pay Final Wages;
(10) Failure to Provide Accurate Itemized Wage Statements; and
(11) Failure to Maintain Time Records

Plaintiff Easter Lyons ("Plaintiff") brings this Private Attorneys General Act ("PAGA") Representative Action Complaint ("Complaint"), on behalf of the State of California as the real party in interest,[1] against Defendants as follows.

I. INTRODUCTION AND GENERAL ALLEGATIONS

1. Plaintiff brings this action against her former employer(s), American Woodmark Corporation, RSI Home Products, Inc., and DOES 1 through 20, inclusive, (collectively, "Defendants") on behalf of the State of California, seeking civil penalties under PAGA for Labor Code violations committed against all persons that performed transportation services for Defendants in the State of California and who were classified as independent contractors within the last one year and 65-days prior to the filing of this action (hereinafter, the "Aggrieved Employees"). Such violations include, but are not limited to, Defendants' willful misclassification of employees as independent contractors, failure to pay all wages owed, failure to separately pay for rest breaks and nonproductive time under Labor Code § 226.2, failure to provide meal periods, failure to provide rest breaks, failure to reimburse business expenses, failure to timely pay wages each period and upon separation of employment, failure to provide accurate itemized wage statements, and failure to maintain time records.

2. Plaintiff was employed by Defendants during January 2023 and she alleges on information and belief that the Aggrieved Employees were subjected to the same policies, working conditions, and corresponding wage and hour violations to which Plaintiff was subjected during employment.

3. At all relevant times, Plaintiff and the Aggrieved Employees performed various duties for Defendants as employees. However, Defendants maintained policies and practices based on or including the willful misclassification of Plaintiff and the Aggrieved Employees as independent contractors despite that, under applicable standards of law, Plaintiff and the Aggrieved Employees are/were employees and not independent contractors.

[1] Because a PAGA action is aimed at deterring and punishing violations of the Labor Code, the State of California "is always the real party in interest in the suit." *Iskanian v. CLS Transp. of Los Angeles, LLC* (2014) 59 Cal.4th 348, 360; *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175, 185 (all PAGA claims "are brought on the state's behalf").

4. Notably, at all relevant times, Defendants engaged in a practice of willfully misclassifying the Aggrieved Employees as independent contractors when they are/were employees of Defendants because they (A) are/were subject to the control and direction of Defendants in connection with the performance of their work, both under contract and in fact, (B) performed work that was the core business of the company (*e.g.*, providing non-emergency medical transportation among other services), and therefore the tasks were not outside the usual course of Defendants' business, and (C) were not customarily engaged in an independently established trade, occupation, or business of the same nature as work performed by Defendants.

5. Also, at all relevant times, Plaintiff and the Aggrieved Employees were subject to the direction and control of Defendants in regard to work assignments, scheduling requirements, and days of work. Furthermore, Defendants directly and indirectly exercised control over the wages, hours, and working conditions of Plaintiff and the Aggrieved Employees. At all relevant times, the daily schedule for Plaintiff and the Aggrieved Employees was controlled solely by Defendants, and Defendants told them the exact time and location for all daily appointments. Furthermore, through the performance of their job duties, Plaintiff and the Aggrieved Employees performed an integral and entirely essential aspect of Defendants' business. In fact, Plaintiff and the Aggrieved Employees were tasked to perform the one and only service that Defendants provided: providing non-emergency medical transportation among other services. Additionally, the customers are and/or were Defendants' customers, not those of Plaintiff or the Aggrieved Employees. Plaintiff and the Aggrieved Employees were also not engaged in an independently established trade, occupation or business of the same nature as the work performed by Defendants. And, perhaps most importantly, Defendants retained the right to terminate Plaintiff and the Aggrieved Employees' working relationship without cause and at its discretion. Despite these facts, Defendants misclassified the Aggrieved Employees as independent contractors.

6. In addition to the misclassification claims, Defendants subjected Plaintiff and the Aggrieved Employees to a multitude of Labor Code violations.

7. For instance, Plaintiff and the Aggrieved Employees were not provided proper minimum, regular, and overtime wages due to Defendants' failure to accurately record and

compensate for all hours worked. For example, Defendants did not record hours worked by the Aggrieved Employees and instead paid the Aggrieved Employees on a flat-rate basis with additional per-client pay. But, under this pay plan, Defendants failed to pay the Aggrieved Employees at no less than the minimum wage for all unpaid, on-duty, time and tasks performed for Defendants. And Defendants did not pay any overtime compensation despite the Aggrieved Employees working in excess of 8 hours per day and 40 hours per week.

8. Plaintiff and the Aggrieved Employees were also denied 30-minute off-duty meal periods, as mandated by California law. As a result of Defendants' policies and practices, the Aggrieved Employees were subjected to meal period violations when they were: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of Defendants, (3) forced to take a shortened meal period, (4) forced to take a meal period after the 5th hour of work, and (5) not provided mandated second meal periods for shifts in excess of 10 hours. Moreover, Defendants failed to record or keep accurate information regarding when Plaintiff and the Aggrieved Employees took mandated meal periods, in violation of the applicable IWC Wage Order § 7(A)(3).

9. Defendants also failed to provide Plaintiff and the Aggrieved Employees with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. Defendants did not schedule rest breaks for Plaintiff and the Aggrieved Employee, and the Aggrieved Employees were often not authorized and/or permitted to take mandated rest breaks due to being overwhelmed by their hectic workload. Furthermore, on occasions when Plaintiff and the Aggrieved Employees worked longer shifts, Defendants failed to authorize and/or permit mandated third rest breaks. Also, at all relevant times, Plaintiff and the Aggrieved Employees were denied paid rest breaks by virtue of Defendants' policy that only paid the Aggrieved Employees on a piece-rate / flat-rate basis. As Plaintiff and the Aggrieved Employees could not generate compensation if they took a rest break, Plaintiff and the Aggrieved Employees were illegally denied paid rest breaks.

10. Moreover, Defendants required Plaintiff and the Aggrieved Employees to incur necessary business-related expenses and costs without reimbursement, including, but not limited

to: (1) significant costs and expenses for use of their personal vehicles on behalf of Defendants [including mileage, repairs, upkeep, inspections, among others], and (2) acquiring and maintaining a smart phone and related monthly data plan to communicate with Defendants via phone and text message.

11. Plaintiff further alleges that she and the Aggrieved Employees were not paid all wages due and owing each pay period (Labor Code § 204) and upon separation of employment within the time required by Labor Code §§ 201 – 203. Plaintiff further alleges that Defendants engaged in the practice of failing to pay all wages due and owing to Plaintiff and the Aggrieved Employees at the time their employment ended with Defendants, including, but not limited to minimum, regular, and overtime wages, wage premiums, vacation and sick wages, among others.

12. Plaintiff further alleges that Defendants failed to provide accurate itemized wage statements that fully complied with the requirements of Labor Code § 226(a) and, further, failed to keep and maintain records regarding the Aggrieved Employees' daily hours worked.

13. Plaintiff alleges that Defendants' violations of the wage and hour components of the Labor Code and IWC Wage Orders enabled them to decrease expenses and to increase their level of productivity and profits, thereby allowing Defendants to gain an unfair advantage over its competitors.

14. At all material times, Defendants and DOES 1 through 20 were and/or are the Aggrieved Employees' employers or persons acting on behalf of the Aggrieved Employees' employer, within the meaning of California Labor Code § 558, who violated or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating hours and days of work in an IWC Wage Order and, as such, are subject to penalties for each underpaid employee as set forth in Labor Code § 558 and under California law.

15. Plaintiff brings this lawsuit on behalf of the State of California, as the real party in interest, to recover all applicable and available PAGA remedies for violations of the California Labor Code committed against the Aggrieved Employees as alleged herein, as well as attorneys' fees, costs, and/or other damages as permitted by PAGA. Plaintiff reserves the right to name additional representatives throughout the State of California.

II. JURISDICTION

16. This Court has jurisdiction over the claims for relief of Plaintiff and the Aggrieved Employees pursuant to the Labor Code and the IWC Wage Orders.

III. VENUE

17. Venue as to each Defendant is proper in this Court pursuant to Code of Civil Procedure § 395(a). Defendants transact business in San Bernardino County and the unlawful acts alleged herein have a direct effect on the Aggrieved Employees in San Bernardino County. Furthermore, Defendants employed or employ the Aggrieved Employees in San Bernardino County and alleged violations therefore occurred in San Bernardino County. Thus, venue is proper in San Bernardino County. *See Crestwood Behavioral Health, Inc. v. Superior Court* (2021) 60 Cal.App.5th 1069, 1075 ("venue is proper in any county in which an aggrieved employee worked and Labor Code violations allegedly occurred.").

IV. PARTIES

Plaintiff

18. Plaintiff and PAGA Representative Easter Lyons was employed by Defendants in January 2023.

Defendants

19. Plaintiff is informed and believes and thereon alleges that Defendant Ride Plus, LLC is a Delaware limited liability company authorized to and doing business in San Bernardino County, California. Plaintiff is also informed and believes that Defendant Ride Plus, LLC is and/or was the legal employer of Plaintiff and the Aggrieved Employees during the applicable statutory periods.

20. Plaintiff is informed and believes and thereon alleges that Defendant Modivcare, Inc. is a Delaware corporation authorized to and doing business in San Bernardino County, California. Plaintiff is also informed and believes that Defendant Modivcare, Inc. is and/or was the legal employer of Plaintiff and the Aggrieved Employees during the applicable statutory periods.

/ / /

21. Plaintiff is informed and believes and thereon alleges that Defendant Modivcare Solutions, LLC Inc. is a Delaware corporation authorized to and doing business in San Bernardino County, California. Plaintiff is also informed and believes that Defendant Modivcare, Inc. is and/or was the legal employer of Plaintiff and the Aggrieved Employees during the applicable statutory periods.

22. Plaintiff is ignorant of the true names, capacities, relationships, and extent of participation in the conduct herein alleged, of Defendants sued herein as DOES 1 through 20, inclusive, but on information and belief alleges that those Defendants are legally responsible for the payment of penalties and damages to Plaintiff and all Aggrieved Employees by virtue of Defendants' unlawful actions and practices and therefore sue these Defendants by such fictitious names. Plaintiff will amend this complaint to allege the true names and capacities of the DOE Defendants when ascertained.

23. Plaintiff is informed and believes and thereon alleges that she and the Aggrieved Employees worked under the joint direction and control of Defendants and that Defendants, and each of them, acted in all respects pertinent to this action as the agent of the other Defendants, carried out a joint scheme, business plan or policy in all respect pertinent hereto, and the acts of each Defendant are legally attributable to the other Defendants. On information and belief, a unity of interest and ownership between each Defendant exists such that all Defendants acted as a single employer of Plaintiff and other Aggrieved Employees.

24. Furthermore, Plaintiff is informed and believes and thereon alleges that Defendants, and each of them, are an integrated enterprise and should be treated as a single employer because these entities share an interrelation of operations, with common human resources and personnel policies and shared common offices and facilities. Additionally, Defendants also have a shared website, common management, a centralized control of labor operations, and common ownership or financial control.

25. Plaintiff is informed and believes and thereon alleges that, in conducting themselves in the manner described herein, Defendants, and each of them, were acting in active concert with one another such that the acts of each were and are fully attributable to the others in

all material respects. Plaintiff is further informed and believes that at all relevant times Defendants and each of them are now, and at all material times herein mentioned were, the agents, servants, employees, partners, affiliates, and/or representatives of each of their remaining co-Defendants, and were, at all times herein mentioned, acting within the course, scope, and purpose of such relationship(s) and with the knowledge, consent and/or ratification of each of their remaining co-Defendants.

26. Plaintiff is further informed and believes that at all relevant times, Defendants have been inadequately capitalized to conduct business, have failed to follow appropriate corporate formalities, and have simply been a shell and instrumentality through which Defendants DOES 11 through 20, inclusive, have conducted their personal affairs. Accordingly, the corporate veil should be pierced, and any liability attached to Defendants should be imposed jointly and severally against Defendants DOES 11 through 20. Adherence to the fiction of the separate existence of these corporate entities would permit abuse of the corporate privilege, thereby sanctioning fraud and promoting injustice.

V. PAGA CAUSES OF ACTION (Labor Code §§ 2698 – 2699.5)

27. Plaintiff is an "aggrieved employee" under the PAGA as she was employed by Defendants during the applicable statutory period and suffered one or more of the Labor Code violations alleged herein. As such, Plaintiff may recover the remedies described herein in a civil action filed on behalf of the State of California and for violations committed against the Aggrieved Employees.

28. Plaintiff seeks to recover all applicable and available PAGA remedies pursuant to Labor Code § 2699, as well as attorneys' fees, costs, and/or other damages as permitted by PAGA through a representative action pursuant to the PAGA and the California Supreme Court in *Arias v. Superior Court* (2009) 46 Cal. 4th 969. Therefore, Plaintiff is not required to, nor does she, seek class certification of the PAGA claims under Code of Civil Procedure § 382.

29. Pursuant to Labor Code § 2699.3(a), Plaintiff gave written notice by online filing to the Labor and Workforce Development Agency ("LWDA") and by certified mail to Defendants of the specific provisions of the Labor Code alleged to have been violated, including

the facts and theories to support the alleged violations. Now that sixty-five (65) days have elapsed since Plaintiff provided notice of the claims alleged herein without the LWDA assuming jurisdiction over the claims alleged, Plaintiff has fully satisfied her administrative prerequisites for bringing suit under the PAGA.

FIRST CAUSE OF ACTION

PAGA ASSESSMENT FOR WILLFUL MISCLASSIFICATION

(Labor Code § 226.8)

Against All Defendants

30. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

31. At all relevant times, Plaintiff and the Aggrieved Employees performed various duties for Defendants as employees. However, as alleged herein, Defendants have maintained policies and practices based on or including the willful misclassification of Plaintiff and the Aggrieved Employees as independent contractors despite that, under applicable standards of law, Plaintiff and all Aggrieved Employees are, or were during their employment with Defendants, employees and not independent contractors.

32. Labor Code § 226.8(a) states "It is unlawful for any person or employer to engage in any of the following activities: (1) Willful misclassification of an individual as an independent contractor."

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

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

permitted by law.

35. At all relevant times herein, Defendants engaged in a pattern and practice of willfully and knowingly misclassifying Plaintiff and the Aggrieved Employees as independent contractors. Therefore, Plaintiff and the Aggrieved Employees are entitled to the stepped-up penalties as set forth in Labor Code § 226.8(c).

36. As a result of the unlawful employment practices alleged herein, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

SECOND CAUSE OF ACTION

PAGA ASSESSMENT FOR FAILURE TO PAY MINIMUM WAGES

(Labor Code §§ 200, 1194, 1194.2, 1197; IWC Wage Order § 4)

Against All Defendants

37. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

38. Plaintiff and the Aggrieved Employees were not exempt from the requirement to be paid at least the applicable California minimum wage throughout the statutory period for each hour worked.

39. Plaintiff and the Aggrieved Employees were not provided proper minimum and regular wages due to Defendants' failure to accurately record and compensate for all hours worked. For example, Defendants did not record hours worked by the Aggrieved Employees and instead paid the Aggrieved Employees on a flat-rate basis with additional per-client pay. But, under this pay plan, Defendants failed to pay the Aggrieved Employees at no less than the minimum wage for all unpaid, on-duty, time and tasks performed for Defendants. As a result of this policy and practice, Plaintiff and the Aggrieved Employees were required to perform off-the-clock work that Defendants either knew or should have known they were performing.

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40. Consequently, Defendants violated California Labor Code laws and minimum wage laws, *inter alia*, Labor Code §§ 200, 221, 222, 223, 1197, IWC Wage Order 9, § 4, and Cal. Code Regs., tit. 8, section 11090, subds. 1 and 4(B).

41. Plaintiff is informed and believes and thereon alleges that Defendants intentionally, willfully, and improperly failed to pay wages to Plaintiff and the Aggrieved Employees for each hour worked in violation of Labor Code §§ 221-223, 1194 and 1197.

42. Defendants' conduct was willful, as Defendants knew that Plaintiff and the Aggrieved Employees were entitled to be paid wages throughout the statutory period for each hour worked, including proper minimum and regular wages, yet Defendants chose not to pay them in accordance thereto.

43. As a result of the unlawful employment practices alleged herein, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

THIRD CAUSE OF ACTION

PAGA ASSESSMENT FOR FAILURE TO PAY OVERTIME WAGES

(Labor Code §§ 204 and 510; IWC Wage Order § 3(A))

Against All Defendants

44. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

45. Plaintiff and the Aggrieved Employees were employees of Defendants who did not receive proper protections and benefits of the laws governing payment of overtime wages.

46. Labor Code § 204 requires that the employer timely pay all overtime wages to its employees. Labor Code § 510(a) and the applicable IWC Wage Order § 3(A) provide that any work performed in excess of eight (8) hours in one workday or 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 an employee. Furthermore, any work performed in excess of twelve (12) in one workday shall be compensated at twice the regular rate of pay for an employee.

47. At all relevant times, Plaintiff and the Aggrieved Employees were required by Defendants to work hours in excess of 8 and/or 12 per day and/or 40 per week. However, due to Defendants' failure to accurately record and compensate for all hours worked Plaintiff and the Aggrieved Employees did not receive proper overtime compensation. For example, Defendants did not record hours worked by the Aggrieved Employees and instead paid the Aggrieved Employees on a flat-rate basis with additional per-client pay. But, under this pay plan, Defendants did not pay any overtime compensation despite the Aggrieved Employees working in excess of 8 hours per day and 40 hours per week.

48. As a result of these policies and practices, Defendants failed to pay Plaintiff and the Aggrieved Employees for all overtime hours worked.

49. Defendants violate Labor Code §§ 204 and 510 and the applicable IWC Wage Order § 3(A) every pay period with respect to Plaintiff and the Aggrieved Employees because Defendants required its employees to work hours in excess of 8 and/or 12 per day and/or 40 per week without proper overtime compensation.

50. Plaintiff is informed and believes and thereon alleges that Defendants intentionally, willfully, and improperly failed to pay proper overtime wages to Plaintiff and the Aggrieved Employees in violation of Labor Code §§ 204, 221-223, 510, 1194 and 1197.

51. Defendants' conduct was willful, as Defendants knew that Plaintiff and the Aggrieved Employees were entitled to be paid proper overtime wages throughout the statutory period, yet Defendants chose not to pay them in accordance thereto.

52. As a result of the unlawful employment practices alleged herein, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

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FOURTH CAUSE OF ACTION

PAGA ASSESSMENT FOR FAILURE TO SEPARATELY PAY FOR REST AND RECOVERY PERIODS AND NONPRODUCTIVE TIME

(Labor Code § 226.2)

Against All Defendants

53. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

54. Plaintiff and the Aggrieved Employees are and/or were employees of Defendants who were paid on a piece-rate / flat-rate basis.

55. Labor Code § 226.2 requires employers that pay their employees on a piece-rate basis to provide separate compensation (above the piece-rate pay) for rest and recovery periods and other nonproductive time.

56. At all relevant times herein, Defendants failed to compensate the Aggrieved Employees, including Plaintiff, for all rest and recovery periods and other nonproductive time separate from any piece-rate compensation at the rate required by Labor Code § 226.2. Therefore, Defendants violates Labor Code § 226.2 every pay period with respect to Plaintiff and each and every one of the Aggrieved Employees.

57. Defendants' conduct was willful, as Defendants knew that Plaintiff and the Aggrieved Employees were entitled to be paid wages throughout the statutory period for each hour worked, including proper minimum and regular wages, yet Defendants chose not to pay them in accordance thereto.

58. As a result of the unlawful employment practices alleged herein, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

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FIFTH CAUSE OF ACTION

PAGA ASSESSMENT FOR FAILURE TO PROVIDE MEAL PERIODS

(Labor Code §§ 226.7 and 512; IWC Wage Order § 11, 12)

Against All Defendants

59. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

60. Plaintiff and the Aggrieved Employees are and/or were employees of Defendants who did not receive proper protections and benefits of laws governing mandatory meal periods.

61. Labor Code § 226.7 requires employers, including Defendants, to provide employees with meal periods as mandated by the Industrial Welfare Commission.

62. Labor Code § 512(a), in part, provides that employers, including Defendants, may not employ an employee for a work period of more than five hours per day without providing an employee the opportunity to take an uninterrupted meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and the employee. Employers may not employ an employee for a work period more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.

63. Pursuant to Labor Code § 226.7(b) and the applicable IWC Wage Order § 11(B), Defendants shall pay an employee one additional hour of pay at the employee's regular rate of pay for each meal period that is missed.

64. At all relevant times herein, Plaintiff and the Aggrieved Employees were denied the 30-minute meal periods to which they were entitled. As a result of Defendants' policies and practices, Plaintiff and the Aggrieved Employees were subjected to meal period violations when they were: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of Defendants, (3) forced to take a shortened meal period, (4) forced to take a meal period after the 5th hour of work, and (5) not provided mandated second meal periods for shifts in excess of 10 hours.

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65. Moreover, Defendants failed to record or keep accurate information regarding when Plaintiff and the Aggrieved Employees took mandated meal periods, in violation of the applicable IWC Wage Order § 7(A)(3).

66. Defendants violated Labor Code §§ 226.7, 512, and the applicable IWC Wage Order every pay period because Plaintiff and the Aggrieved Employees were not provided with all mandatory meal periods and Defendants failed to pay Plaintiff and the Aggrieved Employees one additional hour of compensation at the regular rate of pay in lieu thereof.

67. On information and belief, Plaintiff and the Aggrieved Employees did not voluntarily or willfully waive the mandated meal periods. Any expressed or implied waivers obtained from Plaintiff and the Aggrieved Employees were not willfully obtained, were not voluntarily agreed to, were a condition of employment, or were a part of a contract of an unlawful adhesion. Defendants did not permit or authorize Plaintiff and the Aggrieved Employees to take meal periods in accordance with California law.

68. As a result of the unlawful employment practices alleged herein, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

SIXTH CAUSE OF ACTION

PAGA ASSESSMENT FOR FAILURE TO PROVIDE REST BREAKS

(Labor Code §§ 226.7 and 512; IWC Wage Order § 12)

Against All Defendants

69. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

70. Plaintiff and the Aggrieved Employees are and/or were employees of Defendants who did not receive proper protections and benefits of the laws governing mandatory rest breaks.

71. Labor Code § 226.7 requires employers, including Defendants, to provide rest breaks to its employees as mandated by Order of the Industrial Welfare Commission.

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72. The IWC Wage Order § 12 states, in part, that 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. Employees shall receive a 10-minute rest period every four hours or major fraction thereof that they are required to work. Authorized rest period time shall be counted, as hours worked, for which there shall be no deduction from wages.

73. Pursuant to Labor Code § 226.7(b) and Section 12(B) of the applicable Wage Order, Defendants shall pay Plaintiff and the Aggrieved Employees one additional hour of pay at their regular rate of compensation for each day that the rest period is not provided.

74. At all relevant times, Defendants also failed to provide Plaintiff and the Aggrieved Employees with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. Defendants did not schedule rest breaks for the Aggrieved Employees, the Aggrieved Employees were unable to leave the premises for breaks, and the Aggrieved Employees were often not authorized and/or permitted to take mandated rest breaks due to being overwhelmed by their hectic workload. Furthermore, on occasions when the Aggrieved Employees worked longer shifts, Defendants failed to authorize and/or permit mandated third rest breaks. Also, at all relevant times, Plaintiff and the Aggrieved Employees were denied paid rest breaks by virtue of Defendants' policy that only paid the Aggrieved Employees on a piece-rate / flat-rate basis. As Plaintiff and the Aggrieved Employees could not generate compensation if they took a rest break, Plaintiff and the Aggrieved Employees were illegally denied paid rest breaks.

75. Defendants violated Labor Code §§ 226.7, 512, and the applicable IWC Wage Order every pay period because Plaintiff and the Aggrieved Employees were not provided with all mandatory rest periods and Defendants failed to pay Plaintiff and the Aggrieved Employees one additional hour of compensation in lieu thereof.

76. As a result of the unlawful employment practices alleged herein, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

SEVENTH CAUSE OF ACTION

PAGA ASSESSMENT FOR FAILURE TO REIMBURSE BUSINESS EXPENSES

(Labor Code § 2802)

Against All Defendants

77. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

78. Plaintiff and the Aggrieved Employees are and/or were employees of Defendants who did not receive proper protections and benefits of the laws governing reimbursement of business expenses.

79. Labor Code § 2802(a) requires that the employer indemnify its employees for expenses and losses incurred while discharging their duties or in obedience to the directions of their employer.

80. At all relevant times herein mentioned, as a condition of employment, Defendants required Plaintiff and the Aggrieved Employees to incur necessary business-related expenses and costs without reimbursement, including, but not limited to: (1) significant costs and expenses for use of their personal vehicles on behalf of Defendants [including mileage, repairs, upkeep, inspections, among others], and (2) acquiring and maintaining a smart phone and related monthly data plan to communicate with Defendants via phone and text message.

81. At all relevant times herein, Defendants violated Labor Code § 2802(a) when they failed to reimburse Plaintiff and the Aggrieved Employees for expenses incurred as a direct consequence of employment with Defendants and/or under the direction of Defendants.

82. As a result of the unlawful employment practices alleged herein, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

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EIGHTH CAUSE OF ACTION

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY WAGES EACH PERIOD

(Labor Code § 204)

Against All Defendants

83. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

84. Plaintiff and the Aggrieved Employees are and/or were "non-exempt" employees of Defendants who did not receive proper protections and benefits of the laws regarding the timing of payment of wages each period.

85. Labor Code § 204(a) states that all wages earned by a person are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month.

86. Furthermore, Labor Code § 204(d) states "[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period."

87. At all relevant times herein, Defendants did not provide Plaintiff and the Aggrieved Employees with all wages due and owing each pay period, including, but not limited to, minimum, regular, and overtime wages, as well as meal and rest period premiums, within the time specified by Labor Code § 204.

88. As a result of the unlawful employment practices alleged herein, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

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NINTH CAUSE OF ACTION

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES

(Labor Code §§ 201 – 203)

Against All Defendants

89. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

90. Plaintiff and the Aggrieved Employees are and/or were employees of Defendants who did not receive proper protections and benefits of the laws governing the timing and payment of wages.

91. Labor Code § 201 requires that the employer immediately pay any wages, without abatement or reduction, to any employee who is discharged.

92. Labor Code § 202 requires that the employer pay all wages earned and unpaid, without abatement or reduction, no later than 72 hours of receiving an employee's notice of intent to quit or immediately at the time of quitting if at least a 72-hour notice was provided.

93. Labor Code §§ 201-203 cause the unpaid wages of the employee to continue as a penalty from the due date thereof at the same rate until paid or until an action therefore is commenced, but the wages shall not continue for more than thirty (30) days.

94. At all relevant times, Defendants employed a policy and practice whereby Plaintiff and the Aggrieved Employees were not paid all wages due and owing upon separation of employment within the time required by Labor Code §§ 201 and 202.

95. Also, at all relevant times, Defendants engaged in the practice of failing to pay all wages due and owing to Plaintiff and the Aggrieved Employees upon separation of employment, including, but not limited to, minimum, regular, and overtime wages, meal and rest period premiums, sick pay, and payments required under Labor Code § 226.2.

96. Plaintiff alleges that, at all times material to this action, Defendants had a planned pattern and practice of failing to timely pay Plaintiff and the Aggrieved Employees all wages due and owing upon separation of employment as required by Labor Code §§ 201 and 202.

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97. As a result of the unlawful employment practices alleged herein, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

TENTH CAUSE OF ACTION

PAGA ASSESSMENT FOR

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(Labor Code § 226)

Against All Defendants

98. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

99. Plaintiff and the Aggrieved Employees are and/or were employees of Defendants who did not receive proper protections and benefits of the laws governing the provision of accurate itemized wage statements.

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

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

102. Defendants violate Labor Code § 226(a) every pay period with respect to Plaintiff and the Aggrieved Employees because Defendants failed to provide a wage statement to Plaintiff and the Aggrieved Employees that complied with the requirements of Labor Code § 226(a).

103. As a threshold issue, Defendants did not provide any document that would serve as the itemized wage statements under Labor Code § 226. Because of the failure to provide a wage statement, Defendants violated nearly all subsections of § 226(a), including: failure to accurately state total hours worked; failure to accurately state gross wages earned; failure to accurately state all deductions; failure to accurately state net wages earned; failure to state all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; failure to accurately state the name and address of the legal entity that is the employer; and all other items required by § 226.2(a) addressed above.

104. Additionally, Defendants' wage statements directly violated Labor Code § 226(a) each period due to the failure to pay and report premium wages for denied meal periods and rest breaks under § 226.7.

105. Therefore, Defendants violate Labor Code § 226(a) every pay period with respect to Plaintiff and the Aggrieved Employees because Defendants failed to provide a wage statement to Plaintiff and the Aggrieved Employees that complied with the requirements of § 226(a).

106. Unlike class action claims, a PAGA plaintiff need not meet the "injury" and "knowing and intentional" violation requirements of Labor Code § 226(e). See *Lopez v. Friant & Associates, LLC* (2017) 15 Cal.App.5th 773, 788 ("a plaintiff seeking civil penalties under PAGA for a violation of section 226(a) does not have to satisfy the "injury" and "knowing and intentional" requirements of section 226(e)(1)"); See also *Lawson v. ZB, N.A.* (2017) 18 Cal.App.5th 705, 722 ("the scienter requirement [of § 226(e)] has no application in a PAGA claim for violation of [§ 226(a)]").

107. As a result of the Defendants' violations of Labor Code § 226, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

ELEVENTH CAUSE OF ACTION

PAGA ASSESSMENT FOR FAILURE TO MAINTAIN TIME RECORDS

(Labor Code § 1199; IWC Wage Order §§ 6, 7)

Against All Defendants

108. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

109. Plaintiff and the Aggrieved Employees are and/or were employees of Defendants who did not receive proper protections and benefits of the laws governing record and timekeeping required of employers.

110. The relevant IWC Wage Order(s) required Defendants to accurately record and maintain "each employee's "[t]ime records showing when the employee begins and ends each work period," the time that each meal period began and ended, daily hours worked, and total hours worked in the payroll period.

111. Here, Defendants did not keep any timekeeping records for the Aggrieved Employees and, thus, failed to accurately record and maintain the information required under California law.

112. An employer violates Labor Code § 1199 when it violates or refuses or neglects to comply with any provision of an IWC Wage Order. And Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply.

113. As a result of the Defendants' violations of Labor Code § 226, Plaintiff, on behalf of the State of California, seeks the assessment of all applicable and available PAGA remedies pursuant to Labor Code § 2699, and seeks to recover all attorneys' fees, costs, and/or any other damages permitted under PAGA.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of the State of California as the real party in interest, prays for judgment and relief against Defendants, jointly and severally, as follows:

1. For the assessment of all remedies and/or penalties available under the PAGA;

2. For reasonable attorneys' fees and costs of suit to the extent permitted by law; and

3. For such other and further relief as the Court deems just and proper.

Dated: May 4, 2023

LAUBY, MANKIN & LAUBY LLP

BY: _____

Brian J. Mankin, Esq.
Peter J. Carlson, Esq.
Attorneys for Plaintiff

ORIGINAL

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Attorneys for Plaintiff, on behalf of the State of California as the Real Party In Interest

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT
JUN 24 2025
BY AMBER M. GEAR, DEPUTY

RECEIVED
JUN 24 2025
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

FILED BY FAX

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

EASTER LYONS, on behalf of the State of California as the Real Party In Interest;

Plaintiff,

vs.

RIDE PLUS, LLC, a Delaware Limited Liability Company; MODIVCARE INC., a Delaware Corporation; MODIVCARE SOLUTIONS, LLC, a Delaware Limited Liability Company; and DOES 1 through 20, inclusive;

Defendants.

Case No.: CIVSB2312049
[Assigned to Hon. Corey G. Lee, Dept S37, for all purposes]
SC-2025-14889 vs

NOTICE OF SETTLEMENT AND STIPULATION TO CONTINUE CASE MANAGEMENT CONFERENCE; ~~[PROPOSED]~~ ORDER

Hearing
Date: July 8, 2025
Time: 8:30 a.m.
Dept.: S37

Complaint filed: 5/4/2023

TO THE HONORABLE COURT AND TO ALL PARTIES AND COUNSEL OF RECORD:

Plaintiff Easter Lyons ("Plaintiff") and Defendants Ride Plus, LLC, Modivcare, Inc., and Modivcare Solutions, LLC ("Defendants") (collectively, the "Parties"), hereby report that they attended private mediation with Todd Smith on May 22, 2025. Although the matter did not resolve at mediation, the Parties continued their negotiations, facilitated by the mediator, and ultimately reached a settlement that will, after Court approval, resolve the claims pending in this action (along with putative class claims for the same theories to be added via amended pleading).

The Parties are working to formalize the settlement documents and anticipate being ready to file a motion for preliminary approval within 90 days. Thus, the Parties respectfully request that the Court continue the hearing on July 8, 2025, for approximately 120 days.

Respectfully Submitted,

Dated: June 23, 2025

LAUBY, MANKIN & LAUBY LLP

BY: _____
Peter J. Carlson, Esq.
Attorneys for Plaintiff

Dated: June 23, 2025

LITTLER MENDELSON P.C.

BY: */s/ Sophia B. Collins*
Sophia B. Collins, Esq.
Attorneys for Defendants

~~[PROPOSED]~~ ORDER

The Court, having considered the stipulation of the Parties, and for good cause appearing, hereby ORDERS that the Case Management Conference, currently scheduled for July 8, 2025, is CONTINUED to November 7, 2025, at 8:30 a.m. or to _____, 2025, at _____ a.m. / p.m.

IT IS SO ORDERED.

Dated: 6/24/25

_____
Hon. Corey G. Lee

Corey G. Lee

PROOF OF SERVICE
(Pursuant to CCP §§ 1013(a)(1) and 2015.5)

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I am employed in the County of Riverside, State of California. I am over the age of 18 and not a party to the within action; my business address is 5198 Arlington Avenue, PMB 513, Riverside, CA 92504.

On June 23, 2025, I caused to be served the foregoing document(s) described as follows:

NOTICE OF SETTLEMENT AND STIPULATION TO CONTINUE CASE MANAGEMENT CONFERENCE; [PROPOSED] ORDER

I declare that I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

[ ] **By Mail** I deposited such envelope in the mail at Riverside, California. The envelope was mailed with postage thereon fully prepaid.

[ ] **By Facsimile** I sent this document via fax to all parties as listed on attached service list, on

[ ] **By Overnight Service** I deposited such envelope in a facility regularly maintained by the United Parcel Service for receipt of items for overnight delivery, with overnight delivery expenses prepaid, addressed to the person to be served.

[X] **By Email or Electronic Transmission:** Pursuant to CCP § 1010.6 or an agreement of the parties to accept service by email or electronic transmission, I caused the document(s) to be sent from email address tracie@lmlfirm.com to the persons at the electronic notification address listed in the service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was not successful.

[ ] **By Certified Mail-Return Receipt Requested** I caused such envelope with postage fully prepaid thereon, to be placed in the United States mail at Riverside, California

[ ] **By Personal Service** I caused said document(s) to be personally served by hand on the parties listed on the attached service list.

[X] **State** I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on June 23, 2025, Riverside, California.

[ ] **Federal** I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Tracie Chiarito, Declarant

SERVICE LIST

Sophia B. Collins, Esq.
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Attorneys for Defendants Attorneys for Defendants MODIVCARE SOLUTIONS LLC, RIDE PLUS LLC, AND MODIVCARE INC.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	:	Chapter 11
MODIVCARE INC., *et al.*,	:	Case No. 25-90309 (ARP)
Reorganized Debtors.[1]	:	(Jointly Administered)

ORDER GRANTING REORGANIZED DEBTORS' NINETEENTH OMNIBUS OBJECTION TO CERTAIN CLAIMS (INVALID CLAIMS)
[Relates to Docket No.]

Upon the objection (the "***Objection***")[2] of the Reorganized Debtors seeking entry of an order (this "***Order***") disallowing and expunging the Disputed Claims, all as more fully set forth in the Objection; and the Court having reviewed the Objection; and the Court having jurisdiction to consider the Objection and the relief requested therein in accordance with 28 U.S.C. § 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Objection and opportunity for a hearing on the Objection were appropriate under the circumstances and that no other or further notice is necessary, except as set forth in this Order; and all responses, if any, to the Objection having been withdrawn, resolved, or overruled; and upon the record herein;

[1] A complete list of each of the Reorganized Debtors in these chapter 11 cases (the "***Chapter 11 Cases***") and the last four digits of each Debtor's taxpayer identification number (if applicable) may be obtained on the website of the Reorganized Debtors' claims and noticing agent at https://www.veritaglobal.net/ModivCare. Debtor ModivCare Inc.'s principal place of business and the Reorganized Debtors' service address in these Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100, Denver, Colorado 80237.

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the Objection.

and upon the record herein; and after due deliberation thereon; and the Court having determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and the Court having determined that the relief requested in the Objection is in the best interests of the Reorganized Debtors, their estates, their creditors, and other parties in interest, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Objection is GRANTED, as set forth herein.

2. The Disputed Claims set forth on Schedule 1 are disallowed and expunged in their entirety.

3. The Claims Bar Date is not tolled for any individual members of the putative class who failed to timely file Proofs of Claim.

4. The Claims and Noticing Agent is authorized to update the Claims Register maintained in the Chapter 11 Cases to reflect the relief granted in this Order.

5. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in the Objection or this Order shall be deemed a waiver of the rights of the Reorganized Debtors to object to any Claim, and shall not constitute an admission of liability by the Reorganized Debtors with respect to any Proof of Claim or application for administrative expenses.

6. Nothing in the Objection or this Order shall be deemed or construed: (a) as an admission as to the validity of any Claim against the Reorganized Debtors; (b) as a waiver of the Reorganized Debtors' rights to dispute or otherwise object to any Claim on any grounds or basis; or (c) to waive or release any right, claim, defense, or counterclaim of the Reorganized Debtors,

or to estop the Reorganized Debtors from asserting any right, claim, defense, or counterclaim (including setoff).

7. Notice of the Objection as provided therein shall be deemed good and sufficient and the requirements of the Bankruptcy Rules and the Bankruptcy Local Rules are satisfied by such notice.

8. Notwithstanding any applicable Bankruptcy Rule to the contrary, the terms and conditions of this Order are immediately effective and enforceable upon its entry.

9. The Reorganized Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Objection.

10. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: _____, 2026

_____
UNITED STATES BANKRUPTCY JUDGE

Schedule 1

Claim #	Claimant	Debtor Against Whom Claim Was Filed	Claim Amount & Nature
1568	Easter Lyons as Settlement Class Representative	ModivCare Inc.	- **Secured:** $0 - **Admin Priority:** $0 - **Priority:** $83,505.15 - **General Unsecured:** $636,494.85 - **TOTAL:** $720,000.00
1569	Eastern Lyons as Settlement Class Representative	ModivCare Solutions, LLC	- **Secured:** $0 - **Admin Priority:** $0 - **Priority:** $83,505.15 - **General Unsecured:** $636,494.85 - **TOTAL:** $720,000.00
1649	Eastern Lyons as Settlement Class Representative	Ride Plus, LLC	- **Secured:** $0 - **Admin Priority:** $0 - **Priority:** $83,505.15 - **General Unsecured:** $636,494.85 - **TOTAL:** $720,000.00