

HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Andrew J. Rowbotham (SBN 301367)
arowbotham@haineslawgroup.com
222 N. Sepulveda Blvd., Suite 1550
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355
Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

JAMES GOODINE, as an individual and on
behalf of all others similarly situated,

Plaintiff,
vs.

TEAM ONE LOGISTICS, LLC, a Georgia
limited liability company; TEAM ONE
CONTRACT SERVICES, LLC, a California
limited liability company; and DOES 1
through 100,

Defendants.

CASE NO. 19STCV28521

*[Case assigned for all purposes to the Hon.
William F. Highberger, Dept. SSC10]*

**DECLARATION OF FLETCHER W.
SCHMIDT IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: June 22, 2020
Time: 10:30 a.m.
Dept.: SSC-10

Action Filed: August 15, 2019
Trial Date: None Set

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I, Fletcher W. Schmidt, declare as follows:

1. I am a Partner at the Haines Law Group, APC, and counsel for the named Plaintiffs proposed Class Representatives James Goodine and Greg Crawford (collectively “Plaintiffs”) above-captioned matter. I am a member in good standing of the bar of the State of California and have been admitted to practice in this Court. I have personal knowledge of the facts stated in this Declaration and could testify competently to them if called upon to do so.

2. I am a 2012 graduate of Loyola Law School, Los Angeles, where I graduated *cum laude* and was awarded membership in the Order of the Coif. Since graduating from law school, I worked as a law clerk for the law firm of Tredway, Lumsdaine & Doyle, where I was part of the litigation team for two class actions, including one wage and hour class action in Los Angeles Superior Court. From August 2013 to March 2016, I worked as an associate attorney at Osher & Luftman LLP. Since March 2016 I have worked at my current firm, Haines Law APC, where, in 2018, I became a Partner.

3. During my time with Boren, Osher & Luftman LLP and Haines Law Group, APC, my practice has been solely devoted to litigating plaintiff-side wage and hour class actions in Washington state and federal court. I am currently responsible for managing a caseload of over 30) active wage and hour class actions in which I am integrally involved in all aspects of litigation.

4. The following is a non-exhaustive list of class action settlements in which I have served as Class Counsel, and which have been granted final approval:

- *Julio v. Anthony, Inc.*, Case No. CV14-03172 AB (SHx), United States District Court, Central District of California, Honorable Judge Andre Birotte, Jr. presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);
- *Litt v. Western Stone & Metal Corp.*, Case No. 3:14-cv-02804-PJH, United States District Court, Northern District of California, Honorable Judge Phyllis J. Hamilton presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);

- *Rubalcava v. United Towing and Transport Burbank, et al.*, Case No. BC518468, California Superior Court, County of Los Angeles, Honorable Judge Kenneth Freeman presiding (approving an hourly rate of \$350 for work performed in 2013, 2014 and 2015);
- *Rivera Regalado v. Jaguar Farm Labor Contracting*, Case No. CV 130569, California Superior Court, County of San Luis Obispo, Honorable Martin J. Tangeman presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);
- *Sanchez v. Res-Care, Inc.*, Case No. BC526175, California Superior Court, County of Los Angeles, Honorable John S. Wiley presiding (approving an hourly rate of \$350 for work performed in 2013, 2014 and 2015);
- *Rodas v. Gateways Hospital and Mental Health Center*, Case No. BC503179, California Superior Court, County of Los Angeles, Honorable Judge Amy D. Hogue presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);
- *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge John F. Walter presiding (approving an hourly rate of \$350 for work performed in 2014 and 2015);
- *Shaw v. Conant Auto Retail, San Diego*, Case No. 37-2014-00044052-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Judge Joan M. Lewis presiding (approving an hourly rate of \$375 for work performed in 2014, 2015, and 2016);
- *Tirado v. Ricon Corp.*, Case No BC537042, California Superior Court, County of Los Angeles, Honorable Judge John Shepard Wiley, Jr. presiding (approving an hourly rate of \$375 for work performed in 2014, 2015, and 2016);
- *Tesla Motors Wage and Hour Litigation*, JCCP 4792, California Superior Court, County of Santa Clara, Honorable Peter H. Kirwan presiding (approving an hourly rate of \$375 for work performed in 2013, 2014, 2015, and 2016);
- *Lopez v. RM HQ LLC, et al.*, Case No. BC525592, California Superior Court, County of Los Angeles, Honorable Elihu M. Berle presiding (approving an hourly rate of \$375

for work performed in 2013, 2014, 2015, and 2016);

- *Horta v. Searles Valley Minerals, Inc.*, Case No. CIVDS 1507615, California Superior Court, County of San Bernardino, Honorable Donald Alvarez presiding (approving an hourly rate of \$375 for work performed in 2015 and 2016);
- *Mansilla v. Haeco Americas Line Services, LLC, et al*, Case No. BC615310, Superior Court of California, County of Los Angeles, Honorable Judge Elihu M. Berle presiding (approved at an hourly rate of \$425 for work performed in 2016 and 2017);
- *Khosravi v. Enterprise Rent-A-Car Company of Los Angeles, LLC, et al.*, Case No. 30-2016-00829923-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Judge Thierry Patrick Colaw presiding (approved at an hourly rate of \$425 for work performed in 2016 and 2017);
- *Nieves v. Ta Chen International, Inc.*, Case No. BC609005, Superior Court of California, County of Los Angeles, Honorable Judge Kenneth R. Freeman presiding (approved at an hourly rate of \$425 for work performed in 2016 and 2017);
- *Berkel v. Pride Bakeries, LLC*, Case No. 30-2017-00923148-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Judge William Claster presiding (approved at an hourly rate of \$425 for work performed in 2017 and 2018);
- *Ruvalcaba Quiroz v. Circle M Contractors, Inc.*, Case No. 30-2016-00885065-CU-OE-CXC, Superior Court of California, County of Orange, Honorable William D. Claster presiding (approving an hourly rate of \$425 for work performed in 2016, 2017 and 2018);
- *Armenta, et al., v. California Friends Homes d/b/a Quaker Gardens*, Case No. 30-2016-00883282-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Randall J. Sherman presiding (approving an hourly rate of \$425 for work performed in 2016, 2017 and 2018);
- *Sandra Zinnerman v. Tumbleweed Educational Enterprises, Inc.*, Case No. BC673708, Superior Court of California, County of Los Angeles, Honorable Maren

1 E. Nelson presiding (approving an hourly rate of \$425 for work performed in 2016,
2 2017, and 2018);

- 3 • *Tina Arellano v. Williams Sonoma Stores, Inc.*, Case No. BC693760, Los Angeles
4 County Superior Court, Honorable Daniel J. Buckley, presiding;
- 5 • *William Cuellar v. UMA Enterprises, Inc.*, Case No. BC657146, Los Angeles County
6 Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of
7 \$475 for work performed in 2017, 2018 and 2019);
- 8 • *Maria C. Garcia, et al. v. Simplified Labor Staffing Solutions, Inc.*, Case No.
9 BC696898, Los Angeles County Superior Court, Honorable Elihu M. Berle, presiding
10 (approving an hourly rate of \$475 for work performed in 2018 and 2019);
- 11 • *Arturo Delgado v. Spears Manufacturing Co.*, Case No. BC709665, Los Angeles
12 County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly
13 rate of \$595 for work performed in 2018, 2019 and 2020); and
- 14 • *Soto v. L I Metal Systems*, Case No. 37-2017-00009607-CU-OE-CTL, San Diego
15 County Superior Court, Honorable Timothy Taylor, presiding (approving an hourly
16 rate of \$595 for work performed in 2017-2020).

17 5. I have also moved to certify and have received an order certifying a class action
18 and/or conditionally certifying a collective action as Class Counsel in the following cases:

- 19 • *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-CU-
20 OE-CXC, California Superior Court, County of Orange, Honorable Judge Gail A.
21 Andler presiding (certifying a class of employees who were misclassified as
22 independent contractors);
- 23 • *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx),
24 United States District Court, Central District of California, Honorable Judge Beverly
25 Reid O’Connell presiding (conditionally certifying an unpaid FLSA overtime wage
26 class);
- 27 • *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United
28 States District Court, Central District of California, Honorable Judge John F. Walter

presiding (certifying a rest period violation class and conditionally certifying a FLSA unpaid overtime wage class);

- *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court, Northern District of California, Honorable Judge Haywood S. Gilliam, Jr. presiding (conditionally certifying an unpaid FLSA overtime wage class);
- *Vega v. Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States District Court, Eastern District of California, Honorable Judge Jennifer L. Thurston presiding (conditionally certifying an unpaid FLSA overtime wage class);
- *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge William Claster presiding (certifying unpaid overtime wage class and waiting time penalty class);
- *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-00775372-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge Glenda Sanders presiding (certifying five separate classes for claims for unpaid wages, unreimbursed expenses, failure to authorize and permit rest periods, and derivative claims);
- *Ontiveros v. Safelite Fulfillment, Inc., et al*, Case No. CV 15-7118-DMG (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six classes of employees for rest period violations, wage statement violations, meal period violations, and overtime and double-time violations); and
- *Staublein v. Wells Fargo Bank, National Association*, Case No. CIVDS1712267, San Bernardino Superior Court, Honorable David Cohn presiding (certifying a wage statement class).

6. In 2018, 2019, and 2020, Thomson Reuters and Los Angeles Magazine recognized me as a Top Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. This is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in Southern California each year.

1 7. As counsel for Plaintiffs, I have been intimately involved in all aspects of this
2 litigation from its inception and believe that the proposed Settlement is an excellent result for the
3 Class Members.

4 8. Team One runs a national asset-based transportation and logistics company. Team
5 One employs individuals who operate short-haul vans and long-haul tractor-trailers to deliver
6 goods for various carriers via contract. Plaintiffs, like all other Settlement Class Members, were
7 employed by Team One as non-exempt drivers. Plaintiffs' primary job duties consisted of driving
8 a tractor-trailer, dropping off containers, and picking up loads throughout the ports of Long Beach
9 and Los Angeles and transporting them back to Team One's shipyard in Moreno Valley.

10 9. Due to a medical leave of absence, Plaintiff James Goodine had not physically
11 worked for Team One for over one year prior to this action being filed. Prior to mediation,
12 Plaintiff's counsel was retained by a second putative class member, Gregory Crawford, who had
13 standing to bring claims for waiting time penalties (Labor Code §§ 201-203), wage statement
14 penalties (Labor Code § 226 *et seq.*) and civil penalties under PAGA (Labor Code § 2698 *et seq.*).
15 The Parties therefore evaluated these additional claims for mediation purposes. In connection
16 with the classwide resolution at mediation, the Parties further agreed to amend the complaint to
17 add Mr. Crawford as a named plaintiff along with the previously unpled causes of action for
18 waiting time penalties, wage statement penalties, and civil penalties under PAGA. The Parties
19 will therefore file a stipulation to amend the complaint as set forth above prior to the hearing on
20 this Motion.

21 10. On December 21, 2018, the Federal Motor Carrier Safety Administration
22 ("FMCSA") issued an Order and Determination of Preemption which concluded that California's
23 meal and rest period laws, as applied to "property-carrying commercial motor vehicle drivers,"
24 are preempted by the FMCSA's Hours of Service rules. This decision marked a complete reversal
25 from the FMCSA's prior determinations upholding California's meal and rest period
26 requirements for drivers, which date back to 2008.

27 11. On February 6, 2019, California Attorney General Xavier Becerra and the
28 California Labor Commissioner's Office petitioned the Ninth Circuit to invalidate the FMCSA's

preemption determination. The International Brotherhood of Teamsters and several other commercial truck drivers also filed separate petitions requesting that the Ninth Circuit review and reverse the FMCSA's determination. The Ninth Circuit granted review on December 28, 2018. *See Intl Brotherhood of Teamsters, et al v. FMCSA*, No. 18-73488 (9th Cir.). The Ninth Circuit is considering dates for oral argument on this issue to be held as early as June 2020. A true and correct copy of the Ninth Circuit's docket for Case No. 18-73488, entered on February 7, 2020, is attached hereto as **Exhibit 3**.

12. Plaintiffs' operative complaint contains claims for a failure to pay all overtime and minimum wages as a result of clocking out for purported meal periods and working off-the-clock when meal periods were not provided, as well as a failure to reimburse drivers for the use of their personal cell phones for business purposes. However, after reviewing the timekeeping and payroll records produced by Team One, Plaintiffs determined that these claims were not corroborated by the data and therefore did not meaningfully add to Team One's overall exposure at mediation. Specifically, almost all drivers working long-haul shifts did not clock out for meal periods during the Class Period and many wage statements reflected cell phone reimbursements. Plaintiffs' off-the-clock claims were equally unviable for van drivers as they were paid for all overtime hours at the overtime rate of pay throughout the Class Period.

13. Plaintiffs allege that Team One failed to provide drivers with all required meal periods as well as duty-free rest periods for every four hours worked, or major fraction thereof. Plaintiffs contend that Team One never provided meal or rest periods to its drivers on long-haul shifts throughout the Class Period. Plaintiffs further allege that drivers working long-haul shifts are often unable to take legally compliant meal and rest periods throughout the workday as their schedules are set in advance and do not include time set aside for such breaks. Assuming that Plaintiffs are correct and the Ninth Circuit overrules the FMCSA's meal and rest period preemption determination, Plaintiffs calculated Team One's maximum exposure for meal and rest period violations as follows: \$903,920 (5,200 workweeks x 4.29 shifts per week x 2 violations per day (1 meal period penalty and 1 rest period penalty) x \$20.26 average hourly rate). Plaintiffs

discounted Team One's maximum exposure by 33% for the risk of non-certification and 75% for the risk of being unsuccessful on the merits, to arrive at an estimated exposure of \$151,407.

14. Team One maintains that drivers on long-haul shifts (approximately 27% of shifts worked) are exempt from California's meal and rest period requirements based on the FMCSA's 2018 determination and therefore they cannot maintain claims for the failure to provide meal and rest periods under California law, a position consistent with this Court's own rulings. Team One contends that it has always provided legally required meal and rest periods for drivers working short-haul shifts. Further, on occasions when a driver on a short-haul shift is unable to take a legally compliant meal period, Team One pays a meal period premium. Team One contends that short-haul shift timesheets are regularly reviewed to ensure compliance with California's meal period requirements, and Team One disciplines drivers who do not take the breaks they are entitled to. This defense was corroborated by Plaintiffs' review of the timekeeping and payroll data, which showed a very high compliance rate for short-haul shifts, no discernible pattern of non-compliant meal periods, and payment of meal period premiums in instances where compliant meal periods were not recorded. Furthermore, Team One contends that even if there were some evidence of missed or non-compliant meal periods, Plaintiffs' meal period claims are not suited for class certification, because individual inquiries would be required to assess whether meal periods were validly waived, and the reasons why a particular employee recorded a non-compliant meal period or missed a meal period on a particular shift. As to Plaintiffs' rest period claim, Team One argues that any violations drivers working short-haul shifts may have purportedly experienced were not the result of a companywide policy or practice since drivers on short-hauls were authorized and permitted to take duty-free rest periods. Team One further argues that Plaintiffs' rest period claim is inherently unsuited for class treatment as it would require individualized inquiries to determine whether a certain rest period was denied on a given shift, and whether a missed or non-compliant rest period was the result of individual employee choice, which would devolve into an unmanageable series of mini-trials, particularly since rest periods were not recorded and there was no other common evidence of when rest periods were taken.

1 15. As a result of these alleged meal and rest period violations, Plaintiffs contend that
2 Team One faces derivative wage statement liability for its failure to issue accurate and compliant
3 wage statements along with waiting time liability for its failure to pay drivers all final wages upon
4 their separation of employment. Plaintiffs also seek civil penalties under PAGA based on the
5 Labor Code violations alleged herein.

6 16. According to the data produced by Team One, approximately 122 drivers
7 separated their employment with Team One during the 3-year statute of limitations period.
8 Plaintiffs therefore calculated Team One's maximum waiting time penalty exposure at \$593,213
9 (122 former drivers x \$20.26 average hourly rate x 8 hours per day x 30 days). Plaintiffs
10 discounted the value of this claim by 33% for the risk of non-certification of the underlying
11 claims, and 90% for a risk of being unsuccessful on the merits (including a failure to establish
12 willfulness), for an estimated recovery on this claim of \$39,745.

13 17. According to the data produced by Team One, there were 2,715 wage statements
14 issued to 78 eligible drivers during the 1-year statute of limitations period. Assuming Plaintiffs
15 could prove at least one meal or rest period violation for each pay period, Plaintiffs calculated
16 Team One's wage statement exposure at \$267,600 (78 wage statements x \$50 "initial" violation
17 rate + 2,637 wage statements x \$100 "subsequent" violation rate). Plaintiffs discounted the value
18 of this claim by 33% for the risk of non-certification of the underlying claims and discounted 75%
19 for a risk of being unsuccessful on the merits, for an estimated exposure of \$44,823.

20 18. Assuming that Plaintiffs could prove that each pay period within the PAGA period
21 incurred an underlying Labor Code violation, Plaintiffs calculate Team One's PAGA exposure at
22 \$271,500 (2,715 pay periods x \$100 per violation). Plaintiffs discounted the maximum figure by
23 75% for the risk of losing on the merits of the underlying claims and an additional 75% to account
24 for the likelihood of this Court reducing penalties, to arrive at an estimated exposure of \$16,969.

25 19. Team One contends that because Plaintiffs' underlying meal and rest period claims
26 will fail, the derivative claims will also fail. Specifically, Team One argues that Plaintiffs' cannot
27 show that Team One "willfully" failed to pay any former employee wages owed at the time of
28 their termination because Team One had a policy of paying premiums for missed meal periods

1 and had every reason to believe that it provided meal and rest periods to drivers who were entitled
2 to them under California law. Team One also contends that Plaintiffs' meal and rest period claims
3 cannot support claims for waiting time penalties or wage statement penalties. Team One also
4 maintains that Plaintiffs' waiting time exposure analysis is overstated in that it assumes all former
5 employees experienced an underpayment of wages. Likewise, because Team One believed it
6 owed no additional wages to its employees in light of its regular review of drivers' timesheets, it
7 believes that it issued wage statements that complied with Labor Code section 226(a) because
8 they reflected the actual wages paid to employees, and as a result, neither Plaintiffs nor any
9 putative class member can show that they suffered an injury as a result of these wage statements.

10 20. Since Plaintiffs' PAGA claim is derivative of the underlying meal and rest period
11 claims, Team One asserts that the PAGA claim will fail with those claims. Team One also
12 maintains that given its good-faith defenses, this Court would exercise its discretion to
13 substantially reduce any PAGA penalties if it were to find Team One liable for any of Plaintiffs'
14 underlying claims.

15 21. Using these estimated figures for each of the claims described above, Plaintiffs
16 predict that a possible recovery for the Settlement Class would be approximately \$252,944. The
17 proposed recovery to the Settlement Class of \$175,000.00 represents approximately 69.2% of
18 Plaintiffs' projected potential recovery, while avoiding the further expense and serious risk of
19 proceeding towards class certification and trial.

20 22. In connection with mediation and prior to formal discovery, Team One provided
21 Plaintiffs with timekeeping and payroll records for a 10% sampling of putative class members
22 who worked during the putative class period. Team One also provided Plaintiffs with relevant
23 policies and additional data points for each putative class member, such as their dates of
24 employment and respective rates of pay during the putative class period. Plaintiffs' counsel used
25 this information to extrapolate the records for the entire putative class. Plaintiffs' counsel then
26 analyzed the data and created a comprehensive damages model containing the likely exposure
27 that Team One faced on each claim.
28

1 23. On March 2, 2020, the Parties participated in a mediation with Jeffrey Krivis, Esq.,
2 a highly respected wage and hour class action mediator. During mediation, the Parties exchanged
3 divergent views on Team One’s liability and exposure valuations, their legal positions, and the
4 likelihood of certification of Plaintiffs’ claims. With the help of Mr. Krivis’ mediator’s proposal,
5 the Parties reached a classwide resolution at the conclusion of the mediation. A true and correct
6 copy of the Stipulation of Settlement (“Settlement Agreement”) is attached hereto as **Exhibit 1**.
7 A true and correct copy of the proposed Notice Packet (which is comprised of the Notice of Class
8 Action Settlement (“Class Notice”) and Notice of Settlement Award (“Dispute Form”)) is
9 attached hereto as **Exhibit 2**.

10 24. After deducting amounts for court-approved attorneys’ fees and costs,
11 enhancement awards, costs of settlement administration, and the PAGA payment to the LWDA,
12 the remainder amount of approximately \$80,416.67 (“Net Settlement Amount”) will be paid to
13 the Settlement Class. Team One’s records indicate that there are approximately 194 total
14 Settlement Class Members who worked during the Class Period. Based on the allocations of the
15 Net Settlement Amount, Settlement Class Members will receive, on average, a payment of
16 approximately \$414.52.

17 25. As part of the Settlement, Plaintiffs will apply for enhancement awards at the time
18 of seeking final approval of the Settlement in the total amount of \$10,000.00 (\$5,000.00 for each
19 named Plaintiff) for their service to the Settlement Class and their general release of all claims
20 (known or unknown) against Team One. Plaintiffs’ requested enhancement awards are intended
21 to recognize the significant benefits conferred upon the Settlement Class due to the time and effort
22 that Plaintiffs expended on their behalf, including providing factual information and documents
23 to their attorneys, identifying potential witnesses, and participating in in-person and telephonic
24 meetings with their attorneys to discuss the claims and theories at issue in the litigation, as well
25 as the significant risks Plaintiffs undertook by agreeing to serve as the named plaintiffs in this
26 case, as well as the fact that Plaintiffs agreed to a general release of all claims subject to a waiver
27 of California Civil Code section 1542.

26. My firm will also apply for an attorneys' fee award of \$58,333.33 (one-third of the Gross Settlement Amount), and up to \$15,000.00 in verified costs. My firm incurred substantial attorneys' fees conducting pre-filing investigation, analyzing Plaintiffs' claims, conducting legal research and analysis, reviewing documents and data produced by Team One, building a comprehensive damages model, preparing for and attending mediation, negotiating and preparing the long-form Settlement Agreement, preparing this motion for preliminary approval, and otherwise litigating the case. My firm will also expend future attorney time in attending the hearing on this Motion, overseeing the Notice process and fielding questions from Settlement Class Members, drafting the Final Approval Motion and supporting documents, and attending the Final Approval hearing, among other tasks.

I declare under penalty of perjury under the laws of California and the United States that the foregoing is true and correct. Executed on May 27, 2020, at El Segundo, California.


Fletcher W. Schmidt

EXHIBIT 1

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement” or “Settlement”) is reached by and between Plaintiffs James Goodine and Greg Crawford (collectively “Plaintiffs” or “Class Representatives”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendants Team One Contract Services, LLC and Team One Logistics, LLC (“Team One” or “Defendants”), on the other hand. Plaintiffs and Defendants are referred to herein collectively as the “Parties.” Plaintiffs and the Settlement Class are represented by Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC (collectively, “Class Counsel”). Defendants are represented by Regina A. Musolino and Matthew D. Gurnick of Constangy, Brooks, Smith & Prophete, LLP.

On August 15, 2019, Plaintiff Goodine filed a class action complaint against Defendants in Los Angeles Superior Court entitled *James Goodine v. Team One Logistics, LLC, and Team One Contract Services, LLC*, Case No. 19STCV28521 (the “Lawsuit”). The Lawsuit alleges that Defendants: (1) failed to pay all overtime wages owed; (2) failed to pay all minimum wages owed; (3) failed to provide all meal periods; (4) failed to authorized and permit all rest periods; (5) failed to reimburse necessary business expenditures; and (6) engaged in unfair competition.

The Parties enter into this Settlement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Settlement, Defendants do not admit, and specifically deny, that they have: violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees or any other person or entity. Neither this Settlement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendants of any such violation(s) or failure(s) to comply with any applicable law.

As a material term of this Settlement, Plaintiffs agree to file a First Amended Complaint (“FAC”) which will add Greg Crawford as a named Plaintiff and add factual allegations and classwide causes of action for wage statement penalties (Labor Code § 226, *et seq.*), waiting time penalties (Labor Code §§ 201-203), and civil penalties under the Private Attorneys General Act (“PAGA”) (Labor Code § 2698 *et seq.*), based on the underlying Labor Code violations pled therein.

Given the uncertainty of litigation, the Parties wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiffs and Defendants agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, the Parties stipulate to the certification of the following Settlement Class:

All non-exempt drivers employed by Team One in California from August 15, 2015 through May 8, 2020.

The Parties agree that the “Settlement Class” does not include any former non-exempt drivers who were employed by Team One in California from August 15, 2015 through May 8, 2020 and who have released their claims against Team One.

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Releases by Settlement Class Members and Plaintiffs.** Plaintiffs and every member of the Settlement Class (except those who opt out) will release and discharge Defendants Team One Contract Services, LLC and Team One Logistics, LLC, all entities affiliated with them, and all officers, directors, representatives, owners, partners, subsidiaries, parent companies, joint venturers, clients, joint employers, predecessors, managers, servants, successors-in-interest, assigns, current and former employees of Defendants, agents, insurers, attorneys and all persons or entities acting in concert with or affiliated with any of them (collectively, the “Releasees”), as follows:

- A. Plaintiffs and all members of the Settlement Class (except those who timely opt out) will release and discharge the Releasees from all claims as pled in the Lawsuit, and any further amended pleadings as necessary, including claims for: (1) failure to pay overtime wages; (2) minimum wage violations; (3) meal period violations; (4) rest period violations; (5) failure to reimburse necessary business expenses; (6) wage statement violations; (7) waiting time penalties; (8) unfair competition; and (9) civil penalties under PAGA, based on the factual allegations pled in the operative complaint (or which could have been pled based on the factual allegations pled in the operative complaint). This includes, but is not limited to, claims under Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2698 *et seq.*, 2802, 2804, Business and Professions Code section 17200, *et seq.*, IWC Wage Order 9-2001, and claims or potential claims for attorneys’ fees and costs and interest (“Released Claims”). The time period covered by this release is August 15, 2015 to May 8, 2020 (the “Release Period”).
- B. In return for Plaintiffs’ enhancement awards, Plaintiffs have agreed to release, as individuals and in addition to the Released Claims described above, any and all claims arising out of their employment with Defendants including, but not limited to, the claims raised in the Lawsuit, in addition to all claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted prior to the execution hereof. The Parties understand and agree that Plaintiffs are not, by way of this release, releasing any workers’ compensation claims nor any other claims which cannot

be released as a matter of law. Notwithstanding the foregoing, Plaintiffs understand that this release includes unknown claims and that Plaintiffs are, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

3. **Gross Settlement Amount.** As consideration, Defendants agree to pay a “Gross Settlement Amount” of \$175,000.00 in full and complete settlement of the Lawsuit, as follows:
- A. The Parties have agreed to engage Phoenix Settlement Administrators as the “Settlement Administrator” to administer this Settlement.
 - B. The Gross Settlement Amount shall be deposited with the Settlement Administrator no later than 15 calendar days after the “Effective Date,” defined as the date on which the Court enters its order and judgment granting final approval of the settlement, or if there are objectors to the Settlement, the date upon which all time limitations for filing an appeal have expired.
 - C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
 - (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator which are anticipated to be no greater than \$7,500.00;
 - (3) Up to \$10,000.00 (\$5,000.00 per Plaintiff) for enhancement awards in recognition for Plaintiffs’ contributions to the Lawsuit and Plaintiffs’ service to the Settlement Class. In the event that the Court reduces or does not approve the requested enhancement awards, Plaintiffs shall not have the right to revoke the Settlement Agreement for that reason, and the Settlement will remain binding;
 - (4) Up to one-third of the Gross Settlement Amount in Class Counsel’s attorneys’ fees (currently estimated at \$58,333.33), plus actual costs and expenses incurred by Class Counsel related to the Lawsuit as supported by declaration, which are currently estimated to be no greater than \$15,000.00. In the event that the Court reduces or does not approve the requested Class Counsel attorneys’ fees or costs, Class Counsel shall not have the right to revoke the Settlement Agreement based on that reason, and the Settlement will remain binding; and

- (5) \$5,000.00 of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or \$3,750.00, will be payable to the Labor & Workforce Development Agency (“LWDA”), and the remaining 25%, or \$1,250.00, will be payable to aggrieved employees as the “PAGA Amount,” as described below.
 - D. Defendants will not oppose the reasonableness of these requests. Any reduction by the Court of these requests will revert to the Settlement Class Members who do not opt-out.
 - E. **Escalator Clause.** Defendants represent that as of the date of the parties’ mediation on March 2, 2020, members of the Settlement Class worked approximately 5,200 total aggregate workweeks. Should the total number of workweeks worked in the Release Period be greater than 10% of this figure (*i.e.*, if the Settlement Class Members actually worked 5,721 or more total aggregate workweeks in the Release Period), then the Gross Settlement Amount will increase proportionately (*e.g.*, if the number of workweeks in the Release Period was 15% larger than the number represented by Defendants, then Defendants will increase the Gross Settlement Amount by 15%).
 - F. **Employer Payroll Taxes.** The Gross Settlement Amount does not include the employer’s share of standard payroll taxes on amounts paid as wages, which shall be paid by Defendants separate and apart from, and in addition to, the Gross Settlement Amount.
4. **Payments to the Settlement Class.** Members of the Settlement Class are not required to submit a claim form to receive a payment (“Individual Settlement Payment”) from the Settlement. Individual Settlement Payments will be determined and paid as follows:
- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, the enhancement awards, the Settlement Administrator’s fees and expenses for administration, and the LWDA’s share of PAGA civil penalties. The remaining amount shall be known as the “Net Settlement Amount.”
 - B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class Member’s Individual Settlement Payment based on the following formula:
 - i. Long Haul Amount: 50% of the Net Settlement Amount will be distributed to each participating Settlement Class Member based on their proportionate number of Long Haul Workweeks worked during the Release Period, by multiplying the Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member’s total Long Haul Workweeks worked during the Release Period, and the denominator of which is the total number of Long Haul Workweeks worked by all participating Settlement

Class Members during the Release Period. A “Long Haul Workweek” is defined as any workweek in which the Settlement Class Member worked on the DWC Operations contract.

- ii. Waiting Time Amount: 20% of the Net Settlement Amount shall be designated as the “Waiting Time Amount.” The Waiting Time Amount shall be distributed in equal shares to each participating Settlement Class Member who separated their employment from Defendants at any time on or after August 15, 2016.
 - iii. Wage Statement Amount: 10% of the Net Settlement Amount, plus the \$1,250.00 payable to aggrieved employees as PAGA civil penalties, shall be designated as the “Wage Statement/PAGA Amount.” Each participating Settlement Class Member who was employed by Defendants at any time between August 15, 2018, and the close of the Release Period shall receive a portion of the Wage Statement/PAGA Amount proportionate to their total number of workweeks worked during the aforementioned time period.
 - iv. The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class Member based on their proportionate number of total workweeks worked during the Release Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class member’s total workweeks worked during the Release Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class Members during the Release Period.
- C. Within 10 business days following the funding of the Gross Settlement Amount, the Settlement Administrator will calculate each Settlement Class Member’s Individual Settlement Payment, and will prepare and mail Individual Settlement Payments to Settlement Class Members along with amounts award for Plaintiffs’ enhancement payments and Class Counsel’s attorneys’ fees and costs awards.
- D. Individual Settlement Payments shall be allocated as one-third (1/3) wages (subject to applicable withholdings), and two-thirds (2/3) interest and penalties (not subject to withholdings). The Settlement Administrator will be responsible for issuing to participating Settlement Class members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest).
- E. Defendants shall fully discharge their obligation to the participating Settlement Class Members who will receive an Individual Settlement Payment through the mailing of a Settlement check, regardless of whether such checks are actually received and/or negotiated by Settlement Class Members. Each Settlement Class Member who receives an Individual Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class Members whose checks are not cashed within 180

days after mailing shall be distributed by the Settlement Administrator to the Controller of the State of California, Unclaimed Property Fund in the name of the Settlement Class Member.

- F. Neither Plaintiffs nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendants will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Gross Settlement Amount, which is currently estimated to be \$58,333.33. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed \$15,000.00 from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award approved by the Court.

6. **Class Representative Enhancement Awards.** Defendants will not object to a request for enhancement awards of \$10,000.00 (\$5,000.00 to each named Plaintiff) for their time and risk in prosecuting this case and their service to the Settlement Class. These awards will be in addition to each Plaintiff's Individual Settlement Payment as a Settlement Class Member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Any amount of the enhancement awards not approved by the Court will be added to the Net Settlement Amount.

7. **Settlement Administrator.** Defendants will not object the appointment of Phoenix Settlement Administrators as Settlement Administrator. Defendants will not object to Plaintiffs seeking approval to pay up to \$7,500.00 for the settlement administration services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for depositing into an account and holding the payment from Defendants comprising the Gross Settlement Amount, sending Notice Packets to the Settlement Class Members, calculating Individual Settlement Payments and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount only after Individual Settlement Payments have been mailed to all participating Settlement Class Members.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiffs shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;
- B. Appointing Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC as Class Counsel;

- C. Appointing Plaintiffs James Goodine and Greg Crawford as Class Representatives for the Settlement Class;
- D. Approving Phoenix Settlement Administrators, as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Settlement Award), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within 15 business days after the Court signs an order preliminarily approving this Agreement, Defendants will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, and workweek information for each Settlement Class Member during the Release Period.
- B. Within 10 business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class Members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class Members; (ii) update the address of any Settlement Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class Member; and (iv) mail a Notice Packet to each Settlement Class Member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within 5 business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class Member immediately, and in any event within 5 business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class Member. Settlement Class Members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have an additional 14 calendar days after the Response Deadline to opt-out, object, or dispute their Settlement Award. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline.

- D. Requests for Exclusion. Any Settlement Class Member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within 60 calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").
- i. The Notice Packet shall state that Settlement Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class Member; (2) contain a statement that the Settlement Class Member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class Member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except that a Request for Exclusion not containing a Class Member's telephone number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon.
 - ii. Defendants may, in their discretion, withdraw from this Settlement if more than ten percent (10%) of the Settlement Class Members opt-out of the Settlement. In this event, the Settlement shall be considered void *ab initio* and shall be of no force or effect whatsoever and shall not be referred to or utilized for any purpose whatsoever. The Parties agree not to encourage Settlement Class Members to opt-out of the Settlement. Class Counsel represents that they have not encouraged other employees to opt-out or to pursue individual claims against Defendants.
- E. Objections. Members of the Settlement Class who do not opt-out may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendants' counsel, as well as file all such objections with the Court) within the Response Deadline. Defendants' counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any objection must be postmarked no later than the Response Deadline. Any Settlement Class Member who wishes to may appear in person or through their own counsel (retained at their own expense) and raise an objection at the Final Approval Hearing. Settlement Class Members do not need to submit a written objection to be heard at the Final Approval Hearing.

- F. Notice of Individual Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class Member shall disclose the amount of the Settlement Class Member's estimated Individual Settlement Payment as well as all of the information that was used to calculate the Individual Settlement Payment. Settlement Class Members will have the opportunity, should they disagree with Defendants' records regarding the information stated in the Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall then make recommendation as to the eligibility for, and the amounts of, any Individual Settlement Payment under the terms of this Settlement Agreement. If the Parties cannot agree on a resolution based on the Settlement Administrator's recommendation, the Parties will submit the dispute to the Court for a final determination.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiffs shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiffs' and Class Counsel's application for attorneys' fees and costs, enhancement payments, settlement administration costs, and payment to the LWDA for its share of civil penalties under PAGA; and
- C. Entering judgment pursuant to California Rule of Court 3.769, which specifies all of the Released Claims as described in this Settlement Agreement and adjudges them to be released.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If the Court fails to approve this Settlement for any reasons, the Settlement shall be considered void *ab initio* and shall be of no force or effect whatsoever and shall not be referred to or utilized for any purpose whatsoever.

12. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

13. **No Publicity Prior to Preliminary Approval.** Plaintiffs and Class Counsel warrant that prior to preliminary approval they will not disclose, disseminate and/or publicize, cause or permit to be disclosed, disseminated or publicized, any of the terms of this Settlement Agreement directly or indirectly, specifically or generally, to any person, corporation, association, governmental agency, or other entity except: (1) to their attorneys, accountants, or spouses, all of whom will also be instructed to keep this agreement confidential; (2) to the extent necessary to report income to appropriate taxing authorities; (3) in response to an order of a court of competent jurisdiction or a subpoena issued under the authority thereof; or (4) in response to an inquiry or subpoena issued by a state or federal governmental agency. It is understood and agreed that notice of receipt by Plaintiffs of any such judicial or agency order, inquiry or subpoena shall immediately be communicated by the recipient to counsel for Defendants telephonically, and then confirmed immediately thereafter in writing, so that Defendants will have an opportunity to intervene to assert what rights it may have to non-disclosure prior to responses to said order, inquiry or subpoena. Plaintiffs specifically warrant that they will not directly or indirectly initiate any conversation or other communication with any person regarding this Settlement Agreement, or the matters giving rise to this Agreement prior to preliminary approval. If asked about this Settlement Agreement or the matters giving rise to this Agreement, Plaintiffs shall respond by stating only that “the matter was resolved,” or words to that effect. In addition, Plaintiffs, and Class Counsel agree not to issue a press release or otherwise communicate with the media about the terms of this Settlement. Plaintiffs and Class Counsel may not advertise any of the terms of the Settlement prior to preliminary approval. Plaintiffs and Class Counsel further agree that if contacted regarding this case prior to preliminary approval or by the media, they will state only that the Lawsuit exists and has been resolved. This provision shall not prohibit Class Counsel from communicating with Settlement Class Members after preliminary approval is granted.

14. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiffs: Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
fschmidt@haineslawgroup.com

if to Defendants: Regina A. Musolino of Constangy, Brooks, Smith & Prophete, LLP
2029 Century Park East, Ste. 1100, Los Angeles, CA 90067
rmusolino@constangy.com

15. **Review of Preliminary and Final Approval Motions.** Plaintiffs agree to provide Defendants an opportunity to review the preliminary and final approval motions and all supporting filings at least seven days prior to the due date of the filings.

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Enforcement Action.** The Parties agree that the Los Angeles County Superior Court shall have jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure section 664.6, and California Rule of Court 3.769. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

18. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

19. **Fax or Scan Signature Same Force and Effect as Original Signature.** The Parties agree that this Settlement Agreement may be signed in electronic, faxed, or scanned counterparts, which shall have the same force and effect as an original signature.

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[SIGNATURES BEGIN ON FOLLOWING PAGE]

DATED: 5/22/20

TEAM ONE CONTRACT SERVICES, LLC

By: Jeff Hudson

Name: Jeff Hudson

Title: COO

DATED: 5/22/20

TEAM ONE LOGISTICS, LLC

By: Jeff Hudson

Name: Jeff Hudson

Title: COO

DATED:

PLAINTIFF JAMES GOODINE

By: _____
Plaintiff and Settlement Class Representative

DATED:

PLAINTIFF GREG CRAWFORD

By: _____
Plaintiff and Settlement Class Representative

DATED:

TEAM ONE CONTRACT SERVICES, LLC

By: _____

Name: _____

Title: _____

DATED:

TEAM ONE LOGISTICS, LLC

By: _____

Name: _____

Title: _____

DATED:

PLAINTIFF JAMES GOODINE

May 22, 2020

By: JL
James L. Goodine, Sr. (May 22, 2020 15:42 EDT)

Plaintiff and Settlement Class Representative

DATED:

PLAINTIFF GREG CRAWFORD

By: _____

Plaintiff and Settlement Class Representative

DATED:

TEAM ONE CONTRACT SERVICES, LLC

By: _____

Name: _____

Title: _____

DATED:

TEAM ONE LOGISTICS, LLC

By: _____

Name: _____

Title: _____

DATED:

PLAINTIFF JAMES GOODINE

By: _____

Plaintiff and Settlement Class Representative

DATED:

PLAINTIFF GREG CRAWFORD

May 27, 2020

By:  _____
Greg Crawford, May 27, 2020 11:40 PDT

Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: *May 22, 2020*

CONSTANGY, BROOKS, SMITH &
PROPHETE, LLP

By: *Regina A. Musolino*
Regina A. Musolino
Matthew G. Gurnick
Attorneys for Defendants

DATED:

HAINES LAW GROUP, APC

By: _____
Fletcher W. Schmidt
Andrew J. Rowbotham
Attorneys for Plaintiffs

APPROVED AS TO FORM:

DATED:

CONSTANGY, BROOKS, SMITH &
PROPHETE, LLP

By: _____
Regina A. Musolino
Matthew G. Gurnick
Attorneys for Defendants

DATED: May 27, 2020

HAINES LAW GROUP, APC

By:  _____
Fletcher W. Schmidt
Andrew J. Rowbotham
Attorneys for Plaintiffs

EXHIBIT 2

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JAMES GOODINE and GREG CRAWFORD, as
individuals and on behalf of all others similarly
situated,

Plaintiffs,

vs.

TEAM ONE LOGISTICS, LLC, a Georgia Limited
Liability Company; TEAM ONE CONTRACT
SERVICES, LLC, a California Limited Liability
Company; and DOES 1 through 100,

Defendants.

Case No. 19STCV28521

NOTICE OF CLASS ACTION SETTLEMENT

To: All non-exempt drivers employed by Team One in California from August 15, 2015, to May 8, 2020 (the “Class Period”). Collectively, these employees will be referred to as “Settlement Class Members.”

**PLEASE READ THIS NOTICE CAREFULLY
THIS NOTICE IS BEING PROVIDED TO YOU IN ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) in *James Goodine, et al. v. Team One Logistics, LLC, et al.*, Los Angeles County Superior Court, Case No. 19STCV28521 (the “Lawsuit”). Your rights may be affected by the Settlement, and it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Team One’s records show that you were employed as a non-exempt driver in California between August 15, 2015 and May 8, 2020. The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

Please note that this Settlement does not include any former non-exempt drivers who were employed by Team One in California during the Class Period who have previously released their claims against Team One.

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiffs James Goodine and Greg Crawford (collectively “Plaintiffs”) filed this lawsuit against Team One, asserting claims on behalf of all Settlement Class Members. Plaintiffs are known as the “Class Representatives,” and their attorneys, who also represent the interests of all Settlement Class Members, are known as “Class Counsel.”

In the Lawsuit, Plaintiffs allege that Team One: (1) failed to pay all overtime wages owed; (2) failed to pay all minimum wages owed; (3) failed to provide all meal periods; (4) failed to authorize and permit all rest periods; (5) failed to reimburse necessary business expenditures; (6) engaged in unfair competition; (7) failed to issue accurate wage statements; (8) failed to pay all wages upon separation of employment; and (9) is liable for civil penalties under the Private Attorneys General Act (“PAGA”) (Labor Code § 2698 *et seq.*).

Team One denies that it has done anything wrong. Team One denies that it owes Settlement Class Members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Team One, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiffs' claims. However, to avoid additional expense, inconvenience, and interference with business operations, the parties concluded that it is in Team One's best interests and the interests of Settlement Class Members to settle the Lawsuit on the terms summarized in this Notice. Team One provided relevant information to Class Counsel and the Settlement was reached after mediation and arm's-length negotiations between the parties.

The Class Representatives and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Team One, the inherent risks of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by Team One, your decision about whether to participate in the Settlement will not affect your employment. California law and Team One's policies strictly prohibit unlawful retaliation. Team One will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of his or her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiffs / Settlement Class Members: HAINES LAW GROUP, APC Paul K. Haines (SBN 248226) phaines@haineslawgroup.com Fletcher W. Schmidt (SBN 286462) fschmidt@haineslawgroup.com Andrew J. Rowbotham (SBN 301367) arowbotham@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Team One: CONSTANGY, BROOKS, SMITH & PROPHETE, LLP Regina A. Musolino (SBN 198872) rmusolino@constangy.com Matthew D. Gurnick (SBN 309976) mgurnick@constangy.com 2029 Century Park East, Suite 1100 Los Angeles, California 90067 Tel: (310) 909-7775 Fax: (424) 276-7410 constangy.com
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What are the terms of the Settlement?

On <<PRELIMINARY APPROVAL DATE>>, the Court preliminarily certified a class – for settlement purposes only – of all non-exempt drivers employed by Team One in California during the Class Period. Settlement Class Members who do not submit a valid and timely Request for Exclusion from the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Team One as described below in the "Release" section.

Team One agreed to pay \$175,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Lawsuit, including payments to Settlement Class Members, attorneys' fees and expenses, settlement administration costs, the class representative enhancement payments, and payment to the California Labor and Workforce Development Agency ("LWDA") for its share of PAGA civil penalties.

The Gross Settlement Amount will be paid no later than 15 calendar days after the Effective Date – which is the date on which the Court enters its order and judgment granting final approval of the settlement, or if there are objectors to the Settlement, the date upon which all time limitations for filing an appeal have expired.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the “Settlement Administrator,” who is sending this Notice to you and who will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$7,500.00 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Gross Settlement Amount. Settlement Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount (which is currently estimated to be \$58,333.33) as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$15,000.00 for verified costs which were incurred by Class Counsel in connection with the Lawsuit.

Class Representatives Enhancement Payments. Class Counsel will ask the Court to award up to \$10,000.00 (\$5,000.00 to each named Plaintiff) as enhancement payments. These payments are meant to compensate Plaintiffs for their service and extra work provided on behalf of the Settlement Class Members.

PAGA Payment to the State of California. The parties have agreed to allocate \$5,000.00 of the Gross Settlement Amount as PAGA civil penalties. Per Labor Code Section 2699(i), 75% of such penalties (\$3,750.00) will be payable to the LWDA for its share of PAGA penalties, and the remaining 25% (\$1,250.00) will be payable to Settlement Class Members with standing to receive a portion of the “PAGA Amount” (defined in the “Calculation of Class Members’ Individual Settlement Payments” section below).

Calculation of Class Members’ Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount and will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount is estimated to be approximately \$80,416.67. The Net Settlement Amount will be divided as follows:

- (i) Long Haul Amount: 50% of the Net Settlement Amount will be distributed to each participating Settlement Class Member based on their proportionate number of Long Haul Workweeks worked during the Class Period. This will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member’s total Long Haul Workweeks worked during the Class Period, and the denominator of which is the total number of Long Haul Workweeks worked by all participating Settlement Class Members during the Class Period. A “Long Haul Workweek” is defined as any workweek in which the Settlement Class Member worked on the DWC Operations contract.
- (ii) Waiting Time Amount: 20% of the Net Settlement Amount shall be designated as the “Waiting Time Amount.” The Waiting Time Amount shall be distributed in equal shares to each participating Settlement Class Member who separated their employment from Team One at any time on or after August 15, 2016.
- (iii) Wage Statement Amount: 10% of the Net Settlement Amount, plus the \$1,250.00 payable to aggrieved employees as PAGA civil penalties, shall be designated as the “Wage Statement/PAGA Amount.” Each participating Settlement Class Member who was employed by Team One at any time between August 15, 2018, and the close of the Class Period shall receive a portion of the Wage Statement/PAGA Amount proportionate to their total number of workweeks worked during the aforementioned time period
- (iv) The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class Member based on their proportionate number of total workweeks worked during the Class Period. This will be calculated by multiplying the remaining Net Settlement Amount by a fraction,

the numerator of which is the Settlement Class Member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class Members during the Class Period.

Individual Settlement Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members who did not submit a valid and timely Request for Exclusion no later than 10 business days after the Gross Settlement Amount is funded.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be allocated as 1/3 wages and 2/3 penalties and interest. The Settlement Administrator will be responsible for issuing to Settlement Class Members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest). Settlement Class Members are responsible for the proper income tax treatment of the Settlement Payments. The Settlement Administrator, Team One and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

For any portion of the Settlement Class Members' Individual Settlement Payments that are designated as "wages" for purposes of tax reporting, the employer's taxes, employer contributions of all federal, state, and local employer taxes (including, but not limited to, FICA, FUTA, and SDI), will be paid by Team One in addition to the Gross Settlement Amount.

Release. Should the Court finally approve the Settlement, each Settlement Class Member who has not submitted a timely and valid Request for Exclusion, will release and discharge Team One all entities affiliated with them, and all officers, directors, representatives, owners, partners, subsidiaries, parent companies, joint venturers, clients, joint employers, predecessors, managers, servants, successors-in-interest, assigns, current and former employees of Defendants, agents, insurers, attorneys and all persons or entities acting in concert with or affiliated with any of them (collectively the "Releasees") from all claims as pled in the Lawsuit, and any further amended pleadings as necessary, including claims for: (1) failure to pay overtime wages; (2) minimum wage violations; (3) meal period violations; (4) rest period violations; (5) failure to reimburse necessary business expenses; (6) wage statement violations; (7) waiting time penalties; (8) unfair competition; and (9) civil penalties under PAGA, based on the factual allegations pled in the operative complaint (or which could have been pled based on the factual allegations pled in the operative complaint). This includes, but is not limited to, claims under Labor Code sections 201-204, 226 *et seq.*, 226.7, 510, 512, 516, 558, 1182.12, 1194, 1194.2, 1197, 1198, 2698 *et seq.*, 2802, 2804, Business and Professions Code section 17200, *et seq.*, IWC Wage Order 9-2001, and claims or potential claims for attorneys' fees and costs and interest (collectively the "Released Claims"). This release will run from August 15, 2015, to May 8, 2020, and will become effective upon the Effective Date (which is defined on page 2 of this Notice under the section titled, "What are the terms of the Settlement?").

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your Individual Settlement Payment which has been calculated for you based on the formula set forth above, as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Settlement Award. Your award is based on the proportionate number of workweeks you worked during the relevant time periods, as well as your eligibility to receive a share of the Long-Haul Amount, Wage Statement/PAGA Amount, and/or the Waiting Time Amount. The information contained in Team One's records regarding this information, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Settlement Award. If you disagree with the information in your Notice of Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class Members. Should a consensus not be reached, any outstanding disputes will be submitted to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written “Request for Exclusion from the Class Action Settlement” letter or card postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, and last four digits of your social security number. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *GOODINE v. TEAM ONE LAWSUIT* FILED IN THE LOS ANGELES COUNTY SUPERIOR COURT, CASE NO. 19STCV28521. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator at <<ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class Member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. **However, if the Court rejects your objection, you will still be bound by the terms of the Settlement.** If you wish to object to the Settlement, or any portion of it, you may mail a written objection to the Settlement Administrator. Your written objection must be signed and state: (1) your full name; (2) your dates of employment with Team One; (3) the last four digits of your Social Security Number and/or the Employee ID number; and (4) the basis for your objection. All objections or other correspondence must state the name and number of the case, which is *James Goodine, et al. v. Team One Logistics, LLC, et al.*, Los Angeles County Superior Court, Case No. 19STCV28521. Objections in writing must be postmarked on or before <<RESPONSE DEADLINE>>. **Please keep in mind that you cannot submit both an objection and Request for Exclusion.**

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department SSC10 of the Los Angeles County Superior Court, located at 312 N Spring St, Los Angeles, California 90012. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing, if you wish to appear in person. You have the right to appear either in person or through your own attorney at this hearing. If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department SSC10 of the Los Angeles County Superior Court, located at 312 N Spring St, Los Angeles, California 90012. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. The Court also will be asked to rule on Class Counsel’s request for attorneys’ fees and reimbursement of documented costs and expenses, the enhancement payments to the Class Representatives, the Settlement Administrator’s costs, and the amount related to the PAGA civil penalties. **You are not required to attend the Final Approval Hearing.**

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court’s files and the Settlement Agreement at the Clerk’s Office located at 312 N Spring St, Los Angeles, California 90012, during regular business hours. You may also contact Class Counsel using the contact information listed above.

PLEASE DO NOT CALL OR WRITE THE COURT, TEAM ONE OR IT’S ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting a Dispute, Request for Exclusion, or Objection is <<**RESPONSE DEADLINE**>>.

NOTICE OF SETTLEMENT AWARD

JAMES GOODINE v. TEAM ONE LOGISTICS, LLC
LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 19STCV28521

Please complete, sign, date and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Individual Settlement Payment:

According to Team One's records:

- (a) You worked _____ long-haul workweeks between August 15, 2015, and May 8, 2020;
- (b) There were a total of _____ long-haul workweeks worked by all non-exempt drivers between August 15, 2015, and May 8, 2020;
- (c) You worked _____ total workweeks between August 15, 2015, and May 8, 2020;
- (d) There were a total of _____ total workweeks worked by all non-exempt drivers between August 15, 2015, and May 8, 2020;
- (e) You worked _____ workweeks between August 15, 2018, and May 8, 2020;
- (f) There were a total of _____ workweeks worked by all non-exempt drivers between August 15, 2018, and May 8, 2020; and
- (g) You <<DID/DID NOT>> separate your employment with Team One on or after August 15, 2016.

Based on the above, your Individual Settlement Payment is estimated to be \$ _____.

(IV) If you disagree with items (a) - (g) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this form:

If you dispute the above information from Team One's records, those records will control unless you are able to provide documentation that establishes that Team One's records are mistaken. If there is a dispute about whether Team One's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the Class Notice that accompanies this Form. Any unresolved disputes will be submitted to the Court for a final determination.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>.**

Signature: _____

Date: _____

EXHIBIT 3

Selected docket entries for case 18-73488

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Filed	Document Description	Page	Docket Text
02/07/2020			This case is being considered for an upcoming oral argument calendar in San Francisco Please review the San Francisco sitting dates for June 2020 and the 2 subsequent sitting months in that location at http://www.ca9.uscourts.gov/court_sessions. If you have an unavoidable conflict on any of the dates, please file Form 32 within 3 business days of this notice using the CM/ECF filing type Response to Case Being Considered for Oral Argument. Please follow the form's <u>instructions</u> carefully. When setting your argument date, the court will try to work around unavoidable conflicts; the court is not able to accommodate mere scheduling preferences. You will receive notice that your case has been assigned to a calendar approximately 10 weeks before the scheduled oral argument date. If the parties wish to discuss settlement before an argument date is set, they should jointly request referral to the mediation unit by filing a letter within 3 business days of this notice, using CM/ECF (Type of Document: Correspondence to Court; Subject: request for mediation).[11589127]. [18-73488, 19-70323, 19-70329, 19-70413] (AW)