Appendix

**Exhibit 1**: Example of an HCA Healthcare TRAP  
**Exhibit 2**: Example of an HCA Healthcare TRAP  
**Exhibit 3**: Example of an HCA Healthcare debt collection notice  
**Exhibit 4**: Example of a Tenet Healthcare TRAP at Carondelet St. Mary's hospital in Tucson, AZ (a joint venture with the non-profit healthcare system CommonSpirit)  
**Exhibit 5**: Example of a MedStar Health TRAP  
**Exhibit 6**: Example of CRST The Transportation Solution, Inc. TRAP  
**Exhibit 7**: Example of CRST The Transportation Solution, Inc. TRAP and notice of post-employment debt obligation  
**Exhibit 8**: A copy of the complaint in *Scally v. PetSmart*  
**Exhibit 9**: Example of a PetSmart TRAP  
**Exhibit 10**: Example of a PetSmart debt collection notice
Exhibit 1: Example of an HCA Healthcare TRAP
Dear [Name],

We are pleased about the prospect of you joining HealthTrust Workforce Solutions, ... and the HealthTrust Academy. This letter serves as formal confirmation of the verbal offer extended to you for the St. AN Training Program by [Name].

After commencement of the program, currently anticipated to be [Date], you will be paid at the rate of Twenty Four Dollars ($24.00) per hour. During the training program and as a temporary employee, you will not be eligible for any employee benefits.

Please indicate your acceptance of our offer by signing in the space provided below and returning the signed original along with your signed Commitment Agreement.

We look forward to having you as a member of the HealthTrust Academy and the St. AN training program and trust that you will make an outstanding contribution to quality patient care in your career.

Sincerely,

[Signature]

Tony Pentangelo
Executive Vice President, Managed Services

I understand and accept the foregoing offer of employment for an indefinite period and the employer may terminate the employment relationship for cause.

Signed _______________________________ Date _______________________________
Specialty Training & Apprenticeship for Registered Nurses Program Agreement

This Specialty Training & Apprenticeship for Registered Nurses Program Agreement ("Agreement") is entered into as of the date of signature between ___________________________ (Employee) and HealthTrust Workforce Solutions, LLC ("HealthTrust Workforce Solutions", "HealthTrust", and, with Employee, the "Parties").

WHEREAS, the Parties who are licensed Registered Nurses in the State of ________ agree to participate as students in HealthTrust’s Specialty Training & Apprenticeship Nursing Program ("Program") in order to receive education and training to prepare them for work in an designated specialty area.

WHEREAS, Employee desires to have participation in the Program, and HealthTrust Workforce Solutions desires to allow Employee to participate in the Program, subject to the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Training

HealthTrust will compensate Employee during the Program as described in Section 3, below. In addition, sufficient funds to cover the cost of tuition, books and other supplies have been added to the Employee’s payroll. Although the exact amount expended on Employee’s behalf cannot be exactly stated, the Parties agree that $10,000 is an acceptable estimate of the value of the training provided. Employee further agrees to execute the attached Promissory Note (the "Promissory Note") relative to the repayment of such costs as a condition precedent to participation in the Program.

For an Employee with a spouse who is an active duty service member of the United States Armed Forces, HealthTrust shall waive the requirement to repay the Promissory Note in the event that Employee’s spouse is redeployed to a different state in compliance with military orders and Employee shares the same domicile with the service member spouse. The requirement to repay the Promissory Note shall not be waived if a service member spouse is temporarily deployed to a war zone or other location where the Employee spouse is not allowed to follow.

2. Employment

a. Upon execution of this Agreement and the Promissory Note, Employee will be employed by HealthTrust and assigned to one of the facilities forthwith on Exhibit A hereto (each, a "Facility"); for the duration of the Program.

b. Employee will remain in the employment of HealthTrust for the duration of the Program (typically 1 to 23 weeks), inclusive of orientation, course prerequisites, didactic and on-site preceptorship as defined by the Program.

c. Upon successful completion of the Program, offered employment at a Facility, in each Facility’s sole discretion. Employee agrees to accept any such offer of employment from a Facility. Employee acknowledges that, due to potential Facility and/or market limitations, HealthTrust may determine to extend such offer of employment at a Facility other than the Facility where Employee was assigned during the Program.
Employee shall meet the established attendance and performance requirements as outlined by the Program to remain eligible for participation in the Program.

Upon successful completion of the Program, Employee will participate and complete all aspects of the FCA Nurse Residency Program, including monthly seminars, projects, and graduation activities, as directed by Facility.

Compensation

Employee will be compensated during the Program at a rate of $24.00 per hour, less any legally required and authorized deductions. All wages are subject to tax withholding pursuant to applicable federal, state, and local laws and regulations.

Employee will be classified as a non-exempt employee for purposes of the Fair Labor Standards Act. Employee will be compensated by regular weekly pay for each week that they participate in the Program.

Employment Following Training

Term of Employment. In consideration of participation in the Program and upon offer of employment by a facility, Employee agrees to work full time as an RN for Facility in the unit as assigned by Facility for at least 2 years following the date of hire by Facility. During such period, Employee shall diligently and conscientiously devote his/her energy, interests, abilities, and productive full time to serving as his/her duties at Facility. The Parties agree that effective immediately upon commencement of employment at Facility, the Promissory Note shall automatically be assigned to Facility by HealthTrust.

Termination of Employment by Facility. The employment relationship between Facility and Employee is based on successful completion of the Program and competency of Employee as determined by Facility following assignment of the Promissory Note to Facility. If Facility terminates Employee’s employment, then Employee shall compensate Facility for the value of the Program on a pro rata basis. Employee shall pay Facility 1/24 of the total value of the Program for each month not worked during the first 24 months following the date of hire by Facility. In the event that Employee does not complete the Program, or fails to accept an employment offer from a Facility, Employee shall pay HealthTrust $10,000.

Termination of Employment by Employee. Should Employee terminate his/her employment with Facility for any reason, Employee shall compensate Facility for the value of the Program on a pro rata basis. Employee shall pay Facility 1/24 of the total value of the Program for each month not worked during the first 24 months following the date of hire by Facility.

Withholding from Paycheck. Employee hereby specifically authorizes Facility and/or HealthTrust to withhold from his/her final paycheck, incurring any payment for accrued but unused PTO, any amounts owed to Facility and/or HealthTrust as repayment for the training in accordance with Section 4.b. or 4.c. Employee further acknowledges that he/she will be responsible for any amounts that remain owing to Facility and/or HealthTrust under Section 4.b. or 4.c. following such withholding and will pay the costs related to any action Facility and/or HealthTrust must take to collect said amount, including reasonable attorneys’ fees.
Termination upon Death and/or Disability. Employment and this Agreement, shall, in their entirety, terminate immediately upon Employee's death or Employee's absence or mental incapacity to perform any or all of Employee's essential functions, with or without reasonable accommodation, for any period or periods during which, in the aggregate, total 30 calendar days or more in any 12-month period(s).

Indemnification. Employee shall indemnify and hold harmless HealthTrust, Party and the respective successors, assigns, directors, officers, agents, and employees from and against any and all losses, damage, injury, penalty, sanction, judgment, fine, liability, cost, expense and fees (including reasonable attorneys' fees, expert witnesses fees, software vendor fees, court costs, costs and fees associated with arbitration or mediation, which result from or arise out of any claim asserted against or brought by HealthTrust or its affiliates, in connection with this Agreement or the Program, to the extent such losses are caused by (i) the fraud, willful misconduct or negligence of Employee; (ii) the breach of a material breach of the terms, warranties or representations contained in this Agreement by Employee, and in any material failure of Employee to comply with applicable law.

5 Intellectual Property; Confidentiality; Emergency Judicial Relief

a. The Parties acknowledge and agree that, as between Employee and HealthTrust all systems, documentation, manuals, software, programs, templates, formulas, analyses, reports, practices and procedures that HealthTrust may use and/or provide to Employee in connection with the Program (collectively, the "HealthTrust IP") are proprietary to HealthTrust. The HealthTrust IP shall remain the property of HealthTrust.

b. Employee agrees that the existence of this Agreement and its terms, as well as the HealthTrust IP and any other tangible or intangible information, data, educational materials, materials relating to business, protocols, guidelines, pricing, strategies, compensation plans, financial information, trade secrets, and technology concerning HealthTrust and its affiliates, subcontractor(s), employees, agents, or representatives (collectively, the "HealthTrust Confidential Information") that HealthTrust shares with Employee or which Employee becomes aware in connection with the Program is confidential and proprietary to HealthTrust. Employee shall hold all HealthTrust Confidential Information in the strictest confidence, shall protect all HealthTrust Confidential Information with the same degree of care that Employee exercises with respect to its own confidential and proprietary information, and shall not disclose any HealthTrust Confidential Information to a third-party without HealthTrust's prior written consent. Furthermore, Employee shall not use the HealthTrust Confidential Information for any purpose other than as specified in this Agreement. Upon the expiration or termination of this Agreement for any reason, or upon written request, Employee agrees to promptly return to HealthTrust all of the HealthTrust Confidential Information (in whatever form or media), the obligations of this Section 5 shall survive the expiration or termination of this Agreement and remain in full force and effect for a period of 3 years thereafter, or until such time as the HealthTrust Confidential Information is in the public domain.

c. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree that a breach of this Section 5 may cause significant and irreparable losses to HealthTrust that cannot be fully or readily remedied in monetary damages in an action at law. Notwithstanding anything to the contrary in this Agreement, if either Employee has breached (as in the reasonable opinion of HealthTrust is likely to breach) any of its obligations under Section 5, HealthTrust shall be entitled to seek an immediate injunction or other equitable relief in addition to any other remedies
available under applicable law or equity, to stop or prevent or reduce losses arising from such a
breach, Employee waives, to the extent permitted by applicable law, the requirement that HealthTrust
post bond prior to entry of an injunction.

b. **General**

a. **Waiver**. No waiver of any breach of any paragraph, term, and/or provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other paragraph, term and/or provision of this Agreement.

b. **Release and Entire Agreement.** This Agreement, together with the Promissory Note, constitutes the sole, complete, and entire agreement between HealthTrust and Employee concerning the employment. This Agreement supersedes all prior negotiations and/or agreements between the parties, whether oral or written, concerning the employment.

c. **Amendments.** No amendment or other modification of this Agreement will be effective unless and until it is embodied in a written document signed by both HealthTrust and Employee.

d. **Savings Provision.** To the extent that any provision of this Agreement or any paragraph, provision, and/or work of this Agreement shall be found to be illegal or unenforceable for any reason, such paragraph, provision and/or work shall be modified or deleted in such a manner as to make this Agreement, as so modified, legal and enforceable under applicable laws. The remainder of this Agreement shall continue in full force and effect.

e. **Ability to Assign.** This Agreement, and any and all rights and obligations hereunder, are freely assignable by HealthTrust; without the consent of Employee. This Agreement may not be assigned by Employee, unless such assignment is consented to in writing by HealthTrust, in its sole and absolute discretion.

f. **Applicable Law.** This Agreement and each and every portion of this Agreement shall be pursuant to the laws of the State of Tennessee.

g. **Taxable Income.** Employee understands that the costs incurred to complete the Program may be considered taxable income, and Employee must determine whether federal income tax is due on the costs to complete the Program. HealthTrust shall neither pay nor reimburse Employee for federal income tax due by Employee as a result of participation in the Program.

h. **Notices.** Any notice, demand or communication required, permitted, or desired to be given hereunder, unless otherwise stated, shall be deemed effectively given when personally received, and shall be sent by (i) electronic mail transmission with return electronic mail from the recipient indicating receipt; (ii) express or overnight courier with proof of delivery; or (iii) U.S. Postal Service, certified or registered mail with signed return receipt, addressed to the Parties as set forth on the signature page hereof. HealthTrust and/or Employee may change the person and address to which notices or other communications are to be sent to it by giving written notice of any such change in the manner provided herein.
IN WITNESS WHEREOF, the Employee hereby indicate their acceptance of the terms of this Agreement by their signatures below.

EMPLOYEE

By __________________________

Name Printed: __________________________

Address: __________________________

______________________________

[Signature]

[Title]

[Organization]
Exhibit A

Facility(ies):

1. Ashe Medical Center
2. Asheville Specialty Hospital
3. Blue Ridge Regional Hospital
4. Highlands Caverns Hospital
5. Mission Hospital
6. Mission Hospital McDowell
7. Trinity Valley Region Hospital
FOR VALU OF RECEIVED, the undersigned Maker, promises to pay to the order of Healthtrust Workforce Solutions, LLC, its successors and assigns hereafter called Holder, which term shall always refer to the legal owner, lender, or assignee of this Note, the principal amount of $10,000, plus interest at a rate of 5.5% per annum. Interest on both the principal and the unpaid balance of principal shall be computed on the basis of 360 days per annum and 12 months per year. Certain capitalized terms used and not defined in this Note shall have the meanings given to such terms in the certain Specialty Training and Apprenticeship for Registered Nurses Program Agreement of even date herewith between Maker and Holder. If the Agreement is terminated, Maker and Holder agree that, effective upon acceptance of employment at a Facility pursuant to Section 2 of the Agreement, this Note shall automatically be assigned to Facility.

Interest shall accrue on the outstanding balance commencing 30 days following the date of any termination of employment of Maker thereafter, and by the payment of interest at the rate of 5.5% per annum, until such time as the note is paid in full, as provided herein. All payments received hereunder shall be applied first to reduce, interest, and/or unpaid principal and expenses, in such order and in such amounts as Holder shall determine in its reasonable discretion.

The entire outstanding principal balance hereunder, together with all accrued and unpaid interest hereunder, and all unpaid costs and expenses of Holder hereunder, shall be due and payable on the 60th day following any Event of Default.

Maker and Holder agree that for each month Maker remains employed by a Facility on an FT, following completion of the Program, Holder will receive 1/40th of the face value of this Note. This Note shall be canceled on the thirtieth day following Maker's 24th month of employment in accordance with the terms of the Agreement.

If any payment hereunder becomes due and payable on a day other than a business day, the maturity thereof shall be extended to the next succeeding business day and interest shall be payable at the rate in effect during such extension. As used herein, the term "business day" shall mean a day other than a Saturday, Sunday or day on which commercial banks are authorized to close under the laws of the State of Florida.

Notwithstanding any provisions to the contrary, it is the intent of the Holder, the Maker, and all parties liable on this Note, that neither the Holder nor any subsequent holder shall be entitled to receive, collect, reserve, or apply, as interest, any amount in excess of the maximum lawful rate of interest permitted to be charged by applicable law or regulation, as amended or enacted from time to time. In the event this Note calls for an interest payment that exceeds the maximum lawful rate of interest then applicable, such interest shall not be received, collected, charged, or reserved, and such time at that interest, together with all other interest then payable, falls within the then applicable maximum lawful rate of interest, in the event the holder, or any subsequent holder, receives any
such interest in excess of the then applicable maximum lawful rate of interest, such amount or amounts would be
excessive interest shall be deemed a partial prepayment of principal and deemed a payment in kind, or, if the
principal indebtedness evidenced hereby is not paid in full, any remaining principal of this note is to be immediately be
repaid to the Maker. In determining whether or not the interest paid or payable, upon any such note or notes, constitutes
under applicable law, "excessive interest", the Maker and the Holder shall, in the maximum extent permitted by
allocate, and spread, in equal parts, the total amount of interest throughout the entire term of the note or notes,
provided that if the indebtedness is paid in full prior to the maturity date, and if the interest, together with the
actual period of existence hereof exceeds the maximum lawful rate of interest, the Holder of the Note shall refund to
the Maker the amount of such excess or treat the indebtedness as of the date it was received.

Maker shall have the right to prepay in full or in part and principal outstanding hereunder at any time
without prior notice or penalty; provided, any such prepayment shall not require that the Holder shall refrain from
continue making, monthly installment payments in accordance with the terms hereof, as and when required
hereunder.

Maker shall pay to Holder a "late charge" equal to 5% of the total amount of any payment required hereunder is
not received by Holder within ten (10) business days after the due date such payment shall be defaulted and an expense
incurred by Holder in collecting and processing such delinquent payment, and not as a penalty or forfeiture:
provided, however, no event shall result in the payment of interest in excess of the maximum
lawful rate of interest permitted by applicable law.

Time is of the essence, and in case this Note is collected by law or through an attorney at-law, or under advice
therefrom, whether or not suit is brought, Maker agrees to pay all costs of collection, including reasonable
attorney's fees.

This Note may not be amended, modified or supplemented without the prior written approval of Holder and
Maker. No waiver of any term or provision of this Note shall be valid against Holder unless in writing
executed by Holder. Maker may not assign this Note.

This Note, and any and all rights and obligations hereunder, are freely assignable by Holder without the consent of
Maker, and shall be automatically assigned to Holder as set forth above. Maker hereby waives any notice of the
transfer of this Note by the Holder of this Note, and subsequent holder of this Note, agrees to remain bound by the
terms of this Note subsequent to any transfer, and agrees that the terms of this Note may be fully enforced by any
subsequent holder of this Note.

This Note has been executed and delivered in, and shall be governed by and construed and enforced according to
the laws of, the State of

Tennessee, except to the extent preempted by applicable laws of the United States of America.

MAKER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO HAVE A TRIAL BY JURY
IN RESPECT TO ANY LITIGATION BASED HEREIN, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS
NOTE AND/OR THE AGREEMENT, AND OTHER DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONJUNCTION,
HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR
WRITTEN) OR ACTIONS OF ANY PARTY.
Maker and all whom may become liable for same, jointly and severally waive presentment for payment, protest, notice of protest, notice of nonpayment of this Note, demand and all legal or other proceedings in enforcing collection, and hereby expressly agree that the lawful owner or holder of this Note may, at its discretion, alter or postpone collection of the whole or any part thereof, either principal and/or interest, or may extend or renew the whole or any part thereof, either principal and/or interest, or may accept additional collateral or security for the payment of this Note, or may release the whole or any part of any collateral security, and/or other property given to secure the payment of this Note, or may release from liability on account of this Note any one or more of the makers, endorsers, guarantors, sureties, co-makers, and/or other parties thereon, all without notice to them or any of them; and such alteration, defacement, postponement, renewal, extension, acceptance of additional collateral or security and/or release shall not in any way affect or change the obligation of any such maker, endorser, guarantor or other party, or change the obligation of any such maker, endorser, guarantor or other party, to this Note, or of any other party who may become liable for the payment thereof.

Maker, having read and fully understanding all terms and conditions herein and in the Agreement, have executed this Note.

IN WITNESS WHEREOF, the undersigned have executed this Note as of the date first above written.

MAKER

By: __________________________

Name Printed: __________________________

Last 4 SSN: __________________________

Address: __________________________

________________________

________________________

Section 7(b) of the Privacy Act of 1974, 5 USC §52a note and use of the Social Security Number (SSN). Disclosure of the applicant's SSN is mandatory. The SSN will be used to verify the identity of the applicant and as an account number (identifier) throughout the life of the loan to record necessary data accurately. As an identifier, the SSN is used in such activities as: determining eligibility for death, claims, and for tracing and collecting cases of defaulted loans.
**Exhibit 2:** Example of an HCA Healthcare TRAP
Dear Lauren,

Congratulations on your new role! It is a pleasure to welcome you to our team at David's North Austin Medical Center. You will be joining our Pediatrics Med Surg Department and will be the first two letters of your first name, William. This letter serves as formal notice of your new role and responsibilities.

We look forward to having you as a member of our team. Should you have any questions or concerns, please do not hesitate to contact us.

Sincerely,

[Signature]

David’s North Austin Medical Center

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4. Employment

a. Obligation to Repay Any and All Bonus Payments. Should Maker believe that the provisions of the "Commitment Requirements" section of the Agreement are not being satisfied, Maker shall have the right, at any time and from time to time, to require new hire forms promptly or your start date could be delayed. We reserve the right to determine in the reasonable exercise of its business discretion whether there is a violation of any agreement. Failure to correct such violation by the tenth day following receipt of written notice of a violation shall be prima facie evidence of a willful breach of the Agreement by Maker.

b. Sole and Exclusive Remedy. The obligations set forth in the Agreement, Holder shall be entitled to receive, hold, and enjoy the absolute benefit of creditors; (5) Maker shall be unable to perform under the Agreement, whether caused by force of law or otherwise, including casualty, shortage of materials, failure of a third party, act of God, or other causes beyond Maker's control.

c. Amendments. No amendment or modification of the Agreement shall be effective unless and until it is made in writing and signed by all parties to the Agreement.

d. Waiver of Right to Have a Trial by Jury. Maker waives the right to have a trial by jury in any action or proceeding to enforce or interpret the provisions of this Note, to St. David's Medical Center, or in any action or proceeding arising therefrom, and all other actions, suits, and proceedings related hereto.

e. Ability to Assign. Rights and obligations of Holder under the Agreement shall not be assigned by Holder without the prior written consent of Maker. Rights and obligations of Holder under the Agreement shall not be assigned by Holder without the prior written consent of Maker. Rights and obligations of Holder under the Agreement shall not be assigned by Holder without the prior written consent of Maker.
Exhibit 3: Example of an HCA Healthcare debt collection notice
Benefit Recovery Group has been retained by HCA Healthcare, Inc. to collect on funds owed back to North Austin Medical Center regarding your Nurse Residency Training benefit. We have attempted to contact you with previous notifications, and you have been unresponsive to our attempts. Please be advised your case is still outstanding and is now considered delinquent.

You are required, by your acceptance of the terms and conditions detailed in your benefit offer to remit payment back to North Austin Medical Center as your employment terminated prior to the vesting period specified in your contract. Our records indicate your employment terminated on ____________.

The amount due is contingent on the length of your employment and the contracted timeframe. Your amount owed is $4,583.33.

Your balance of $4,583.33 is due in full, payable to Benefit Recovery Group at the address below. Failure to make payment may result in North Austin Medical Center pursuing any and all legal rights it has against you, including filing legal actions. Please be advised that in addition to seeking the full amount of payment, North Austin Medical Center, may also, to the extent permitted by law, seek to recover interest and all costs and attorneys' fees incurred in connection with its efforts to collect on amounts due and owing.

I would be happy to discuss this case with you or assist with payment. You may contact me directly at 901.801.6184, or mweaver@brgsubrogation.com. You may also contact us toll-free at 1.866.246.0902.

Sincerely,
/s/ Megan Weaver
Resolution Specialist

You may remit payment immediately, in full, by money order, personal check, or cashier's check made payable to Benefit Recovery Group to the address above. You may remit payment by credit card or debit card on our website: www.brgsubro.com/pavinvoice or by calling your assigned recovery specialist or our toll-free number.
Exhibit 4: Example of a Tenet Healthcare TRAP at Carondelet St. Mary’s hospital in Tucson, AZ (a joint venture with the non-profit healthcare system CommonSpirit)
REGISTERED NURSE RESIDENCY/ORIENTATION PROGRAM  
PARTICIPATION AGREEMENT

THIS REGISTERED NURSE RESIDENCY/ORIENTATION PROGRAM PARTICIPATION AGREEMENT (the "Agreement") is made and entered into as of the later of April 5, 2020 or the execution of the Agreement by both parties (the "Effective Date") between Carondelet Health Network St. Mary's (the "Hospital") and (the "Employee").

RECITALS

A. The Hospital owns and operates a general acute care hospital.

B. The Employee is employed by the Hospital and desires to supplement his/her education in order to serve the patients of the Hospital better and more efficiently.

C. In order to provide high quality patient care, the Hospital has determined that it desires to offer an educational program, along with tuition assistance, to certain of its employees, one of whom is the Employee.

NOW, THEREFORE, for and in consideration of the mutual convenience and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Residency/ Orientation to be provided by the Hospital.** The Hospital has established a Novice Nurse Residency (hereinafter referred to as "the Program"). The Program will commence on April 5, 2020 and will continue thereafter for a maximum period of 8 weeks. The Program may qualify for contact hour processing by the Board of Registered Nursing of the state in which the Hospital is located, but is solely sponsored by the Hospital and/or its affiliates.

2. **Cost of the Program.** It is acknowledged and agreed by the Employee that the cost to the Hospital to provide the Program to the Employee is $10,580.00, which includes tuition, books, clinical preceptorship, and related educational materials (collectively the "Tuition"). The Employee shall be obligated to repay the Hospital the full amount of the Tuition as set forth in Section 3 below.

3. **Cost to the Employee of the Program.** It is acknowledged and agreed that the Employee has elected to participate in the Program, the Program is being provided to the Employee for the benefit of the Hospital and the Employee, and that the Hospital has made a significant investment of time and money in the Employee by allowing the Employee to participate in the Program. In the event that the Employee completes the Program and the Employee continues as a regular full-time (or, at the Hospital's sole discretion, part-time) employee of the Hospital for a continuous period of 24 months (the "Commitment Period") after completion of the Program, which is anticipated to be April 5, 2022 (the "Program Completion Date"), then the Hospital agrees that it will forgive and cancel the Employee's obligation to repay the Tuition. In the event that any of the following events shall occur, the Employee shall be obligated to repay the Hospital as set forth below:

   (a) If at any time during the Program the Employee voluntarily resigns from his/her position at the Hospital, voluntarily reduces his/her schedule to anything less than full-time, or voluntarily elects to transfer to per diem status (collectively a "Resignation Event") then the Employee shall repay to the Hospital 100% of the Tuition, unless the Employee initiates a Resignation Event during the first half of the Program, in which case the Employee will repay 50% of the Tuition.
(b) If at any time after the completion of the Program but prior to the completion of the Commitment Period the Employee initiates a Resignation Event, the Employee shall repay to the Hospital the Tuition on a pro-rated basis based on the number of months of the Commitment Period completed. For purposes of an example, if the Employee resigns after 12 months of the Commitment Period, the Employee will repay 50% of the Tuition.

(c) If at any time during the Program the Employee is terminated for cause (including a violation of Hospital policy, a violation of a standard of conduct, or unacceptable performance of job duties), the Employee shall repay to the Hospital 100% of the Tuition, unless the Employee is terminated for cause during the first half of the Program, in which case the Employee will repay 50% of the Tuition.

(d) If the Employee is terminated for cause (including violation of any Hospital policy, violation of a standard of conduct, or unacceptable performance of job duties) by the Hospital at a time within the Commitment Period, the Employee shall repay to the Hospital the Tuition on a pro-rated basis based on the number of months of the Commitment Period completed. For purposes of an example, if the Employee is terminated for cause after 12 months of the Commitment Period, the Employee will repay 50% of the Tuition.

(e) If the Employee is terminated without cause by the Hospital at any time during the Program or the Commitment Period, the Employee shall not have any repayment obligation to the Hospital.

(f) If the Employee does not successfully complete the Program requirements but remains employed at the Hospital in a full-time status for a period of equivalent to the Commitment Period, then the Employee shall repay to the Hospital an amount equal to ten percent (10%) of the Tuition.

If the Employee requests and is granted a leave of absence by the Hospital at any time during the Commitment Period, then the Employee acknowledges and agrees that such leave of absence shall suspend the running of the Commitment Period and the Commitment Period will resume running when the Employee returns to work on a full-time basis and will run until such time as it is completed. For purposes of example only, if the Employee is granted a two (2) month leave of absence three (3) months after the Program Completion Date, then the applicable Commitment Period will be extended to a total of 2 months from the Completion Date. In the event that the Commitment Period is not completed, the Employee shall repay the Hospital based upon the schedule set forth above.

If the Employee causes a repayment obligation to arise as set forth above, any monies due and owing to the Hospital shall be paid within ten (10) days after receipt of written notice from the Hospital of the occurrence of such event. To the extent permitted by law, the Employee’s execution of this Agreement constitutes an express authorization for the Hospital to deduct amounts owed from any payment of wages or paid time off scheduled to be paid to the Employee.

4. **Representations of the Employee.** In connection with the execution of this Agreement and the commitment on the part of the Hospital to provide the Program to the Employee, the Employee represents and warrants to the Hospital that the Employee is employed by the Hospital and the Employee intends to remain employed full-time at the Hospital during the duration of the Program and the Commitment Period. The Employee further
represents and warrants to the Hospital that the Employee intends to remain employed full-time within the Hospital. The Employee represents and warrants that he/she has maintained a satisfactory performance record at the Hospital and that the Employee will continue to do so to the best of his/her ability. The Employee represents and warrants that the Employee will devote the time and attention necessary to fulfill the educational and clinical requirements of the Program and successfully complete the Program.

5. **Compensation to the Employee.** During the time that the Employee participates in the Program, the Employee shall be paid the Employee's regular hourly rate for hours devoted to Program classroom time and Program clinical time. To the extent that the Program classroom time or Program clinical time, as applicable, plus the Employee's time spent fulfilling the duties of his/her job, require the Employee to work in excess of 40 hours per week (or any period of time constituting "overtime" under state or federal law), the Employee shall be paid his/her overtime rate for such excess hours, in accordance with applicable state and federal law. All such compensation shall be subject to deductions for income taxes, social security, or other withholding required by law or any governmental body.

6. **Cooperation.** The Employee shall furnish any and all information, records, and other documents related to the Employee's participation in the Program which the Hospital may reasonably request in furtherance of its quality improvement, utilization review, risk management, and any other plans and/or RN Residencies adopted by the Hospital to assess and improve the quality and efficiency of the Hospital's services.

7. **Confidentiality.** The Employee recognizes that he/she will have access to certain confidential information of the Hospital and that this information constitutes valuable, special, and unique property of the Hospital. The Employee will not disclose any confidential information to any person or entity for any reason whatsoever, except: (a) to authorized representatives of the Hospital, (b) upon court or governmental agency order, or (c) with the written consent of the Hospital. The Employee agrees that violation of this section would cause the Hospital irreparable damage without adequate remedy at law and that, therefore, in the event of a breach or a threatened breach by the Employee of the provisions of this section, the Hospital shall be entitled to injunctive relief restraining the Employee from disclosing, in whole or in part, any confidential information.

8. **Notices.** Any demand, request, notice, or other communication which either party to this Agreement desires or may be required to make or deliver to the other shall be in writing and shall be deemed delivered when personally delivered or three (3) days after being deposited in the United States mail, postage prepaid, in registered or certified form, return receipt requested, addressed to the Employee at the address set forth in his/her personnel file maintained by the Hospital and addressed to the Hospital, attention Human Resources.

9. **Amendments.** This Agreement may be amended or modified, or compliance with any provision hereof waived, only by a written instrument signed by both the Hospital and the Employee.

10. **Binding Effect: Assignability.** This Agreement shall be binding upon and shall insure to the benefit of the parties hereto and their respective successors and permitted assigns. The Hospital may assign this Agreement to any affiliate or subsidiary of the Hospital. The Employee is prohibited from assigning the Agreement or any of his/her rights or obligations hereunder. Any assignment or attempted assignment in violation of this Section shall give the Hospital the right to terminate this Agreement immediately. In such event, the Employee shall repay one hundred percent (100%) of the Tuition to the Hospital in accordance with Section 3(f) above.
11. **Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the state in which the Hospital is located.

12. **No Implied Waiver.** Any waiver of enforcement of any provision or waiver of any breach of this Agreement, whether or not recurring, shall not be construed as a waiver of any subsequent enforcement or breach of the same or any other provision of this Agreement.

13. **Termination.** The Hospital may terminate this Agreement at any time, with or without cause. Such termination shall have no effect on the Employee's employment with the Hospital. In the event of such termination, the Employee shall not have a repayment obligation to the Hospital.

14. **EMPLOYEE'S ACKNOWLEDGMENT.** THE EMPLOYEE HAS READ THIS AGREEMENT IN ITS ENTIRETY, UNDERSTANDS ITS CONTENTS, AND FREELY ENTERS INTO AND EXECUTES THIS AGREEMENT, INTENDING TO BE BOUND BY THE PROVISIONS HEREOF. THE EMPLOYEE UNDERSTANDS AND ACKNOWLEDGES THAT THE EMPLOYEE'S EMPLOYMENT WITH THE HOSPITAL IS AT ALL TIMES SUBJECT TO THE TERMS AND CONDITIONS OF THE TENET EMPLOYEE HANDBOOK, AND ALL EMPLOYMENT POLICIES AND PROCEDURES OF THE HOSPITAL, AS DETERMINED BY THE HOSPITAL FROM TIME TO TIME IN ITS SOLE DISCRETION. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT DOES NOT CREATE A CONTRACT OF EMPLOYMENT BETWEEN THE HOSPITAL AND THE EMPLOYEE AND THAT NO COMMITMENT HAS BEEN MADE TO THE EMPLOYEE REGARDING EMPLOYMENT FOR ANY SPECIFIED PERIOD OF TIME, OTHER THAN THE COMMITMENTS SPECIFICALLY SET FORTH IN THIS AGREEMENT.

To the extent any of the foregoing is inconsistent with an applicable collective bargaining agreement, that agreement will govern.

**IN WITNESS WHEREOF,** the Hospital and the Employee have executed this Agreement as of the date set forth above, intending to be bound hereby.

**HOSPITAL: CARONDELET HEALTH NETWORK ST. MARY'S**

By: __________________________
Name: ________________________
Date: ________________________
Address: ______________________

**EMPLOYEE: [redacted]**

By: __________________________
Name: ________________________
Date: ________________________
Address: ______________________
Exhibit 5: Example of a MedStar Health TRAP
**Nursing Residency/Bridge Program Service Agreement**

Medstar Washington Hospital Center invests significant time and resources in orienting and training nurses to be successful on a given unit. The investment associated with special training programs such as the New Graduate Residency and Nursing Bridge programs necessitate an agreement between the hospital and the associate that, in exchange for this specialized training, the associate will remain employed by the hospital for a period of time allowing for a partial return on that investment.

This agreement applies to newly hired associates, as well as current associates who are accepted into a specialized training program.

Upon completion of the specialized training program, participants agree to remain employed in a benefit-eligible status for 18 months following the completion of the training program. In the event the associate voluntarily terminates employment during this timeframe, the associate will pay back the sum indicated below. Pay back obligations are not pro-rated, and are based on a conservative estimate of expenses associated with the training and orientation of the nurse in the special training program.

**TYPE OF PROGRAM:** Residency & Bridge Program

**TRAINING START DATE:** 7/27/2020

**SERVICE AGREEMENT PAYBACK AMOUNT:** $5,000

By accepting this position with Medstar Washington Hospital Center, you are agreeing to remain employed in good standing until the service agreement end date. For the purposes of this agreement, "good standing" includes all time you remain productive and eligible to work your regular schedule, including approved paid time off. Periods of extended leave are not considered applicable to the service requirement, and the end date may be adjusted to reflect such gaps in employment. Any amount owed due to your voluntary termination prior to the service agreement end date may be collected from final paychecks, including PTO payouts.

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MedStar Health is a not-for-profit, integrated healthcare delivery system, the largest in Maryland and the Washington, D.C., region. Nationally recognized for clinical quality in heart, orthopaedics, cancer and GI.
Exhibit 6: Example of CRST The Transportation Solution, Inc. TRAP
EXHIBIT 3

CRST Expedited, Inc.
Driver Employment Contract

This Driver Employment Contract (the "Contract") is entered into this day, , (the "Effective Date") in the State of Iowa by and between CRST Expedited, Inc. ("CRST"), an Iowa corporation, and , ("Employee").

In consideration of the parties' respective promises in this Contract and other good and valuable consideration, including but not limited to the expenses, fees and costs advanced by CRST for Employee's driver training as more fully detailed in the Pre-Employment Driver Training Agreement previously entered into by and between the parties (the "Pre-Employment Driver Training Agreement"), CRST and Employee agree as follows:

1. EMPLOYMENT. Upon the terms and conditions set forth in this Contract, CRST employs Employee, and Employee accepts employment by CRST.

2. DUTIES OF EMPLOYEE. While employed by CRST, Employee shall devote full time to the performance of Employee's duties to CRST under this Contract. Employee's duties on behalf of CRST are to act as a truck driver for CRST and fulfill all related duties, including, but not limited to, satisfying and complying with all of the standards, requirements, obligations, and conditions set forth in the CRST Professional Driver's Handbook (the "Handbook"). Employee acknowledges having received the Handbook during CRST's orientation program, has read, and understands the policies and standards set forth therein. CRST may at any time change Employee's job responsibilities, duties and standards. CRST may from time to time unilaterally amend the Handbook, and Employee hereby consents to and agrees to be bound under this Contract by any and all such amendments upon receiving notice of the amendment. Employee will not directly or indirectly engage or participate in any activities at any time during the term of this Contract in conflict with duties under this Contract and/or the best interests of CRST. During the Term, Employee shall complete "Phase 3" and "Phase 4" of CRST's Driver Training Program, as those terms are defined in the Pre-Employment Driver Training Agreement.

3. TERM OF EMPLOYMENT. The term of CRST's employment of Employee under this Contract shall be for a period of ten (10) months commencing as of the Effective Date (the "Term") subject to termination prior to the end of the Term pursuant to Section 4 of this Contract. Following the Term, CRST shall employ Employee on an at-will basis, and either party may terminate the employment relationship at any time effective immediately.

4. TERMINATION OF EMPLOYMENT. During the Term Employee's employment may be terminated only for the following reasons: (1) by CRST with or without Due Cause effective immediately, (2) by mutual agreement of CRST and Employee, or (3) upon the death of Employee. For the purposes of this Contract, "Due Cause" means Employee's breach of this Contract and/or Employee's failure to satisfy or comply with any of the standards, requirements, obligations and conditions set forth in the Handbook. If Employee is terminated without Due Cause during the Term, then the terms of Section 5 shall be null and void.

5. NON-COMPETITION RESTRICTIVE COVENANT.

a. Employee acknowledges all of the following: Employee's ability to render the services under this Contract is the result of CRST having made a substantial financial commitment in Employee's driver training to satisfy the U.S. Department of Transportation and CRST requirements to become a professional truck driver with the expectation that CRST would recover such financial commitment during Employee's continuous employment for at least a ten (10) month period. CRST is entitled to recover during the Term the fees, expenses and costs advanced on behalf of Employee pursuant to the Pre-Employment Driver Training Agreement. If Employee's employment is terminated before the end of the Term, CRST will not recover such fees, expenses and costs, and CRST will suffer damages that cannot adequately be compensated by damages available in an action at law. Employee's experience and capabilities are such that Employee can obtain employment outside the trucking industry without breaching the Contract's terms and conditions including, but not limited to, the non-competition covenant in this Section 5.

b. In light of the acknowledgements in section 5.a and the resulting competitive disadvantage Employee could cause CRST, Employee agrees and covenants that for a period equal to the greater of the Restricted Term and the duration of CRST's employment of Employee, Employee will not directly or indirectly provide truck driving services to any CRST Competitor within the continental United States of America. For purposes of this...
EXHIBIT 3

CRST Expedited, Inc. Driver Employment Contract

Agreement: "CRST Competitor" means any motor carrier, common or contract, that provides a service offered by, similar to, competitive with or which can be used as an alternative to the services offered by CRST, or any other entity that shares some degree of common ownership with CRST, during Employee's employment by CRST. "Restrictive Term" means the term including any period of the Term remaining after the termination of CRST's employment of Employee with or without cause by either party; provided, however, that the Restrictive Term shall lapse immediately upon Employee paying in full the amount due in paragraph 7. If Employee's employment is terminated before the end of the Term, Employee shall receive no compensation during the Restrictive Term.

c. Employee acknowledges that compliance with Employee's restrictive covenant set forth in section 5.b is necessary to protect CRST's investment in the Employee's driver training and that a breach of such restrictive covenant will irreparably and continually damage CRST, for which money damages may not be adequate. Consequently, Employee agrees that in the event Employee breaches or threatens to breach the restrictive covenant contained in section 5.b, CRST shall be entitled, in addition to its other remedies and damages available under law, to: (i) a temporary restraining order, a preliminary and/or a permanent injunction in order to prevent Employee from breaching such restrictive covenant; and (ii) payment by Employee for all costs and expenses, including but not limited to attorney fees, incurred by CRST in enforcing any provision of this Contract. Nothing in this Contract shall be construed to prohibit CRST from also pursuing any other remedy or seeking to enforce any legal remedies available against any person or company who hires Employee in violation of Employee's restrictive covenant in section 5.b. The parties hereby agree that all remedies shall be cumulative.

d. Employee acknowledges and agrees that the Restrictive Term and geographical area of restriction imposed by the non-competition restrictive covenant in section 5.b are fair and reasonably required for the protection of CRST. If at any time of enforcement of this Contract, a court shall hold that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, CRST and Employee agree that the stated period, scope or area reasonable under such circumstances shall be substituted for the stated period, scope or area, and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

6. COMPENSATION. As compensation for the services to be rendered by Employee under this Contract, CRST will pay Employee the wages, benefits and other compensation set forth in the Handbook. CRST may unilaterally change at any time, by written amendment, the terms, and conditions of the compensation set forth in the Handbook, and Employee hereby consents to all such amendments and agrees that such amendments shall be binding upon Employee.

7. REIMBURSEMENT OF ADVANCES FOR DRIVER TRAINING PROGRAM. Employee acknowledges and agrees that CRST advanced on behalf of Employee, in accordance with the Pre-employment Driver Training Agreement, the payment of certain tuition, lodging, transportation and other expenses and fees incurred by Employee in the course of Employee participating in the Driver Training Program ("DTP") sponsored by CRST. Employee agrees to reimburse CRST for such advances as follows:

a. Following the conclusion of Phase 3 and the first week of Phase 4 of the DTP and when Employee is qualified as a company driver (i.e., in the driver's sixth week of employment), CRST will begin deducting on a weekly basis up to a maximum of $40.00 per week from the driver's paycheck in repayment of CRST's advance on behalf of Employee of payment of certain fees and expenses during Phase 1 of the DTP, as identified in paragraph section 9 of the Pre-Employment Driver Training Agreement. This deduction will continue throughout Employee's employment until Employee pays in full the principal amount plus interest accruing at the rate equal to the lesser of 1.5% per month or the maximum rate permitted by applicable federal and state usury laws. Employee hereby authorizes the aforementioned deduction from Employee's paycheck.

b. If during the Term the Employee breaches this Contract, or Employee's employment is terminated for Due Cause, then Employee will owe and immediately must pay to CRST the following sum: (i) $6,500, plus (ii) the amounts advanced by CRST on behalf of Employee (pursuant to section 9 of the Pre-Employment Driver Training Agreement) for Student's DOT physical and drug screen expenses, Lodging Cost and Transportation Cost incurred during Phase 1 that Student has not yet repaid via deductions from weekly pay pursuant to this section 7(b), plus (iii) interest accruing as of the Effective Date at a rate equal to the lesser of 1.5% per month or the maximum rate permitted by applicable federal and state usury laws. Employee hereby authorizes CRST to deduct the amount due under this section 7(b), if any, from the compensation amounts otherwise due to Employee pursuant to section 6 upon the termination of Employee's employment. In the event it is necessary for CRST to employ a collection agency or legal counsel to enforce Employee's obligation under this section 7(b), CRST shall be entitled to recover from Employee such enforcement costs and expenses, including attorneys' fees.
EXHIBIT 3

8. ASSIGNMENT. This Contract is not assignable or transferable by Employee. This Contract and the rights and obligations of both parties may be assigned by CRST without notice to or consent of Employee to any other organization with which CRST shares some degree of common ownership, or pursuant to or as the part of a corporate reorganization, corporate restructuring or merger involving CRST, or the sale by CRST of a substantial portion of CRST's assets or business or as part of any similar transaction involving CRST.

9. NOTICE. Any notice required to be given under this Contract must be in writing and made by personal delivery, facsimile, reputable overnight carrier, or registered or certified mail, return receipt requested and postage prepaid to the address for Employee set forth in the signature block of this Contract, and in the case of CRST, to CRST Expedited, Inc., P.O. Box 68, Cedar Rapids, IA 52405. Notice shall be deemed given upon delivery in the case of personal delivery or delivery via overnight carrier, upon receipt of electronic confirmation in the case of delivery via facsimile, and three days after the date of mailing in the case of delivery via mail. Either party may change the address to which notices are to be sent by giving written notice to the other party.

10. ENTIRE CONTRACT; BINDING EFFECT. This Contract contains the entire agreement and understanding by and between CRST and Employee with respect to the employment of Employee, and no representations, promises, agreements, or understandings, written or oral, not contained herein shall be of any force or effect. This Contract shall be binding upon and inure to the benefit of CRST and Employee, CRST's legal representatives, successors, and assigns.

11. WAIVER AND AMENDMENT. No waiver of any provision of this Contract shall: (1) be valid unless it is in writing and signed by the party against whom the waiver is sought to be enforced, or (2) be deemed a waiver of any other provision of this Contract at such time or at any other time. No change, amendment, or modification of this Contract shall be valid or binding unless it is in writing and signed by the party intended to be bound.

12. SEVERABILITY. If one or more of the provisions contained in this Contract is deemed invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity and enforceability of the other provisions.

13. GOVERNING LAW AND VENUE. CRST and Employee hereby agree that this Contract and its construction and interpretation shall at all times and in all respects be governed by the laws of the State of Iowa, and any claim, litigation, or dispute arising from or related to this Contract shall be litigated in the appropriate federal or state court located in Cedar Rapids, Iowa. Employee hereby consents to personal jurisdiction and venue in such court.

Employee acknowledges having read the terms of this contract and had the opportunity to have the terms used herein and their consequences explained by employee's attorney prior to signing.

IN WITNESS WHEREOF, CRST Expedited, Inc. and Employee have duly executed this Contract as of the date, year, and place first above written.

CRST Expedited, Inc.

[Signature]

Employee SS#:

[REDACTED]

Signature:

[REDACTED]

Name:

[REDACTED]

Address:

[REDACTED]

City, State:

[REDACTED]

Zip Code:

[REDACTED]
Exhibit 7: Example of CRST The Transportation Solution, Inc. TRAP and notice of post-employment debt obligation
CRST Expedited, Inc.
Driver Employment Contract

This Driver Employment Contract (the "Contract") is entered into this day, Tuesday, October 28, 2014, (the "Effective Date") in the State of Iowa by and between CRST Expedited, Inc. ("CRST"), an Iowa corporation, and

Juan Carlos Montoya
("Employee").

In consideration of the parties' respective promises in this Contract and other good and valuable consideration, including but not limited to the expenses, fees and costs advanced by CRST for Employee's driver training as more fully detailed in the Pre-Employment Driver Training Agreement previously entered into by and between the parties (the "Pre-Employment Driver Training Agreement"). CRST and Employee agree as follows:

1. EMPLOYMENT. Upon the terms and conditions set forth in this Contract, CRST employs Employee, and Employee accepts employment by CRST.

2. DUTIES OF EMPLOYEE. While employed by CRST, Employee shall devote full time to the performance of Employee's duties to CRST under this Contract. Employee's duties on behalf of CRST are to act as a truck driver for CRST and fulfill all related duties, including, but not limited to, satisfying and complying with all of the standards, requirements, obligations, and conditions set forth in the CRST Professional Driver's Handbook (the "Handbook"). Employee acknowledges having received the Handbook during CRST's orientation program, has read, and understands the policies and standards set forth therein. CRST may at any time change Employee's job responsibilities, duties, and standards. CRST may from time to time unilaterally amend the Handbook, and Employee hereby consents to and agrees to be bound under this Contract by any and all such amendments upon receiving notice of the amendment. Employee will not directly or indirectly engage or participate in any activities at any time during the term of this Contract in conflict with duties under this Contract and/or the best interests of CRST. During the Term, Employee shall complete "Phase 3" and "Phase 4" of CRST's Driver Training Program, as those terms are defined in the Pre-Employment Driver Training Agreement.

3. TERM OF EMPLOYMENT. The term of CRST's employment of Employee under this Contract shall be for a period of ten (10) months commencing as of the Effective Date (the "Term") subject to termination prior to the end of the Term pursuant to Section 4 of this Contract. Following the Term, CRST shall employ Employee on an at-will basis, and either party may terminate the employment relationship at any time effective immediately.

4. TERMINATION OF EMPLOYMENT. During the Term Employee's employment may be terminated only for the following reasons: (1) by CRST with or without Due Cause effective immediately, (2) by mutual agreement of CRST and Employee, or (3) upon the death of Employee. For the purposes of this Contract, "Due Cause" means Employee's breach of this Contract and/or Employee's failure to satisfy or comply with any of the standards, requirements, obligations and conditions set forth in the Handbook. If Employee is terminated without Due Cause during the Term, then the terms of Section 5 shall be null and void.

5. NON-COMPETITION RESTRICTIVE COVENANT.

a. Employee acknowledges all of the following: Employee's ability to render the services under this Contract is the result of CRST having made a substantial financial commitment in Employee's driver training to satisfy the U.S. Department of Transportation and CRST requirements to become a professional truck driver with the expectation that CRST would recover such financial commitment during Employee's continuous employment for at least an eight (8) month period. CRST is entitled to recover during the Term the fees, expenses and costs advanced on behalf of Employee pursuant to the Pre-Employment Driver Training Agreement. If Employee's employment is terminated before the end of the Term, CRST will not recover such fees, expenses and costs, and CRST will suffer damages that cannot adequately be compensated by damages available in an action at law. Employee's experience and capabilities are such that Employee can obtain employment outside the trucking industry without breaching the Contract's terms and conditions including, but not limited to, the non-competition covenant in this Section 5.

b. In light of the acknowledgements in section 5.a and the resulting competitive disadvantage Employee could cause CRST, Employee agrees and covenants that for a period equal to the greater of the Restrictive Term and the duration of CRST's employment of Employee, Employee will not directly or indirectly provide truck driving services to any person or company competitive with CRST. Employee further agrees that in this connection, CRST shall be entitled to specific performance or injunctive relief in addition to any other remedies at law or in equity, or both, without the necessity of proving the damage or loss of CRST, in the event that Employee should violate or attempt to violate the provisions of this Section 5. Employee acknowledges that the Restrictive Term may vary from state to state, and the duration of CRST's employment of Employee may vary from state to state, as set forth in Exhibit C of the Handbook, which is an exhibit to this Contract.

Page 1 of 3

IA 2012
services to any CRST Competitor within the continental United States of America. For purposes of this Agreement:
"CRST Competitor" means any motor carrier, common or contract, that provides a service offered by, similar to,
competitive with or which can be used as an alternative to the services offered by CRST, or any other entity that
shares some degree of common ownership with CRST, during Employee's employment by CRST. "Restrictive
Term" means the Term including any period of the Term remaining after the termination of CRST's employment of
Employee with or without cause by either party; provided, however, that the Restrictive Term shall lapse
immediately upon Employee paying in full the amount due in paragraph 7. If Employee's employment is terminated
before the end of the Term, Employee shall receive no compensation during the Restrictive Term.

c. Employee acknowledges that compliance with Employee's restrictive covenant set forth in section 5.8 is necessary to
protect CRST's investment in the Employee's driver training and that a breach of such restrictive covenant will
irreparably and continually damage CRST, for which money damages may not be adequate. Consequently,
Employee agrees that in the event Employee breaches or threatens to breach the restrictive covenant contained in
section 5.8. CRST shall be entitled, in addition to its other remedies and damages available under law, to: (i)
a temporary restraining order, a preliminary and/or a permanent injunction in order to prevent Employee from
breaching such restrictive covenant; and (ii) payment by Employee for all costs and expenses, including but not
limited to attorney fees, incurred by CRST in enforcing any provision of this Contract. Nothing in this Contract
shall be construed to prohibit CRST from also pursuing any other remedy or seeking to enforce any legal remedies
available against any person or company who hires Employee in violation of Employee's restrictive covenant in
section 5.8. The parties hereby agree that all remedies shall be cumulative.

d. Employee acknowledges and agrees that the Restrictive Term and geographical area of restriction imposed by the
non-competition restrictive covenant in section 5.8 are fair and reasonably required for the protection of CRST. If
at any time of enforcement of this Contract, a court shall hold that the duration, scope or area restrictions stated
herein are unreasonable under circumstances then existing, CRST and Employee agree that the stated period, scope
or area reasonable under such circumstances shall be substituted for the stated period, scope or area, and that the
court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope
and area permitted by law.

6. COMPENSATION. As compensation for the services to be rendered by Employee under this Contract, CRST will
pay Employee the wages, benefits and other compensation set forth in the Handbook. CRST may unilaterally change
at any time, by written amendment, the terms, and conditions of the compensation set forth in the Handbook, and
Employee hereby consents to all such amendments and agrees that such amendments shall be binding upon
Employee.

7. REIMBURSEMENT OF ADVANCES FOR DRIVER TRAINING PROGRAM. Student acknowledges and agrees
that CRST advanced on behalf of Employee, in accordance with the Pre-employment Driver Training Agreement,
the payment of certain tuition, lodging, transportation and other expenses and fees incurred by Employee in the
course of Employee participating in the Driver Training Program ("DTP") sponsored by CRST. Student agrees to
reimburse CRST for such advances as follows:

a. Following the conclusion of Phase 3 and the first week of Phase 4 of the DTP and when Employee is qualified as a
company driver (i.e., in the driver's sixth week of employment), CRST will begin deducting on a weekly basis up to
a maximum of $40.00 per week from the driver's paycheck in repayment of CRST's advance on behalf of Student
payment of certain fees and expenses during Phase 1 of the DTP, as identified in paragraph section 9 of the Pre-
Employment Driver Training Agreement. This deduction will continue throughout Employee’s employment until
Employee pays in full the principal amount plus interest accruing at the rate equal to the lesser of 1.5% per month or
the maximum rate permitted by applicable federal and state usury laws. Employee hereby authorizes the
aforementioned deduction from Employee's paycheck.

b. If during the Term either (1) Employee breaches this Contract, or (2) Employee's employment is terminated for Due
Cause, then Student will owe and immediately must pay to CRST the following sum: (i) $6,500.00, plus (ii) the
amounts advanced by CRST on behalf of Student (pursuant to section 9 of the Pre-Employment Driver Training
Agreement) for Student's DOT physical and drug screen expenses, Lodging Cost and Transportation Cost incurred
during Phase 1 that Student has not yet repaid via deductions from weekly pay pursuant to this section 7(a), plus
(iii) interest accruing as of the Effective Date at a rate equal to the lesser of 1.5% per month or the maximum rate
permitted by applicable federal and state usury laws. Employee hereby authorizes CRST to deduct the amount due
under this section 7(b), if any, from the compensation amounts otherwise due to Employee pursuant to section 6 upon
the termination of Employee's employment. In the event it is necessary for CRST to employ a collection agency or
legal counsel to enforce Employee's obligation under this section 7.b, CRST shall be entitled to recover from Employee such enforcement costs and expenses, including attorneys' fees.

8. ASSIGNMENT. This Contract is not assignable or transferable by Employee. This Contract and the rights and obligations of both parties may be assigned by CRST without notice to or consent of Employee to any other organization with which CRST shares some degree of common ownership, or pursuant to or as part of a corporate reorganization, corporate restructuring or merger involving CRST, or the sale by CRST of a substantial portion of CRST's assets or business or as part of any similar transaction involving CRST.

9. NOTICE. Any notice required to be given under this Contract must be in writing and made by personal delivery, facsimile, reputable overnight carrier, or registered or certified mail, return receipt requested and postage prepaid to the address for Employee set forth in the signature block of this Contract, and in the case of CRST, to CRST Expedited, Inc., Attn: David L. Rusch, President/COO, P.O. Box 68, Cedar Rapids, IA 52406. Notice shall be deemed given upon delivery in the case of personal delivery or delivery via overnight carrier, upon receipt of electronic confirmation in the case of delivery via facsimile, and three days after the date of mailing in the case of delivery via mail. Either party may change the address to which notices are to be sent by giving written notice to the other party.

10. ENTIRE CONTRACT; BINDING EFFECT. This Contract contains the entire agreement and understanding by and between CRST and Employee with respect to the employment of Employee, and no representations, promises, agreements, or understandings, written or oral, not contained herein shall be of any force or effect. This Contract shall be binding upon and inure to the benefit of CRST and Employee. CRST's legal representatives, successors, and assigns.

11. WAIVER AND AMENDMENT. No waiver of any provision of this Contract shall: (1) be valid unless it is in writing and signed by the party against whom the waiver is sought to be enforced, or (2) be deemed a waiver of any other provision of this Contract at such time or at any other time. No change, amendment, or modification of this Contract shall be valid or binding unless it is in writing and signed by the party intended to be bound.

12. SEVERABILITY. If one or more of the provisions contained in this Contract is deemed invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity and enforceability of the other provisions.

13. GOVERNING LAW AND VENUE. CRST and Employee hereby agree that this Contract and its construction and interpretation shall at all times and in all respects be governed by the laws of the State of Iowa, and any claim, litigation, or dispute arising from or related to this Contract shall be litigated in the appropriate federal or state court located in Cedar Rapids, Iowa. Employee hereby consents to personal jurisdiction and venue in such court.

Employee acknowledges having read the terms of this contract and had the opportunity to have the terms used herein and their consequences explained by employee's attorney prior to signing.

IN WITNESS WHEREOF, CRST Expedited, Inc. and Employee have duly executed this Contract as of the date, year, and place first above written.

CRST Expedited, Inc.

By: 

Signature: 

Name: 

Address: 

City, State: 

Zip Code: 

Employee SS#: 

Juan C. Montoya 

Employee signature 

Page 3 of 3
February 13, 2015

JUAN MONTOYA
JAMAICA PLAIN, MA

RE: TRAINING CONTRACT PAYMENT DRIVER #

DEAR JUAN,

We are sorry to learn that you have elected not to continue your trucking career with CRST. We wish you success in whatever undertaking you have chosen to pursue but we would like you to first consider returning to work for us. In these challenging economic times CRST has consistently posted solid business results. If eligible, we would like to discuss your possible return. Unfortunately, if you are not eligible to return or have made your final decision we must collect on our agreement with you concerning your school tuition.

The Driver Employment Contract that you signed with CRST for training costs is now in effect due to your failure to complete the terms of your contract.

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<th>Amount</th>
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Total Amount Due: $7027.50

Please remit your payment to:
CRST Expedited
ATTN: Driver Collections
P.O. Box 68
Cedar Rapids, IA 52406

Be sure to clearly mark your name, driver number and/or social security number on your check or money order to ensure that your account is properly credited.

Please contact us immediately at (855) 861-2778 if you have any questions or to make alternative payment arrangements. If we do not hear from you by February 27, 2015 we may turn this account over to our collection agency. This may affect your current and future credit rating.

Sincerely,

Driver Collections
Exhibit 8: A copy of the complaint in *Scally v. PetSmart*
SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN MATEO

BREANN SCALLY,
Plaintiff, on behalf of herself and all others similarly situated,
v.
PETSMA RT LLC, Defendant.

CLASS ACTION COMPLAINT FOR:

(1) VIOLATIONS OF CAL. BUS. & PROF. CODE §§ 2802, 2804

(2) VIOLATIONS OF CAL. BUS. & PROF. CODE § 17200

(3) VIOLATION OF CAL. CIV. CODE §§ 1788 et seq.

(4) VIOLATION OF CAL. CIV. CODE §§ 1750 et seq.

(5) VIOLATION OF CAL. BUS. & PROF. CODE § 17500

(6) VIOLATION OF CAL. LABOR CODE §§ 226.7 and 512

JURY TRIAL DEMANDED
Plaintiff BreAnn Scally, individually and on behalf of all others similarly situated, by and through her attorneys, brings the following allegations against Defendant PetSmart LLC.

INTRODUCTORY STATEMENT

1. PetSmart, the largest retail pet chain store in the United States, provides grooming services to over 13 million pets a year. PetSmart advertises to customers that their pets will be “groomed with love” by professional stylists with extensive training. Meanwhile, the company promises aspiring groomers free, paid training where they will receive exclusive instruction from a dedicated teacher in a classroom setting as well as a supervised, hands-on grooming experience.

2. The reality California PetSmart groomers face when they enroll in training, which PetSmart calls Grooming Academy, is something much different. Prospective groomers quickly find themselves grooming dogs for paying customers and may have to struggle for attention from overextended trainers or salon managers. Despite its academic-sounding name, Grooming Academy does not provide employees with a recognized degree or credentialing. And once groomers complete Grooming Academy, they are thrust into a demanding and sometimes dangerous job, often working for barely above minimum wage.

3. But even when groomers find that the job is not what they signed up for, they are not free to leave, because Grooming Academy is not actually free. PetSmart requires that all employees who enroll in Grooming Academy sign a Training Repayment Agreement Provision (“TRAP”). The TRAP requires PetSmart groomers to take on $5,000 of debt to PetSmart in exchange for Grooming Academy training. PetSmart forgives that debt only if the worker stays at their job for two years after they begin training, no matter how little they are paid or how poorly they are treated. The TRAP even allows PetSmart to collect on the $5,000 debt if an employee leaves their grooming job involuntarily, such as if they are fired or laid off.

4. That $5,000 far exceeds any reasonable value of the Grooming Academy and is well beyond what PetSmart groomers, who make barely above minimum wage, are able to afford. As a result, the TRAP strips PetSmart workers of bargaining power that they could use to seek out employment opportunities in which they would be paid more or treated better.
5. This debt PetSmart saddles its employees with is illegal under California law. While employers can charge employees for training if that training is primarily for the employee’s personal benefit, employment law prohibits employers from charging employees for training that primarily benefits the employer. Meanwhile, consumer laws provide certain protections for borrowers who take out loans for personal or family use, and education laws require licensing for providers of post-secondary education.

6. If Grooming Academy is primarily for PetSmart’s benefit, then the TRAP violates California employment law by requiring employees to pay for their own job training. And if Grooming Academy is primarily for the groomers’ personal benefit, then it violates California education and consumer law by saddling groomers with debt under unfair and abusive circumstances in order to pay for an unlicensed post-secondary school.

7. Either way, the TRAP takes advantage of vulnerable employees and undermines California’s interest in the free and fair movement of workers.

PARTIES

8. Plaintiff BreAnn Scally was employed as a bather and a groomer at a PetSmart location in Salinas, California, from February 2021 until September 2021. She currently resides in Belmont, California.

9. PetSmart is a privately-held corporation owned by a private equity consortium led by the firm BC Partners with its principal place of business in Phoenix, Arizona. It is incorporated in Delaware.

JURISDICTION & VENUE

10. This Court has subject matter jurisdiction over this action because it involves issues of state law. This Court has personal jurisdiction over the parties because Defendants transact business in this county and throughout the state of California, and Plaintiff resides in this county.

11. Venue is proper in this Court pursuant to California Code of Civil Procedure §§ 395 and 395.5 and Business and Professions Code §§ 17203 and 17535 because Defendant transacts business, and Plaintiff resides, in this county.
STATEMENT OF FACTS

I. Grooming at PetSmart

12. PetSmart is one of the largest retailers of pet-related products and services in North America, with more than 1,300 stores in the United States and more than 150 stores in California alone.

13. One major service that the company provides is pet grooming. PetSmart prominently advertises its groomers as “[p]rofessional stylists with over 800 hours of training & 6 months apprenticeship.” It relies heavily on this training in its marketing materials, where it tells customers that it “takes over a year to become a certified Pet Stylist” at PetSmart.

14. Prospective PetSmart groomers who do not have prior grooming experience are required to go through PetSmart’s training program, which generally begins when employees are hired as “bathers.”

15. In order to be eligible for promotion to groomer, bathers are required to bathe a specific number of dogs and to complete a booklet that provides information and benchmarks on the basics of dog bathing and grooming, including types of cuts and nail trims.

16. Once an employee has been a bather for the required amount of time and completed the other prerequisites, they are eligible for training and promotion to groomer. PetSmart calls the first stage of its groomer training “Grooming Academy.”

17. Grooming Academy involves three to four weeks of classroom training, which may be provided either by PetSmart supervisors at an employee’s home salon or by district-level trainers, also employed by PetSmart, at a separate training location. The classroom training involves completing a PetSmart instructional pamphlet with information about grooming dogs, including specific styles of grooms and specific breeds of dogs, and performing grooms of different dog breeds in different styles (e.g., sporting terriers, long-legged terriers, poodles, etc).

18. PetSmart makes money off of grooms provided during Grooming Academy. Customers are charged a discounted rate for grooms performed by trainees.

19. Despite its academic-sounding name, Grooming Academy does not provide California PetSmart groomers with a recognized degree or licensing. Rather, PetSmart has
imposed it as the company’s own requirement for the groomers it employs. California does not require any specific licensing or degree to work as an animal groomer.

20. The Bureau for Private Postsecondary Education (“BPPE”), the agency that regulates private proprietary higher education institutions in California, including other pet grooming academies, has not approved the Grooming Academy to operate in the state.

21. PetSmart employees who complete Grooming Academy are typically provided with a certificate at a “graduation” ceremony indicating they have completed the program, such as in the images below.
22. Once groomers have completed Grooming Academy, PetSmart requires them to complete 200 “supervised grooms” at their hourly pay rate—meaning without any additional commission. Whether and how closely groomers are in fact supervised during these 200 grooms depends on the staffing level of the PetSmart location where they work. Supervision during supervised grooms is sometimes non-existent. PetSmart charges customers for grooms from trainees completing their 200 “supervised grooms” at the same rate as it charges customers for other grooms.

23. Once employees have completed the required 200 “supervised grooms,” they become PetSmart Stylists in Training. After six more months working for PetSmart, they become PetSmart Pet Stylists. Stylists in Training earn a 40% commission from each dog they groom, and Pet Stylists earn a 50% commission.
II. The Training Repayment Agreement Provision

24. PetSmart’s Careers website advertises its “FREE Paid Training,” which it states is “[v]alued at $6,000” and “includes over 800 hours with more than 200 different dogs.”

25. PetSmart also touts its training as free on its social media accounts, such as the Twitter account below, and in job postings.
26. But PetSmart’s groomer training is not at all free. To the contrary, PetSmart charges groomers $5,000 for Grooming Academy, and an additional $500 for a set of the grooming tools that groomers need in order to perform their jobs. The only alternative groomers have to obtaining tools from PetSmart is to purchase their own grooming tools at their own expense.

27. PetSmart requires employees to pay for the training and tools by taking on debt to PetSmart. PetSmart forgives the debt only if the employee remains at PetSmart for two years after the completion of their training.

28. The charges for training and the initial toolkit are set forth in a Training Repayment Agreement Provision (“TRAP”) titled “Grooming Academy Training Agreement and Authorization for Deduction from Wages.” The TRAP provides that the signer agrees to pay PetSmart $5,000 (or, if they choose to accept the grooming toolkit, $5,500) if their employment with PetSmart is terminated either voluntarily or involuntarily within two years of starting Grooming Academy. This amount is reduced to $2,500 (or $2,750 with the grooming toolkit) if the termination occurs more than a year after first anniversary of the start of Grooming Academy.

29. The TRAP requires the signer to aver that the training “is voluntary, for my personal benefit, and is transferrable to grooming positions with other employers.”

30. The TRAP purports to authorize PetSmart to withhold money from wages and other payments to the employee in order to satisfy the employee’s obligations under the TRAP.

31. The TRAP further requires that all employees pay any amount owed to PetSmart within 30 days of the voluntary or involuntary termination of employment. Pursuant to the TRAP, failure to pay the full amount within that time could result in PetSmart filing a civil action against the employee to collect the outstanding TRAP debt, including costs, collection charges, attorney’s fees, and interest at the “highest rate permitted by law.”

32. The effect of the TRAP is not only to shift onto PetSmart’s workers the costs of a training that benefits PetSmart, but also to chill workers from seeking employment elsewhere, undermining their bargaining power to seek out decent wages or better treatment from PetSmart or a competitor.
33. Many PetSmart groomers make barely above minimum wage. For these workers, $5,500 could be more than two months of pay. As a result, leaving their jobs in search of higher wages could lead to difficulty paying rent or putting food on the table.

34. PetSmart can choose whether to enforce the TRAP under circumstances of its own choosing. Employees do not know what criteria affect the decision of whether to enforce a particular TRAP or not, which appears to be made at the corporate level, as store-level managers provide inconsistent and often incorrect information about the likelihood of enforcement. Because a PetSmart employee does not know whether or not PetSmart will enforce the TRAP until after they have left the company, the chilling effect of the TRAP on employee mobility is universal even when enforcement is inconsistent.

35. Groomers who do leave their jobs early may face aggressive collection efforts from PetSmart that can harm their credit scores and make it more difficult for them to take out a loan, secure housing, or obtain employment elsewhere.

36. Employees who don’t leave PetSmart during the two-year period after starting groomer training are also significantly harmed. Many of these workers are stuck in low-paying and unpleasant jobs, fearful of finding somewhere else to work. And because PetSmart knows that its groomers are stuck in a TRAP of PetSmart’s own design, PetSmart can resist normal market pressures to increase wages or treat their groomers better.

37. PetSmart’s TRAP creates a debt which it states is for “personal benefit”; however, the TRAP does not contain any relevant consumer disclosures, such as Truth in Lending Act disclosures or the Holder Rule Notice.

III. Obligation to Purchase Grooming Tools

38. As noted above, PetSmart offers its groomers a basic grooming toolkit when they complete Grooming Academy, which it advertises as “free.” Groomers who accept these grooming tools owe a $500 debt to PetSmart above the debt incurred through the baseline TRAP, which is forgiven if they work as groomers for the company for at least two years.

39. Other than the optional grooming toolkit, PetSmart groomers are required to purchase their own grooming tools. These tools can include, among others, clippers, scissors,
brushes, blades, and blade-holders. In addition, groomers are responsible for the costs of sharpening their own tools outside of the work time. In all, these costs can amount to hundreds or even thousands of dollars per year, which employees pay themselves out of pocket and for which they are not reimbursed.

40. PetSmart is aware that employees spend substantial amounts of their own money on the tools required to perform their jobs. Indeed, it offers salon employees a 35% discount on tools purchased to use in a Grooming Salon—i.e., tools that they use in the course of performing their work as groomers beyond what they receive in the initial grooming toolkit. Tools and other items purchased for personal use are eligible for a different, lower discount.

IV. Job Duties and Missed Meal and Rest Breaks

41. Groomers are frequently scheduled to groom one dog every hour, and sometimes more. Grooming a dog is a time-consuming process that includes bathing and drying the dog, combing and trimming the dog’s hair, and clipping the dog’s nails. Some dogs are more cooperative than others, and for dogs that are skittish, badly behaved, or simply have thick fur or are large, a regular groom can take several hours. As a result, groomers are under significant time pressure. This time pressure is particularly acute for Stylists in Training and Pet Stylists, who are paid on commission and who therefore are incentivized to groom as many animals as quickly as possible.

42. In addition to bathing and grooming dogs, PetSmart batters and groomers often perform substantial administrative and other work, including intake and billing for grooming customers and answering phones. They are also responsible for cleaning the pet salon between grooms and maintaining a general level of sanitation.

43. These pressures may contribute to a dangerous working environment where employees are required to groom dangerous or aggressive animals, and where there is not enough time in the workday to maintain an adequate level of sanitation.

44. Keeping up with the required volume of work frequently means that employees do not have a reasonable opportunity to take rest breaks during work periods of at least three-and-a-
half hours, or to take uninterrupted 30-minute meal breaks during work periods of more than five
hours per day.

45. Managers are aware that workers cannot take their legally entitled breaks. In
response to complaints from workers, they often blame the workers for not working quickly
enough.

V. BreAnn Scally

46. BreAnn Scally started working at the PetSmart in Salinas, California in February
2021 as a full-time bather. Scally was hoping to pursue a career in animal rescue and believed that
the free training PetSmart advertised would help her to advance in that goal.

47. While working as a bather, Scally helped groomers wash and dry dogs while also
learning certain basic grooming techniques, such as foot trims and sanitary trims. She charted her
progress in a PetSmart booklet that she was required to complete in order to be eligible to train as
a groomer.

48. In or around the end of April 2021, Scally completed her required work as a bather
and began Grooming Academy. Prior to beginning Grooming Academy, she signed a document
called “Grooming Academy Training: Agreement and Authorization for Deduction from Wages”
(hereinafter, the “TRAP”). This TRAP purported to bind Scally to pay PetSmart $5,500 if her
employment with PetSmart was terminated before the second anniversary of the start date of her
Grooming Academy training. Per the agreement, this amount would be reduced by one-half if she
left between the first and second anniversary of her Grooming Academy start date.

49. The PetSmart manager who had Scally sign the TRAP did not explain to her that
she was signing an agreement to pay PetSmart $5,000 for training if she left the company within
two years of beginning Grooming Academy.

50. Scally accepted the grooming toolkit that PetSmart offered in exchange for an
additional $500 debt.

51. Scally’s Grooming Academy trainer was the salon manager at the store where
Scally worked, and most of the training took place in the salon itself. Because the salon manager
was responsible for running the salon, including performing her own grooms and supervising four
to five other groomers and approximately three bathers, in addition to training Scally, there was very little one-on-one training, and most of what Scally learned was by working through the training materials on her own and watching other groomers do their jobs.

52. Grooming Academy took Scally approximately three weeks to complete, rather than the four weeks of instruction that PetSmart advertises. The first week was largely solo bookwork. During the next two weeks, Scally was required to practice grooming on the dogs that came into PetSmart. If she had to practice a certain breed cut, she would perform that type of cut on whatever breed of dog was available, and then re-cut the dog’s hair in a way appropriate for its breed before returning the dog to the paying customer. PetSmart charged customers for grooms that Scally performed while in Grooming Academy, with a 35% discount. These grooms took place in the regular PetSmart salon.

53. Once Scally completed Grooming Academy, she was required to complete 200 “supervised grooms” before she was eligible to receive commissions as a Stylist in Training. In practice, these 200 grooms were not closely supervised at all. The Salon Manager responsible for supervising Scally was also performing her own grooms, overseeing other groomers and bathers, and performing other management duties.

54. Throughout her employment at PetSmart, Scally and her colleagues were expected to work through meal and rest breaks in order to stay on top of the large volume of work they were required to perform. This work included everything from grooming animals to handling frustrated or hostile customers to helping the salon manager with scheduling employees. It was a regular practice for employees to clock out for a lunch break, as instructed by PetSmart, but continue working with their supervisors’ knowledge, because they had no other option if they wanted to complete the work required of them.

55. Scally quit her job at PetSmart on September 4, 2021, because she was struggling under the stress of the job and unable to cover her bills on her salary, which was just above minimum wage.

56. Prior to quitting, Scally spoke with her salon manager about the TRAP she had been required to sign. She could not afford the $5,500 penalty for leaving less than a year after starting
Grooming Academy, leaving her with the impossible choice of going into debt because she was
staying at a job that paid her below market wages and going into debt pursuant to the TRAP
because she left that job for a higher-paying one. Her salon manager said, however, that PetSmart
was unlikely to seek to collect on the debt if Scally earned enough money for the company by
grooming and upselling to make up for the cost of her training. As a result, Scally kept careful
track of the revenue she brought in for PetSmart and did not leave until she was comfortable that
she had earned back the cost of her training by September 2021.

57. Scally did not receive any communications about the TRAP from PetSmart or their
agents through the fall. However, in January 2022, a collection appeared on her credit report in the
amount of $5,500. The debt collector was IC System. Scally disputed the debt to Experian, but her
dispute was denied.

58. Scally did not receive any notice from PetSmart or IC System prior to the TRAP
debt appearing on her credit report.

59. After requests to IC System for more documentation regarding the debt, IC System
sent her a collection balance notice dated March 30, 2022 that identified the creditor as PetSmart.

60. On information and belief, IC System acted as PetSmart’s agent in its collection
activities directed at Scally regarding the TRAP debt.

61. On information and belief, PetSmart directs its agents, including IC System, to
engage in debt collection activities regarding TRAP debt. These collection activities include but
are not limited to furnishing information on credit reports and sending collection notices.

62. As a result of the new debt on her credit report, Scally’s credit score dropped
significantly, from the high 600s to the low 600s. This decrease meant that she was unable to co-
sign an apartment lease with her boyfriend, which she had been planning to do. She has also
avoided applying for additional loans, including additional credit cards, since the drop in her credit
score. Although she had been planning to return to school for a veterinary assistant degree, she
decided not to because she did not want to take on the additional student loans with her lowered
credit score.
63. Scally has suffered an injury in fact and has lost money or property as a result of the TRAP.

64. Scally has suffered emotional distress because of the TRAP debt.

**CLASS ACTION ALLEGATIONS**

65. Plaintiff Scally brings her class action claims under Code of Civ. Proc. § 382 on behalf of several Classes, defined as follows:

**TRAP Class:** All individuals who have worked for PetSmart in California, received training from PetSmart’s Grooming Academy, and are or have been subject to a training repayment agreement within the four years prior to the filing of this Complaint.

**Debt Collection Subclass:** All individuals in the TRAP Class who have been subject to debt collection activity from PetSmart or PetSmart’s agents regarding TRAP debt within the four years prior to the filing of this Complaint.

**Grooming Tools Class:** All individuals who have worked as a pet groomer at a PetSmart in California and have purchased their own grooming tools (including via a forgivable debt to PetSmart) within the four years prior to the filing of this Complaint.

**Meal and Rest Break Class:** All individuals who have worked as a pet groomer or bather at a PetSmart in California within the four years prior to the filing of this Complaint.

66. Class Members are so numerous that joinder of all of them is impracticable. PetSmart has over 150 store locations in the state of California, all or close to all of which operate a pet salon and are staffed by groomers. Upon information and belief, the Classes are likely to include more than 1,000 members each, with this number subject to change based upon discovery.

67. There are questions of law and fact common to the Classes that predominate over any questions affecting only individual Class Members. Common questions for the TRAP Class include, among others, (1) whether PetSmart’s training is transferrable or whether it provides employees with a recognized degree or licensing; (2) whether PetSmart or employees are responsible for the costs of training; (3) whether PetSmart engages in false advertising by representing that its training is free; (4) whether the TRAP is an enforceable debt; (5) whether PetSmart is engaged in unlicensed lending; and (5) whether PetSmart has provided requisite
consumer disclosures. Common questions for the Grooming Tools Class include whether grooming tools are necessary expenditures incurred by groomers in direct consequence of the discharge of their duties. Common questions for the Meal and Rest Breaks Class include whether PetSmart’s routine policy and practice was to schedule groomers and bathers such that they lacked a reasonable opportunity to take their meal and rest breaks. Common questions for the Debt Collection Subclass include (1) whether PetSmart or its agents made false or misleading representations regarding the character or legal status of the TRAP debt; (2) whether PetSmart or its agents threatened actions that it cannot legally take regarding the TRAP debt; (3) whether PetSmart or its agents used false representations or deceptive means to collect the TRAP debt; and (4) whether PetSmart or its agents attempted to collect an amount of TRAP debt not permitted by law.

68. The claims of Plaintiff are typical of the claims of the Class Members. Plaintiff worked for PetSmart within the relevant time period as a bather and a groomer, was trained at Grooming Academy, is subject to a TRAP, and regularly worked through meal and rest breaks, and was harmed as a result.

69. Plaintiff will fairly and adequately represent and protect the interests of the Class and have retained counsel competent and experienced in complex litigation, class actions, and employment and consumer law. Plaintiff’s claims are representative of the claims of the other members of the Classes. Plaintiff and Class members sustained damages as a result of Defendant’s conduct. Plaintiff has no interests antagonistic to those of the Classes, and Defendant has no defenses unique to Plaintiff. Plaintiff and her counsel are committed to vigorously prosecuting this action on behalf of the members of the Classes. Neither Plaintiff nor her counsel have any interest adverse to the Classes.

70. A class action is superior to other available methods for the fair and efficient adjudication of this controversy, as joinder of all members of the Class is impracticable. Individual litigation would not be preferable to a class action because individual litigation would increase the delay and expense to all parties due to the complex legal and factual controversies presented in this Complaint. By contrast, a class action presents far fewer management
difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court. Economies of time, effort, and expense will be fostered and uniformity of decisions will be ensured.

71. Class certification is appropriate because PetSmart has acted and/or refused to act on grounds generally applicable to the Classes, making appropriate declaratory, equitable, and injunctive relief and damages with respect to Plaintiff and the Classes as a whole.

COUNT I (in the alternative): ILLEGAL TRAP UNDER THE EMPLOYMENT LAWS

CAL. BUS. & PROF. CODE §§ 2802, 2804

(Plaintiff on behalf of herself and the TRAP Class against Defendant)

72. Plaintiff incorporates by reference all previous paragraphs of this Complaint.

73. California Labor Code § 2802(a) requires an employer to indemnify an employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of her his or her duties, or of his or her obedience to the directions of the employer.

74. This right cannot be waived by contract. Cal. Labor Code § 2804.

75. Under California law, employers are responsible for the cost of employer-required training undertaken by the employee in direct consequence of the discharge of the employee’s duties or due to the employee’s obedience to the directions of the employer, that is incurred for the employer’s benefit and is not required by statute or ordinance.

76. PetSmart unlawfully charges its groomers, including Plaintiff and the TRAP Class, up to $5,000 for completing employer-required training for the benefit of PetSmart that is not required by California statute or ordinance, in violation of California Labor Code § 2802.

77. Plaintiff and the TRAP Class have been harmed in an amount according to proof at trial, and seek reimbursement of all necessary expenditures plus any available damages, interest, penalties, fees, and costs.

78. In addition, Plaintiff seeks a declaratory judgment that the TRAP debt is unenforceable according to California law and an injunction to prevent PetSmart from attempting to collect on the TRAP debt.
COUNT II: UNLAWFUL GROOMING TOOLS EXPENDITURES

CAL. BUS. & PROF. CODE §§ 2802, 2804

(Plaintiff on behalf of herself and the Grooming Tools Class against Defendant)

79. Plaintiff incorporates by reference all previous paragraphs of this Complaint.

80. Groomers at PetSmart are required to use a variety of tools in performing their jobs. These tools may include, among others, clippers, scissors, brushes, blades, and blade-holders.

81. PetSmart charges groomers for these tools in one of two ways. First, it offers groomers a supposedly “free” toolkit upon completion of Grooming Academy that is not free. Rather, it is provided pursuant to a forgivable $500 loan that groomers are liable to repay if they leave PetSmart less than two years after receipt of the tools.

82. Second, it allows groomers to purchase their own tools directly, using either third-party sellers or by purchasing through PetSmart. Employees who purchase their grooming tools through PetSmart receive a 35% discount off of the commercial sales price.

83. These expenditures are incurred in direct consequence of the discharge of an employee’s duties or of the employee’s obedience to the directions of the employer and are required to be borne by PetSmart under California law.

84. Plaintiff and the Grooming Class have been harmed in an amount according to proof at trial, and seek reimbursement of all necessary expenditures plus any available damages, interest, penalties, fees, and costs.

85. In addition, Plaintiff seeks a declaratory judgment that the grooming tools debt is unenforceable according to California law and an injunction to prevent PetSmart from attempting to collect on the grooming tools debt.

COUNT III (in the alternative): OPERATING AN UNLICENSED, UNAPPROVED POST-SECONDARY INSTITUTION

CAL. BUS. & PROF. CODE § 17200

(Plaintiff on behalf of herself and the TRAP Class against Defendant)

86. Plaintiff incorporates by reference all previous paragraphs of this Complaint.
87. California Education Code § 94886 provides in relevant part that “a person shall not open, conduct, or do business as a private postsecondary educational institution in this state without obtaining an approval to operate under this chapter,” where a private postsecondary educational institution is a “private entity with a physical presence in this state that offers postsecondary education to the public for an institutional charge.” Cal. Educ. Code § 94858.

88. Additionally, California Education Code provides that “a note, instrument, or other evidence of indebtedness relating to payment for an educational program is not enforceable by an institution unless, at the time of execution . . . the institution held an approval to operate.” Cal. Educ. Code § 94917.

89. If Plaintiff did not incur the costs of PetSmart’s Grooming Academy in direct consequence of the discharge of her duties as a PetSmart groomer but rather because of the personal benefits of that training to her, then PetSmart’s Grooming Academy is a post-secondary institution that is unapproved and unlicensed by the State of California.

90. PetSmart has engaged in unfair competition because it has offered postsecondary education to its employees in exchange for a right to payment without approval to operate from the BPPE. Relatedly, it has falsely represented that the TRAP debt is collectable from the Plaintiff and the TRAP Class. These unfair and unlawful business practices have injured Plaintiff and the Class. Plaintiff and the TRAP Class have been harmed in an amount according to proof at trial and seek reimbursement of all necessary expenditures plus any available damages, interest, penalties, fees, and costs.

91. In addition, Plaintiff and the Class seek a declaratory judgment that the TRAP debt is unenforceable according to California law.

92. In addition, Plaintiff and the Class seek a public injunction to prevent PetSmart from continuing to operate as an unapproved institution, and to prevent PetSmart from attempting to collect on the TRAP debt.
COUNT IV (in the alternative): ABUSIVE PRACTICES RELATING TO THE
PROVISION OF A CONSUMER FINANCIAL PRODUCT OR SERVICE

CAL. BUS. & PROF. CODE § 17200

(Plaintiff on behalf of herself and the TRAP Class against Defendant)

93. Plaintiff incorporates by reference all previous paragraphs of this Complaint.

94. If Plaintiff did not incur the costs of PetSmart’s Grooming Academy in direct consequence of the discharge of her duties as a PetSmart groomer but rather because of the personal benefits of that training to her, then the TRAP is a consumer financial product under California and federal law. Cal. Fin. Code § 90005(c); 12 U.S.C. § 5481(5).

95. If the TRAP is a consumer financial product, then PetSmart is a covered person under the California Consumer Financial Protection Law and the Consumer Financial Protection Act. Cal. Fin. Code § 90005(f)(1); 12 U.S.C. § 5481(6).


97. Under federal law, an abusive act or practice occurs when a covered person “takes unreasonable advantage of . . . the inability of the consumer to protect the interests of the consumer in selecting or using a consumer financial product or service.” 12 U.S.C. § 5531(d)(2)(B). A practice that is abusive under federal law is also abusive under California law.

98. PetSmart requires employees who participate in the Grooming Academy to pay for this training through a TRAP. Employees who participate in the Grooming Academy to become PetSmart groomers are not provided alternative options to finance the Grooming Academy other than entering into the TRAP with their employer.


100. This unreasonable advantage was obtained as a direct result of consumers’ inability to protect their interests because PetSmart required grooming academy employees to use a single
consumer financial product (the TRAP) offered by a single provider (PetSmart) with terms and conditions dictated by that provider.

101. Because the sole financial product available to PetSmart employees also had the effect of undermining their bargaining power by chilling them from seeking out employment for a competitor, that product is inherently coercive.

102. Under federal law, an abusive act or practice also occurs when a covered person “takes unreasonable advantage of... a lack of understanding on the part of the consumer of the material risks, costs, or conditions of the product or service.” 12 U.S.C. § 5531(d)(2)(A). A practice that is abusive under federal law is also abusive under California law.

103. Despite the company’s routine use of TRAPs, PetSmart’s website and employment materials state repeatedly and publicly that its training, including Grooming Academy, is free, and that it provides groomers with a free toolkit in connection with their training.

104. Moreover, because PetSmart can elect to selectively enforce the TRAP under circumstances of the company’s choosing, PetSmart grooming employees do not know if PetSmart will enforce the TRAP. PetSmart grooming employees are left at the whim of the company’s arbitrary decisions when trying to determine whether to seek other employment.

105. By advertising that Grooming Academy is free while requiring prospective grooming employees to enter into a TRAP, and by selectively and arbitrarily enforcing the TRAP, PetSmart exploits the power it holds over its workers, “taking unreasonable advantage” of employees’ and prospective employees’ “lack of understanding . . . of the materials risks, costs, or conditions” of the TRAP. 12 U.S.C. § 5531(d)(2)(c).

106. This practice is also abusive under California law, because PetSmart is taking unreasonable advantage of employees’ lack of understanding of the risks, costs, or conditions of the TRAP to keep them from leaving the company. Cal. Fin. Code § 90003(a)(1).

107. PetSmart’s acts and practices relating to the TRAP are abusive.

108. These acts and practices constitute unfair and unlawful business practices, in violation of Cal. Bus. & Prof. Code § 17200. These unfair and unlawful business practices have injured Plaintiff and the TRAP Class.
109. Plaintiff and the Class seek a public injunction to enjoin PetSmart’s abusive acts and practices relating to the TRAP.

**COUNT V (in the alternative): UNLAWFUL PRACTICES RELATING TO THE PROVISION OF A CONSUMER FINANCIAL PRODUCT OR SERVICE**

**CAL. BUS. & PROF. CODE § 17200**

*(Plaintiff on behalf of herself and the TRAP Class against Defendant)*

110. Plaintiff incorporates by reference all previous paragraphs of this complaint.

111. California Financial Code § 22100 requires that all finance lenders, or “any person who is engaged in the business of making consumer loans” must obtain a license from the commissioner of the Department of Financial Protection and Innovation, the state agency that regulates consumer credit. Cal. Fin. Code § 22009.


113. Issuers of closed end credit are required to provide certain disclosures pursuant to the Truth in Lending Act (e.g., total amount financed; annual percentage rate; or terms of repayment). 15 U.S.C. §§ 1631, 1638(a); 12 C.F.R. §§ 1026.17, 1026.18, 1026.24(d)(2).

114. Creditors who offer a finance sale must issue a notice to consumers pursuant to the Federal Trade Commission’s Trade Regulation Rule Concerning Preservation of Consumers’ Claims and Defenses (“Holder Rule”) indicating that any future holder of the debt is subject to all claims and defenses the debtor could assert against the seller. 16 C.F.R. § 433.2(a) and (b).

115. Defendant engages in unlawful practices under California law because it is offering consumer loans without a license to do so. Additionally, Defendant engages in unlawful and unfair practices because it represents that the TRAP debt is enforceable when it is not. These unlawful business practices have injured Plaintiff and the TRAP Class.

116. Defendant engages in unlawful practices under California law because it is offering consumer loans without including required disclosures under federal financial law, including the Holder notice and the Truth in Lending Act disclosures.

117. These unlawful business practices have injured Plaintiff and the TRAP Class.
118. Plaintiff and the TRAP Class have been harmed in an amount according to proof at trial, and seek reimbursement of all necessary expenditures plus any available damages, interest, penalties, fees, and costs.

119. Plaintiff and the Class seek a public injunction to enjoin PetSmart from engaging in these unlawful practices relating to the TRAP debt.

**COUNT VI (in the alternative): VIOLATIONS OF THE ROSENTHAL ACT**

**CAL. CIV. CODE §§ 1788 et seq.**

*(Plaintiff on behalf of herself and the Debt Collection Subclass against Defendant)*

120. Plaintiff incorporates by reference all previous paragraphs of this Complaint.

121. PetSmart regularly engages in debt collection activities regarding TRAP debt, including but not limited to representing that employees and former employees owe TRAP debt, and engaging agents and third parties to collect TRAP debt.

122. If Plaintiff did not incur the costs of PetSmart’s Grooming Academy in direct consequence of the discharge of her duties as a PetSmart groomer but rather because of the personal benefits of that training to her, then, pursuant to the Rosenthal Act, the TRAP transaction is a “consumer credit transaction,” the TRAP is a “consumer debt,” and PetSmart is a “debt collector.” Cal. Civ. Code § 1788.2. PetSmart’s collection activities related to the TRAP debt are covered by the Rosenthal Act.

123. For the reasons set forth above in Count III, the TRAP agreements are void, and TRAP debt is void and unenforceable.

124. Because the TRAP is unenforceable due to PetSmart’s failure to obtain approval to operate from the BPPE, debt collection activities by PetSmart and its agents regarding the TRAP debt violate the Rosenthal Act. Specifically, PetSmart:


b. Violated 15 U.S.C. § 1692e(5) by threatening to take action that cannot legally be taken in connection with the TRAP debt;
c. Violated 15 U.S.C. § 1692e(10) by using false representations or deceptive means to attempt to collect the TRAP debt; and


125. The foregoing violations by PetSmart were intentional, were not the result of bona fide error, and PetSmart does not maintain procedures reasonably adapted to avoid any such errors.

126. The foregoing violations by PetSmart were done willfully and knowingly with the purpose of coercing the Debt Collection Subclass to pay the TRAP debt.

127. As a result of each and every violation of the Rosenthal Act, Plaintiff and the Debt Collection Subclass are entitled to recover from Defendant any actual damages pursuant to Cal. Civ. Code § 1788.30(a); statutory damages for a knowing or willful violation up to $1,000 pursuant to Cal. Civ. Code § 1788.30(b); and reasonable attorney’s fees and costs pursuant to Cal. Civ. Code § 1788.30(c).

128. As a result of each and every violation of the Fair Debt Collection Practices Act, as incorporated through Cal. Civ. Code § 1788.17, Plaintiff and the Debt Collection Class are entitled to recover from Defendant any actual damages pursuant to 15 U.S.C. § 1692k(a)(1); statutory damages up to $1,000 pursuant to 15 U.S.C. § 1692k(a)(2)(A); and reasonable attorney’s fees and costs pursuant to 15 U.S.C. § 1692k(a)(3).

129. As a result of each and every violation of the Fair Debt Collection Practices Act, as incorporated through Cal. Civ. Code § 1788.17, Plaintiff and the Debt Collection Subclass are entitled to recover up to the lesser of $500,000 or one percent of the net worth of PetSmart pursuant to 15 U.S.C. § 1692k(a)(2)(B), and reasonable attorney’s fees and costs pursuant to 15 U.S.C. § 1692k(a)(3).
In addition, Plaintiff and the Debt Collection Subclass seek a public injunction to enjoin PetSmart from continuing its unlawful, deceptive, and abusive practices relating to the TRAP debt.

**COUNT VII (in the alternative): VIOLATIONS OF THE CONSUMER LEGAL REMEDIES ACT**

**CAL. CIV. CODE §§ 1750 et seq.**

*(Plaintiff on behalf of herself and the TRAP Class against Defendant)*

131. Plaintiff incorporates by reference all previous paragraphs of this Complaint.

132. If Plaintiff and class members did not incur the costs of PetSmart’s Grooming Academy in direct consequence of the discharge of their duties as PetSmart groomers but rather because of the personal benefits of that training to them, then the PetSmart Grooming Academy, and accompanying TRAP, constitute a “service,” and Plaintiff and class members are “consumers” as defined in Civil Code § 1761.

133. By its conduct as described above, PetSmart has engaged in deceptive practices that violate the Consumer Legal Remedies Act, Civil Code §§ 1770(a)(9) and (14), thereby entitling Plaintiff and class members to relief under Civil Code § 1780. PetSmart’s violations include:

   a. Advertising the Grooming Academy as “free” when it is not free in violation of Civil Code § 1770(a)(9); and

   b. Representing that the TRAP creates an enforceable right and remedy on behalf of PetSmart, and obligation on behalf of Plaintiff and class members, that it does not create, in violation of Civil Code § 1770(a)(14).

134. PetSmart’s violations of the Consumer Legal Remedies Act described above present a continuing threat to class members and members of the public in that PetSmart continues to engage in these practices.

135. Plaintiff and members of the TRAP Class seek equitable relief from PetSmart’s deceptive practices in violation of the Consumer Legal Remedies Act, including a public injunction to enjoin PetSmart from continuing these practices.
136. Plaintiff and members of the TRAP Class are entitled to an award of attorneys’ fees and costs against PetSmart pursuant to Civil Code § 1780(d).

**COUNT VIII: FALSE ADVERTISING**

**CAL. BUS. & PROF. CODE §§ 17200 and 17500**

(Plaintiff on behalf of herself, the TRAP Class, and the Grooming Tools Class against Defendant)

137. Plaintiff incorporates by reference all previous paragraphs of this Complaint.

138. California’s false advertising law prohibits the dissemination in advertising of any statement that is known to be untrue and misleading.

139. California Financial Law also prohibits any finance lender from making a materially false or misleading statement to a borrower through advertising, print, publishing or other means. Cal. Fin. Code §§ 22161(a)(3).

140. PetSmart’s website and employment materials state repeatedly and publicly that its training, including Grooming Academy, is free, and that it provides groomers with a free toolkit in connection with their training.

141. This is untrue. Groomers are charged $5,000 for training in the form of a loan that is fully forgivable only after they have worked for PetSmart for two years. They are also charged $500 for the toolkit, also in the form of a loan that is fully forgivable only after they have worked for PetSmart for two years.

142. The statements PetSmart makes about the cost of Grooming Academy, training, and the toolkit are likely to deceive members of the public into believing that PetSmart employee training and the toolkit are in fact free.

143. PetSmart knew or should have known that these statements were false, as they required all employees who entered into Grooming Academy training to enter into an agreement that set forth employees’ debt and repayment responsibilities.

144. PetSmart makes these false statements with the intent to induce members of the public to go into debt with PetSmart as part of their employment with the company.
145. Plaintiff, the TRAP Class, and the Grooming Tools Class have been harmed in an amount according to proof at trial, and seek damages and restitution, plus any available damages, interest, penalties, fees, and costs.

146. In addition, Plaintiffs seek a public injunction to prevent PetSmart from further spreading its false statements.

COUNT IX: FAILURE TO PROVIDE MEAL AND REST BREAKS

CAL. LABOR CODE §§ 226.7 and 512; IWC Wage Order No. 7

(Plaintiff on behalf of herself and the Meal and Rest Break Class against Defendant)

147. Plaintiff incorporates by reference all previous paragraphs of this Complaint.

148. California Labor Code § 226.7(a) provides, “No employer shall require any employee to work during any meal or rest period mandated by an applicable order of the Industrial Welfare Commission.”

149. Wage Order No. 7 § 11(A) provides: “No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day’s work the meal period may be waived by mutual consent of the employer and the employee.”

150. Wage Order No. 7 § 12(A) provides: “Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 ½) hours.”

151. As set forth above, during the relevant period, it was Defendant’s policy and practice to regularly fail to provide employees with the opportunity to take compliant off-duty meal periods.

152. Defendant also regularly failed to authorize and permit employees who worked more than 3.5 consecutive hours in a workday to take off-duty rest breaks.
153. As a result of Defendant’s policies and practices, Plaintiff and the Meal and Rest Break Class were not authorized and permitted to take compliant meal or rest breaks.

154. Plaintiff and the Meal and Rest Break Class are entitled to recover one additional hour of pay at the employee’s regular rate of compensation for each violation, plus any available damages, interest, penalties, fees, and costs.

COUNT X: UNFAIR COMPETITION FOR UNLAWFUL EMPLOYMENT PRACTICES, FALSE ADVERTISING, & UNLAWFUL DEBT COLLECTION PRACTICES

CAL. BUS. & PROF. CODE § 17200

(Plaintiff on behalf of herself and all Classes and Subclasses against Defendant)

155. Plaintiff incorporates by reference all previous paragraphs of this Complaint.

156. Defendant’s policies and practices violate several provisions of the law, as set forth above, including:

- Cal. Bus. & Prof. Code § 2802 (failure to indemnify employees for necessary expenditures under the employment laws);
- Cal. Labor Code §§ 226.7 and 512 (missed meal and rest breaks);
- Cal. Bus. & Prof. Code § 17500 (false advertising); and

157. These policies and practices constitute unfair and unlawful business practices, in violation of Cal. Bus. & Prof. Code § 17200. These unfair and unlawful business practices have injured Plaintiff and the Class.

158. Plaintiff and the Class are entitled to restitution as well as injunctive and other equitable relief against such unfair and unlawful practices in order to remedy past harms and prevent future damages, for which there is no adequate remedy at law.

COUNT XI: DECLARATORY AND INJUNCTIVE RELIEF

CAL. CODE OF CIV. PROC. § 1060

(Plaintiff on behalf of herself and the TRAP Class against Defendant)
159. Plaintiff incorporates by reference all previous paragraphs of this Complaint.

160. Plaintiff seeks a declaration pursuant to C.C.P. § 1060 that the TRAPs entered into are void and unenforceable.

161. An actual, present, and justiciable controversy now exists with respect to the rights of Plaintiff, the TRAP Class, and Defendant. Plaintiff contends that the TRAP is void and unenforceable. Defendant, on the other hand, disputes this contention, as demonstrated by its attempts to collect purported TRAP debt.

162. A judicial determination of the rights and obligations of Plaintiff the TRAP Class, and Defendant is necessary and appropriate at this time under the circumstances.

**PRAYER FOR RELIEF**

163. Plaintiff and the Class respectfully requests that the Court:

a. Certify the case as a class action on behalf of the Proposed Classes;

b. Designate Plaintiff as a class representative;

c. Designate Plaintiffs’ counsel of record as class counsel;

d. Declare that Defendant’s conduct is illegal under the various statutes cited here;

e. Preliminarily and permanently enjoin PetSmart and its officers, agents, successors, employees, representatives, and any and all persons acting in concert with them from engaging in the unlawful practices set forth in this Complaint;

f. Award Plaintiff and the Proposed Classes all appropriate monetary and equitable relief, such as restitution, disgorgement, and damages, including statutory and punitive damages as available, in amount subject to proof at trial;

g. Issue a public injunction to prevent Defendant from further disseminating its false statements about Grooming Academy to the public, from entering into TRAPs as an unapproved educational institution, from engaging in debt collection activities relating to the TRAP debt, and from all other unlawful activities relating to the TRAP;

h. Award costs incurred herein, including reasonable attorneys’ fees to the extent allowable by law;

i. Provide pre-judgment and post-judgment interest as provided by law; and
j. Award such other and further legal and equitable relief as this Court deems necessary, just, and proper.

**JURY DEMAND**

Plaintiff hereby requests a trial by jury of all claims that can be so tried.

Dated: July 28, 2022

Respectfully submitted,

By: [Signature]

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*Attorneys for Plaintiff and the Proposed Class*
Exhibit 9: Example of a PetSmart TRAP
GROOMING ACADEMY TRAINING: AGREEMENT AND
AUTHORIZATION FOR DEDUCTION FROM WAGES

FOR VALUE RECEIVED through PetSmart, Inc.'s Grooming Academy Training, I,
promise to pay PetSmart, Inc. ("PetSmart"), the sum of
($ )[INSERT $5,500 IF RECEIVED TOOLS OR $5,000 IF DECLINED TOOLS] upon
voluntary or involuntary termination of my employment with PetSmart before the second
anniversary of the start date of my Grooming Academy Training, with such sum being
reduced by one half ($.....)[INSERT $2,750 IF RECEIVED TOOLS OR $2,500 IF DECLINED
TOOLS] upon voluntary or involuntary termination of my employment with PetSmart after the
first anniversary of the start date of my Grooming Academy Training. I acknowledge that this
training is voluntary, for my personal benefit, and is transferrable to grooming positions with
other employers.

I do hereby authorize PetSmart, to the fullest amount permitted by applicable state and federal
law, upon voluntary or involuntary termination of my employment with PetSmart to withhold
from my wages, salaries, vacation, or expense reimbursement due to me from PetSmart, the
amounts necessary to satisfy my obligation to pay under this Agreement as stated above. I
acknowledge that such withholding(s) will have the effect of reducing my wages.

I further acknowledge that if, for any reason, any or all such withholding(s)/deduction(s) are not
made, are not made in full, or otherwise do not fulfill all of my obligations under this Agreement,
I still remain responsible and liable to fulfill these obligations. To fulfill my obligations, I will
be required to submit any amount still owed to PetSmart within 30 days of my voluntary or
involuntary termination of my employment. Payment shall be submitted to:

    PetSmart Home Office
    19601 N. 27th Ave.
    Phoenix, AZ 85027

If I fail to pay any amount when due, PetSmart may file a civil court action against me for
monetary damages, which may include all costs and charges of collection and reasonable
attorney’s fees, if allowed by law. If PetSmart files a civil action against me, interest on the full
balance will be charged at the highest rate permitted by law of the State in which this Agreement
was executed.

If any portion of this Agreement is determined to be void for any reason, the determination shall
not affect the remaining provisions of this Agreement.
**Exhibit 10:** Example of a PetSmart Debt Collection Notice
ACCOUNT SUMMARY

Creditor: Petsmart
Account No.: [redacted]
I.C. System Reference No.: [redacted]

BALANCE DUE: $5,500.00

COLLECTION NOTICE

Your delinquent account has been turned over to this collection agency. Petsmart is both the original and current creditor to whom this debt is owed.

The account information is scheduled to be reported to the national credit reporting agencies in your creditor's name. You have the right to inspect your credit file in accordance with federal law. I.C. System will not submit the account information to the national credit reporting agencies until the expiration of the time period described in the notice below.

Please tear off the bottom portion of this letter and return it with your payment.

We are a debt collector attempting to collect a debt and any information obtained will be used for that purpose.

NOTICE

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice that you dispute the validity of this debt or any portion thereof, this office will obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you request of this office in writing within 30 days after receiving this notice this office will provide you with the name and address of the original creditor, if different from the current creditor. Any writing which disputes the validity of the debt or any portion thereof or any writing requesting the name and address of the original creditor should be sent to: I.C. System, PO Box 64378, St. Paul, MN 55164-0378.

This does not contain a complete list of the rights consumers have under Federal, State, or Local laws.

The state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTCHELP or www.ftc.gov.

I.C. System, Inc., 444 Highway 96 East, P.O. Box 64378, St. Paul MN 55164-0378

YOU HAVE OPTIONS

- For questions or payment please go to: https://www.icsystem.com/consumer
- Mail check or money order payable to I.C. System, Inc. with coupon below
- Call Toll-Free at 833-932-2062