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Attorneys for the Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN BERNARDINO

SONNY WILLIAMS and STEVEN
RUNKLE on behalf of themselves, all others
similarly situated, and on behalf of the
general public,

Plaintiffs,

v.

HANSEN & ADKINS AUTO
TRANSPORT, INC.; HANSEN & ADKINS,
INC.; and DOES 1-100, inclusive,

Defendants.

Case No. CIVDS2020832

*[Assigned For All Purposes to the
Honorable Joseph T. Ortiz; Dept. S17]*

**DECLARATION OF DAVID MARA,
ESQ., IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS AND PAGA
ACTION SETTLEMENT, APPROVAL
OF CLASS NOTICE, AND SETTING OF
FINAL APPROVAL HEARING DATE**

Date: April 12, 2024

Time: 1:30 p.m.

Complaint Filed: September 25, 2020

Trial Date: None Set

1 I, DAVID MARA, declare as follows:

- 2 1. I am President of Mara Law Firm, PC, and counsel of record for Plaintiffs and the Class in
3 this matter. I am duly admitted to practice before all the courts of the state of California.
4 The following facts are within my personal knowledge and, if called to testify, I could and
5 would competently testify thereto.
- 6 2. I graduated from California Western School of Law and was admitted to practice law in
7 California in May 2004.
- 8 3. I extensively handle employment cases which involve violations of the California Labor Code
9 and Industrial Welfare Commission Wage Orders, such as wage and hour class actions and
10 cases alleging violations of the Private Attorneys General Act of 2004 (“PAGA”). I have
11 litigated over three hundred and fifty (350) class action and PAGA lawsuits over the course
12 of approximately 20 years.
- 13 4. I was co-class counsel in *Hohnbaum v. Brinker Restaurant Corp.* (San Diego County
14 Superior Court, Case No. GIC834348) which was the underlying case in the California
15 Supreme Court’s landmark decision in *Brinker Restaurant Corp. v. Superior Court* (2012)
16 53 Cal.4th 1004, in which the California Supreme Court delineated the scope of employer
17 obligations to provide, and employee rights to receive, meal and rest periods under
18 California law.
- 19 5. I am frequently called upon to author Amicus Curiae briefs on behalf of Consumer
20 Attorneys of California (“CAOC”). For example, I authored the Amicus Curiae briefs on
21 behalf of CAOC in *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, (The
22 California Supreme Court ruling that, like meal periods, employers must relieve employees
23 of all duty and relinquish all control to satisfactorily discharge its obligation to authorize
24 and permit rest periods.); *Frlekin v. Apple, Inc.* (2020) 8 Cal.5th 1038 (The California
25 Supreme Court ruling that the time spent on the employer’s premises waiting for, and
26 undergoing, required exit searches of packages, bags, or personal technology devices
27 voluntarily brought to work is compensable hours worked within the meaning of the Wage

1 Orders.); *Oliver v. Superior Court* (2021) California Court of Appeal Case No. H049185
2 (A brief asking the California Court of Appeal for the Sixth Appellate District to determine
3 whether mandatory drive time of personal vehicles should be considered hours worked
4 within the meaning of the Wage Orders' suffered or permitted test.). *Davidson v. O'Reilly*
5 *Auto Enterprises, LLC* (9th Cir., 2020; Docket No. 18-56188)(a brief seeking Review *En*
6 *Banc* of an order denying class certification in a wage and hour matter).

7 6. I am also a member of CAOC's Amicus Committee that determines the cases in which the
8 organization will agree to provide amicus support.

9 7. I have also lectured as a panelist for California Employment Lawyers Association
10 regarding a host of wage and hour issues.

11 8. I have been named as class counsel in the following certified cases as a result of the court
12 granting a motion for class certification: *Mario Norona v. B&G Delivery System, Inc.*
13 (Sacramento County Superior Court, Case No. 34-2015-00186826-CU-OE-GDS); *Jerald*
14 *Schroeder v. YRC, Inc.; et al.* (Central District of California, Case No. 12-cv-01374-TJH);
15 *John Martin v. Sysco Corporation, et al.* (Eastern District of California, Case No. 1:16-cv-
16 00990-DAD-SAB); *William Smith v. Werner Enterprises, Inc. d/b/a C.L. Werner, Inc.*
17 (District of Nebraska, Case No. 8:15-cv-287); *Thomas Perez v. City of San Diego* (San
18 Diego County Superior Court, Case No. 37-2014-00016621-CU-OE-CTL); *Denson Sales,*
19 *et al. v. United Road Services, Inc. et al* (Northern District of California, Case No. 19-cv-
20 08404-JST), *Eric Mendez v. M&N Consulting, Inc. dba A-Line Messenger Service* (San
21 Bernardino County Superior Court, Case No. CIVDS1923624); *Denson Sales v.*
22 *Professional Auto Transport, Inc. et al.* (San Bernardino County Superior Court, Case No.
23 CIVDS2010153); *Bobby Williams v. Mohsen Transport, Inc.* (San Diego County Superior
24 Court, Case No. 37-2019-00063361-CU-OE-CTL); and *Ashton Harden v. Mushiana*
25 *Transport Inc.* (Sacramento County Superior Court, Case No. 34-2021-00301950-CU-OE-
26 GDS).

27 9. I have also been named as class counsel in numerous cases during the settlement process.

1 Here is a non-exhaustive list of cases where I have been named as class counsel in cases
2 during the settlement process: *Kenneth Cox v. 3PL Worx, et al.* (Yolo County Superior
3 Court, Case No. CV-18-100); *Brian Davidson v. A&B Trucking Services, Inc.* (Kern
4 County Superior Court Case No. BCV-16-102985); *Alex Vega, et al. v. Advance Beverage*
5 *Co., Inc.* (Kern County Superior Court, Case No. BCV-16-100848); *Jaime Ruiz v. Altura*
6 *Centers for Health* (Kern County Superior Court, Case No. BCV-19-101577); *George*
7 *Zamudio v. AmeriPride Service, Inc.* (Alameda County Superior Court, Case No.
8 RG1809666); *Richard Hendricks v. Antonini Freight Express, Inc.* (San Joaquin County
9 Superior Court, Case No. STK-CV-UOE-2016-6999); *Alton Davis v. Apria Healthcare*
10 *Group, Inc.* (San Diego County Superior Court, Case No. 37-2014-00004724-CU-OE-
11 CTL); *Alan Atchison v. Ashley Furniture Industries, Inc., et al.* (Central District of
12 California, Case No. 17-cv-00528-JAK-SP); *Bernard Payton v. Atech Logistics, Inc.*
13 (Sonoma County Superior Court, Case No. SCV 258595); *Ramon Jenkins v. Compass*
14 *Group USA, Inc., et al.* (Yolo County Superior Court, Case No. CVCV-18-747); *Timothy*
15 *Spikes, et al. v. Bear Trucking, Inc., et al.* (San Bernardino County Superior Court, Case
16 No. CIVDS1715151); *Joshua Turpen v. Benjamin's Transfer Inc.* (Solano County Superior
17 Court, Case No. FCS048845); *Cesar Mendoza v. Bi-Rite Food Service, Inc.* (San Mateo
18 County Superior Court, Case No. 17CIV02044); *Terrance Bailey v. Blue Apron, LLC; et*
19 *al.* (Northern District of California, Case No. 18-cv-07000-VC); *Jeffrey Weast v.*
20 *California Aseptic Beverages, LLC* (San Bernardino County Superior Court, Case No.
21 CIVDS1825256); *Michael Valentich v. Hub Construction Specialties, Inc.* (San Bernardino
22 County Superior Court, Case No. JCCPDS4893); *Jose De Jesus Ortega Velazquez v.*
23 *Hunter Landscape, Inc.; et al.* (San Bernardino County Superior Court, Case No.
24 CIVDS1928062); *Adrian Diaz v. Keystone Automotive Operations, Inc.* (Riverside County
25 Superior Court, Case No. RIC1817450); *Arturo Gonzalez v. NCI Group, Inc. dba NCI*
26 *Building Systems* (Eastern District of California, Case No. 18-cv-00948-AWI-SKO); *Larry*
27 *Perez v. The Nielsen Company (US), LLC* (Orange County Superior Court, Case No. 30-

2021-01194324-CU-OE-CXC); *Erik Martinez v. Patrick Industries, Inc.* (San Bernardino County Superior Court, Case No. CIVDS2009663); *Randolph Fitch v. Shaw Industries, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVSB2024674); *Joshua Rael v. Intercontinental Hotels Group Resources, Inc.* (Los Angeles County Superior Court, Case No. 19STCV16010); and *Aaron Romero v. Vitro Flat Glass, LLC* (Kern County Superior Court, Case No. BCV-21-101357).

10. Hansen & Adkins is an automobile transport logistics provider for movement of cars from point to point. It is considered a contracted carriage, as it contracts with its customers, such as car dealerships, to haul cars for them. To perform the hauling services for its customers, Hansen & Adkins contracts with drivers, which it classifies as independent contractors, rather than employees. In California, Hansen & Adkins has dispatched these contracted drivers out of terminals located in Mira Loma, Wilmington, Richmond, Milpitas, and National City. It currently operates out of three terminals in California – Mira Loma, Wilmington, and Richmond.

11. On April 28, 2020, Plaintiff Sonny Williams provided notice to the Labor and Workforce Development Agency (“LWDA”) pursuant to the PAGA. Thereafter, on September 25, 2020, Plaintiff Williams filed this wage and hour putative class action against Defendants. Plaintiff Williams sought to represent all individuals who have contracted with Defendants and performed work in furtherance of said contracts within the state of California at any time during the period of the relevant statute of limitations. Plaintiff Williams alleged that Defendants violated the California Labor Code by: (1) failing to pay straight time wages; (2) failing to provide meal periods; (3) failing to provide rest breaks; (4) failing to pay wages due at termination and during employment; (5) failing to reimburse/illegal deductions; (6) knowingly and intentionally failing to comply with itemized employee wage statements; (7) violating California’s Unfair Competition Law; (8) and violations of the Private Attorneys General Act of 2004. The central issues in the case surround not only the causes of action Plaintiff Williams has alleged on a class-wide basis, but also on

1 whether Plaintiffs and the Class were employed by Defendants under the relevant tests in
2 California.

3 12. On March 15, 2021, Defendants filed a motion to bifurcate and sequence discovery, which
4 Plaintiff Williams opposed. On May 25, 2021, the Court denied Defendant's motion.

5 13. On January 25, 2021, Plaintiff Williams filed a first amended complaint withdrawing his
6 causes of action for meal and rest periods.

7 14. On March 24, 2023, Plaintiff Williams filed his motion for class certification, which
8 Defendants opposed. On June 13, 2023, the Court granted class certification of the Class
9 for Plaintiff Williams' claims for unpaid minimum wages, reimbursements under
10 California Labor Code section 2802, knowing and intentional failure to comply with
11 itemized employee wage statement provisions under California Labor Code section 226,
12 waiting time penalties under Labor Code section 203, and violation of the unfair
13 competition law.

14 15. On August 23, 2023, Phoenix Class Action Administration Solutions mailed a Notice of
15 Pendency of Class Action to all Class Members and Class Members had until September
16 22, 2023, to request to be excluded from the case. No Class Members requested to be
17 excluded, as such all 135 Class Members remain in this case.

18 16. On February 22, 2024, Plaintiff Williams filed a Second Amended Complaint adding in an
19 additional class representative, Steven Runkle.

20 17. The Parties have engaged in significant discovery. In total, Plaintiffs have propounded
21 three sets of requests for production of documents and two sets of special interrogatories
22 on Defendant Hansen and Adkins Auto Transport, Inc. Plaintiff Williams also propounded
23 one set of special interrogatories and one set of requests for production of documents on
24 Defendant Hansen and Adkins, Inc. Collectively, Defendants propounded two sets of
25 special interrogatories, one set of form interrogatories – general, one set of form
26 interrogatories – employment, one set of requests for admissions, and one set of requests
27 for production of documents on Plaintiff Williams. This discovery led to Defendants

1 producing over thirteen thousand (13,000) documents and Plaintiff Williams producing
2 over four thousand (4,000) documents.

3 18. On August 18, 2022, Defendants took Plaintiff Williams's deposition. On August 24, 2022,
4 Plaintiffs took the deposition of Defendants' Person Most Qualified witness, Barry
5 Williams. On August 30, 2023, Plaintiffs took a deposition of Defendants' Person Most
6 Qualified witness, Sara Khatib.

7 19. Plaintiffs served an out of state commission on Vertical Alliance to obtain training videos
8 and documents in its possession. Vertical Alliance produced documents for Plaintiff
9 Williams on March 24, 2023. Thereafter, Vertical Alliance produced responsive
10 documents for all Class Members.

11 20. The discovery, investigation, and litigation process has been adequate to give Class
12 Counsel a sound understanding of the value, strength, and vulnerabilities of the Class's
13 claims. Specifically, Class Counsel has conducted discovery and an investigation into the
14 claims during the prosecution of this action. This discovery, investigation, and prosecution
15 has included, among other things, analyzing the legal positions taken by Defendants and
16 the developments in the law related to various claims, analyzing potential damages before
17 and throughout the settlement negotiation process, researching the applicable law with
18 respect to the Class's claims and Defendants' potential defenses, and assessing the risk of
19 further litigation.

20 21. The Parties attended a private mediation on April 22, 2022, with mediator Michael
21 Dickstein. This mediation was unsuccessful, but the Parties continued to engage in
22 informal settlement discussions facilitated by Mr. Dickstein. Mr. Dickstein issued a
23 mediator's proposal in this case which was ultimately accepted by the Parties on October
24 19, 2023. The Parties then met and conferred over all the terms of the settlement and
25 finalized their settlement in the Parties' Agreement. The Parties' Agreement is attached
26 hereto as **Exhibit 1**.

27 22. Plaintiffs, and the certified Class, are truck drivers who contracted with and drove for
28

1 Defendants during the Class Period. Each of the Class Members was classified by
2 Defendants as an independent contractor. The core question in the case is whether
3 Defendants correctly classified the drivers as independent contractors. Plaintiffs assert that
4 Defendants' classification was in error, and that the drivers were Defendants' employees
5 under California law. As such, all the claims alleged in this matter are based on Defendants'
6 failure to classify Class Members as employees. Put differently, if Plaintiffs lose on this
7 single issue, they will take nothing from this matter.

8 23. Because Plaintiffs assert that Defendants misclassified Class Members as independent
9 contractors, Plaintiffs assert that Class Members were entitled to protections under the
10 California Labor Code that they were not afforded while working with Defendants. For
11 example, under the contracts Class Members signed with Defendants, Class Members were
12 responsible for paying business expenses such as fuel, maintenance, and insurance, that
13 they would not be responsible for if they were employees. In addition, they had to use their
14 personal cell phones in the performance of their work duties. Under California Labor Code
15 § 2802, employees must be reimbursed for necessary business expenses. Plaintiffs contend
16 that Class Members should have been classified as employees and, thus, should have been
17 reimbursed for these business expenses. Plaintiffs also assert that due to their alleged
18 misclassification, they were not provided with itemized wage statements and waiting time
19 penalties that were owed to them under California law. Plaintiffs further assert that the
20 contracts they operated under only paid them for the time they were driving and did not
21 pay them for the time they were performing non-driving tasks such as pre-trip and post-
22 trip inspections.

23 24. Class Members can only recover if they are successful in showing Defendants misclassified
24 them as independent contractors, rather than employees. In other words, Class Members
25 must show they were employees to recover anything. If they fail to show that threshold
26 issue, no matter how strong their claims are against Defendants, the Class will recover
27 nothing. Thus, any risk analysis associated with the claims must start foundationally with

1 the existing dangers that could prevent the Class Members from proving they are
2 employees, rather than independent contractors.

3 25. Based on deposition testimony and documents produced in this matter, Plaintiffs contend
4 that Defendants substantially control Class Members, and that Plaintiffs would be able to
5 provide evidence to meet the factors delineated in either the ABC employment test or the
6 *S.G. Borello & Sons, Inc. v. Department of Industrial Relations* (1989) 48 Cal.3d 341
7 (“*Borello*”) employment test to show that Class Members should have been classified as
8 employees.

9 26. Defendants vehemently deny these contentions. Defendants contend that an employment
10 relationship cannot be established on the basis of mandates and policies that are
11 implemented to comply with federal regulations. The contractual relationship between
12 Defendants and the Class Members is governed by the federal motor carrier leasing
13 regulations, which set forth the requirements for a written lease between the owners/lessors
14 of motor vehicle equipment (in this case, the Class Members) and the lessees of that
15 equipment (in this case, Defendants). Accordingly, Defendants assert that any policies it
16 has that cover independent contractors are in place to meet these requirements and cannot
17 be used to establish an employment relationship.

18 27. Although Plaintiffs believe that Defendants’ policies and rights to control go beyond
19 simply trying to comply with federal safety mandates or other federal regulations, there is
20 a risk that the Court could find in Defendants’ favor. With the potential exclusion of some,
21 many, or all facts related to Defendants’ control from the employment question, the
22 probability of losing on the employment issue increases. Given that a loss on that issue
23 would result in the Class taking nothing from this action, considerable weight had to be
24 given to it in evaluating settlement.

25 28. Although prevailing on the employment issue is a necessary predicate to obtaining any
26 damages here, success on the issue does not guarantee the Class will recover anything. It
27 just gets them to the next step: showing Defendants violated Labor Code section 2802 by
28

1 failing to reimburse Class Members for costs such as insurance, fuel, maintenance, and
2 damage claims and violated California's minimum wage laws. As the following shows,
3 many real and considerable obstacles threaten the success of these underlying claims.

4 29. If litigation were to continue, Defendants would bring a motion for summary judgment on
5 Plaintiffs' business reimbursement claims under California Labor Code § 2802 on the
6 grounds that the claims are preempted under the federal Truth-in-Leasing regulations.
7 Specifically, Defendants would argue that all but Plaintiffs' claims for cell phone
8 reimbursements are preempted and must be dismissed. If successful, this argument would
9 have gutted the value of the most substantial claims in this case. District courts that have
10 addressed this issue have reached conflicting opinions. Some courts have found that
11 expenses associated with acquiring and/or maintaining vehicles, fuel, maintenance,
12 insurance, and cargo and property damage are preempted under the federal Truth-in-
13 Leasing regulations. Others have ruled against preemption. While Plaintiffs contend the
14 reasoning in the cases that rule against the preemption is more persuasive than the cases
15 Defendants rely on, Plaintiffs had to take into consideration the prospect that Plaintiffs here
16 would similarly succumb to a preemption argument on their most valuable expense
17 reimbursement claims.

18 30. Alternatively, Defendants argue that they pay Class Members enhanced compensation to
19 cover business expenses. Defendants rely on the case *Gattuso v. Harte-Hanks Shoppers,*
20 *Inc.* (2017) 42 Cal. 4th 554. In *Gattuso*, the California Supreme Court held that an employer
21 may satisfy its obligation under California Labor Code § 2802 by paying employees
22 enhanced compensation in the form of increases in base pay or commission rates. In doing
23 so, an employer must show two things: (1) the employer must establish "some method or
24 means to apportion the enhanced compensation to identify what portion is intended as
25 expense reimbursement," and (2) it must show the identified reimbursement amounts are
26 enough to cover expenses incurred. *Id.* at 575. Defendants argue that they pay Class
27 Members an enhanced compensation and that they detail on settlement sheets the amounts

1 for compensation and the amounts of expenses.

2 31. Plaintiffs disagree that Defendants pay Class Members an enhanced compensation and rely
3 on the case *Espejo v. The Copley Press, Inc.* (2017) 13 Cal. App. 5th 329, 367. Plaintiffs
4 argue that Defendants' compensation is not the same as in *Gattuso* because Defendants
5 deduct amounts for costs before they pay the compensation and there is no way for drivers
6 to identify what amount is being paid for labor performed and the amount being paid as
7 reimbursement for business expenses. *See Id.* at 366-367. The suggestion that the
8 deductions are detailed on the settlement sheets was rejected by the court in *Espejo* because
9 the settlement sheets do not "communicate that the carriers were being reimbursed or
10 compensated in the amount of the deductions stated on the invoices." *Id.* at 366. The
11 Northern District of California in *Smith v. Cardinal Logistics Management Corp.* found in
12 a similar situation to the one presented here that the employer's compensation system did
13 not satisfy *Gattuso's* requirements for expense reimbursement through enhanced
14 compensation. *See Smith v. Cardinal Logistics Management Corp.* (N.D. Cal. Aug. 19,
15 2009) 2009 U.S. Dist. LEXIS 80758 *1. The Northern District of California in *Villalpando*
16 *v. Exel Direct Inc.* also found that employers could not meet their obligations
17 under *Gattuso* "by simply stating that their [pay] rate covers these expenses; they must
18 provide their employees with a means of determining whether these assertions are true."
19 *Villalpando v. Exel Direct Inc.* (N.D. Cal. May 20, 2016) 161 F. Supp. 3d 873. However,
20 if Plaintiffs had lost on this issue, their most valuable claim would have been gutted.

21 32. Plaintiffs claim the ICSAs fail to pay for non-driving time and only pay for the actual
22 hauling of cars. Thus, Plaintiffs argue when they are not driving, the ICSAs pay them
23 nothing, which violates California's minimum wage laws. Whether any compensation is
24 owed to employees is a matter determined primarily by contract which, here, would be the
25 ICSAs. *Oman v. Delta Airlines, Inc.* (2020) 9 Cal.5th 762, 782. Defendants argue that the
26 ICSAs should be read to compensate Class Members for all transportation related services,
27 including non-driving time, associated with transporting. As such a dispute exists as to

whether the ICSAs should be read to cover only driving time, or all time associated with transporting, including non-driving time. Plaintiffs had to take into consideration the fact this Court or a jury could find in favor of Defendants' reading of the ICSAs, which would result in Class Members taking nothing for their minimum wage claims.

33. As to the waiting time penalties claims, Defendants argue that Plaintiffs would not be able to prove that Defendants "willfully" failed to pay Class Members the appropriate wages due upon separation of employment. "A willful failure to pay wages within the meaning of Labor Code Section 203 occurs when an employer intentionally fails to pay wages to an employee when those wages are due. However, a good faith dispute that any wages are due will preclude imposition of waiting time penalties under Section 203." Cal. Code Regs. Tit. 8 § 13520. "A 'good faith dispute' that any wages are due occurs when an employer presents a defense, based in law or fact, which would preclude any recovery on the part of the employee. The fact that a defense is ultimately unsuccessful will not preclude a finding that a good faith dispute did exist." *Id.*

34. Defendants contend that any failure to pay wages due at the separation of employment was not willful. Defendants argue that it would not be liable for waiting time penalties because a "good faith dispute" exists over the payment of those wages. *See* Cal. Code Regs. Tit. 8 § 13520; *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1201.

35. As to Plaintiffs' wage statement claim, Defendants assert that any violation of California Labor Code § 226 was not "knowing and intentional." *See* Cal. Lab. Code § 226(e) ("An employee suffering injury as a result of a **knowing and intentional** failure by an employer" may recover damages") (emphasis added); *Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1195 (2008) ("Some statutory penalties are imposed only if an employers' violation was 'willful' or 'knowing.' . . . [S]ection 226, subdivision (e) penalizes an employer's 'knowing and intentional' failure to provide itemized wage statements under section 226, subdivision (a)[.]""). Defendants also contend that employees cannot show that they have suffered an injury because of any potential violation of California Labor Code § 226.

1 36. Plaintiffs' PAGA claims are based upon the same underlying conduct as Plaintiffs' class
2 claims. As such, they are subject to the same risks of establishing employment status and
3 the underlying claims are subject to the same risks on the merits.

4 37. In addition, there is the risk that the Court would reduce the maximum penalty amount, if
5 established. Section 2699, subdivision (e)(2) provides that "[i]n any action by an aggrieved
6 employee seeking recovery of a civil penalty available under subdivision (a) or (f), a court
7 may award a lesser amount than the maximum penalty amount specified by this part if,
8 based on the facts and circumstances of the particular case, to do otherwise would result in
9 an award that is unjust, arbitrary, oppressive, or confiscatory." In *Thurman v. Bayshore*
10 *Transit Management, Inc.*, the court found that penalties may be reduced when a defendant
11 has taken its obligations to comply with the law seriously. *Thurman v. Bayshore Transit*
12 *Management, Inc.*, 203 Cal. App. 4th 1112, 1135-1136 (2012). Defendants argue that if the
13 case were to continue in litigation, it would be able to show that it took its obligations to
14 comply with the law seriously. As such, if Plaintiffs were able to prevail on the merits of
15 their PAGA claims, the Court may reduce the maximum penalty amount.

16 38. As noted, Plaintiffs PAGA claims are based on the same alleged unlawful conduct as their
17 class claims. Because of this, the likelihood of the Court reducing the PAGA penalties
18 awarded to Plaintiffs and the Aggrieved Employees – assuming liability is proven as to
19 each of Plaintiffs' claims – is higher in this case where Class Members would be receiving
20 damages for the same conduct under both the class claims and the PAGA claims.
21 Defendants argue that this would be an unjust double recovery and would lead the Court
22 to reducing any PAGA penalty amount.

23 39. Plaintiffs allege that Defendants failed to reimburse Class Members for all business
24 expenses. Plaintiffs calculate that Class Members had approximately \$517.42 deducted
25 from their pay each workweek for expenses such as fuel, taxes, cargo claims, and insurance.
26 If Plaintiffs and the Class Members were to prevail on this claim, they may be entitled to
27 the maximum potential damages of \$9,391,690 (18,151 workweeks x \$517.42 =

1 \$9,391,690.42).

2 40. In addition, Plaintiffs assert that under the ICSAs Defendants only paid Class Members for
3 the time they spent driving and are owed wages for the time Class Members spent
4 performing non-driving tasks. Plaintiffs calculate that Class Members spent approximately
5 one hour of non-driving time per workweek. If Plaintiffs and the Class Members were to
6 prevail on this claim, they may be entitled to the maximum potential damages of \$231,425
7 (18,151 workweeks x \$12.75 per hour x 1 hour = \$231,425.25).

8 41. If Plaintiffs were to prevail on these claims, they and the Class Members may also be
9 entitled to wage statement penalties. Under California Labor Code § 226(e)(1), the
10 damages for breach of this section are fifty dollars (\$50) for the initial pay period in which
11 a violation occurs and one hundred dollars (\$100) per employee for each violation in a
12 subsequent pay period, not to exceed an aggregate penalty of four thousand dollars
13 (\$4,000). If Plaintiffs were to prevail on this claim, Plaintiffs and the Class Members would
14 be entitled to the following maximum damages: \$468,000 (\$4,000 x 117 employees in the
15 wage statement statute of limitations = \$468,000).

16 42. Plaintiffs and the Class Members may also be entitled to waiting time penalties. Plaintiffs
17 calculate the potential maximum exposure under their waiting time penalties cause of
18 action as \$208,031 (47 formers x \$147.54 per day x 30 days = \$208,031.40).

19 43. Plaintiffs also seek PAGA penalties. The maximum potential damages under Plaintiffs'
20 PAGA claim is: \$1,345,800 (\$100 x 3 PAGA violations (business reimbursements, unpaid
21 wages, and wage statements) x 4,447 pay periods = \$1,334,100 plus \$100 x 1 PAGA
22 violation (waiting time penalties) x 117 pay periods = \$11,700).

23 44. Thus, not taking into account any of their defenses or arguments, Plaintiffs estimate that if
24 they were successful in their underlying claims, Defendants' total exposure would be
25 approximately \$10,299,146 [\$9,391,690 (business reimbursement exposure) + \$231,425
26 (unpaid wage exposure) + \$468,000 (wage statement exposure) + \$208,031 (waiting time
27 penalties) = \$10,299,146]. If Plaintiffs' claims are successful, they may also be entitled to

PAGA penalties in the amount of \$1,345,800.

45. In light of the risks Plaintiffs' claims faced, I believe that the settlement amount of \$3,950,000 – with an average settlement share amount estimated at \$18,025.67 – is a reasonable and fair settlement amount.

46. The preliminary approval motion and supporting documents were uploaded to the Labor Workforce Development Agency. Attached hereto as **Exhibit 2** is a confirmation received as a result of this upload.

I declare under penalty of perjury under the laws of the State of California that all the foregoing is true and correct.

Dated: March 20, 2024

MARA LAW FIRM PC

David Mara, Esq.
Attorneys for the Class

Exhibit 1

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this settlement agreement is made between Plaintiffs Sonny Williams and Steven Runkle (hereinafter “Plaintiffs”) on behalf of themselves and the Class and Defendants Hansen & Adkins Auto Transport, Inc. and Hansen & Adkins, Inc. (hereinafter “Defendants” or “H&As”) (collectively, Plaintiff and Defendants are referred to in this Agreement as the “Parties”). This agreement is intended to settle the case entitled *Sonny Williams v. Hansen & Adkins Auto Transport, Inc.; Hansen & Adkins, Inc.* (San Bernardino County Superior Court, Case No. CIVDS2020832).

I. DEFINITIONS

In addition to the other terms defined in this agreement, the terms below have the following meaning:

1. **Action**: The action pending in the San Bernardino County Superior Court, designated with Case No. CIVDS2020832.
2. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement, which shall not exceed \$15,000. All Administration Costs shall be paid from the Gross Settlement Amount. If the actual administration costs are less than the amount allocated in this agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Class Members.
3. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
4. **Attorneys’ Fee Award**: The amount of attorneys’ fees approved of by the Court and awarded to Class Counsel. This amount shall not exceed thirty-three and one-third percent (33 1/3%) of the Gross Settlement Amount. The Attorneys’ Fee Award shall be paid from the Gross Settlement Amount. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
5. **Certified Claims**: On June 13, 2023, the Court granted class certification of the Class for Plaintiff’s claims for unpaid minimum wages, reimbursements under California Labor Code section 2802, knowing and intentional failure to comply with itemized employee wage statement provisions under California Labor Code section 226, waiting time penalties under Labor Code section 203, and violation of the unfair competition law.

6. **Class**: All individuals who signed Independent Contractor Service Agreements (“ICSAs”) with Hansen & Adkins Auto Transport, Inc. and worked as truck drivers for Hansen & Adkins Auto Transport, Inc. in California in service of those ICSA’s at any time from July 6, 2016 to June 13, 2023.
7. **Class Counsel**: David Mara and Jill Vecchi of Mara Law Firm, PC.
8. **Class Data**: The electronic data Defendants shall deliver to the Settlement Administrator, which will list the following information for each Class Member: (1) first and last name; (2) most current mailing address and telephone number; (3) social security number; and (4) the respective weeks that each Class Member worked during the applicable Class Period. The Class Data shall be based on Defendants’ records such as ICSAs and settlement data. One week before submitting Class Data to the Administrator, Counsel for Defendants shall disclose to Counsel for Plaintiffs the methodology used for calculating the respective weeks that each Class Member worked during the applicable Class Period.
9. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.
10. **Class Notices**: The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
11. **Class Period**: July 6, 2016 through June 13, 2023.
12. **Class Representatives or Plaintiffs**: Sonny Williams and Steven Runkle.
13. **Class Representative Enhancement Payments**: The amount the Court awards to Sonny Williams, which will not exceed \$20,000, and the amount the Court awards to Steven Runkle, which will not exceed \$15,000. These payments shall be paid from the Gross Settlement Amount. These payments are offered in consideration for conferring a benefit upon the State of California and the Class and the time and effort Mr. Williams and Mr. Runkle put into pursuing the litigation as well as for providing a broader release than other Participating Class Members. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
14. **Cost Award**: The amount that the Court orders Defendants to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$50,000. The Cost Award will be paid from the Gross Settlement Amount. The Cost Award is subject to Court approval. If the actual costs incurred are less than the amount allocated in this Agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Agreement and the

amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.

15. **Counsel for Defendants:** Victor Cosentino and Michelle Moy of Larson & Gaston, LLP.
16. **Court:** The San Bernardino County Superior Court.
17. **Defendants:** Hansen & Adkins Auto Transport, Inc.; Hansen & Adkins, Inc.
18. **Disbursement of the Settlement:** The date on which the Settlement Administrator shall disburse the Gross Settlement Amount as indicated herein. Under the terms of this Settlement Agreement, within ten (10) calendar days of Defendants funding the Gross Settlement Amount, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys' Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and Participating Class Members, as approved by the Court.
19. **Effective Final Settlement Date:** The effective date of this Settlement will be the later of the time when either: (i) the Judgment of the Court granting final approval of the settlement is final and no longer subject to appeal, if there are objections, or (ii) the date the Court enters an order on final approval of the settlement, if there are no objections.
20. **Employer Taxes:** Defendants' portion of payroll taxes as the Class Members' current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) owed to the appropriate local, state, and federal taxing authorities. Defendants will pay its portion of payroll taxes separate and apart from the Gross Settlement Amount.
21. **Escalation Clause:** At the time of settlement, there were 137 Class Members. If by the time the Settlement Administrator receives the Class Data, the number of Class Members increases by more than 5%, Plaintiffs shall have the right to demand a pro-rata increase from Defendants to the GSA and the right, but not the obligation, to terminate the settlement if Defendants refuse to such an increase in the GSA.
22. **Final Judgment or Final Approval:** The final order entered by the Court approving this Agreement.

23. **Funding of Settlement:** Defendants shall wire to the Settlement Administrator the Gross Settlement Amount no later than twenty (20) business days of the Effective Final Settlement Date.
24. **Gross Settlement Amount or GSA:** The total value of the Settlement is a non-reversionary \$3,950,000. This is the gross amount Defendants can be required to pay under this Settlement Agreement, with the exception of their obligation to pay Employer Taxes. The Gross Settlement Amount includes without limitation: (1) the Net Settlement Amount to be paid to Class Members; (2) the Attorneys' Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA, as approved by the Court. Defendants' portion of payroll taxes will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.
25. **Individual Settlement Share(s):** The amount payable to each Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement. Rather, Class Members will receive an Individual Settlement Share automatically, without the return of a claim form.
26. **LWDA:** California's Labor and Workforce Development Agency.
27. **Net Settlement Amount or NSA:** The total amount of money available for payout to Class Members, which is the GSA less the Attorneys' Fee Award, Cost Award, Class Representative Enhancement Payments, the PAGA Payment, and Administration Costs. In other words, the NSA is the portion of the GSA that will be distributed to Class Members. The payment of employee-side taxes on the portion of the settlement shares earmarked as wages shall be paid out of the Net Settlement Amount. Thus, the Individual Settlement Shares that are paid out of the Net Settlement Amount shall be reduced by the employee's tax liability for the share.
28. **Non-Monetary Relief:** As part of the Settlement, Defendants will stop collections against Class Members and will forgive any outstanding balances Class Members may have.
29. **PAGA:** The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
30. **PAGA Aggrieved Employees:** Class Members who worked for Defendants at any time from April 28, 2019, to June 13, 2023.

31. **PAGA Payment:** The PAGA Payment consists of \$100,000 of the Gross Settlement Amount allocated to satisfy the PAGA penalties claim. Seventy-five percent (75%) of the PAGA Payment (\$75,000) shall be paid to the LWDA, and twenty-five percent (25%) (\$25,000) of the PAGA Payment shall be added to the Net Settlement Amount for distribution to Participating Class Members.
32. **PAGA Period:** April 28, 2019 through June 13, 2023.
33. **PAGA Released Claims:** Aggrieved Employees shall release Defendants and the Released Parties from any and all claims for civil penalties under the California Labor Code and the Private Attorneys General Act predicated upon the Labor Code violations asserted in the Notice to the LWDA, the operative Second Amended Complaint, and all Certified Claims of the Class and Sub-Classes.
34. **PAGA Released Claims Period:** The time period during which Aggrieved Employees will release the PAGA Released Claims shall run from April 28, 2019 through June 13, 2023.
35. **Participating Class Members:** Class Members who do not request to be excluded from the settlement.
36. **Parties:** Plaintiff Sonny Williams & Steven Runkle, as individuals and as Class Representatives, and Defendants Hansen & Adkins Auto Transport, Inc and Hansen & Adkins, Inc.
37. **Preliminary Approval or Preliminary Approval Order:** The Court's order preliminarily approving the Class Settlement.
38. **Released Class Claims:** All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Defendants and the Released Parties from all wage and hour claims that were alleged, or reasonably could have been alleged, based on the facts stated in the operative Second Amended Complaint, including claims for misclassification of Participating Class Members as Independent Contractors. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.
39. **Released Class Claims Period:** The time period during which Participating Class Members will release the Released Class Claims shall run from July 6, 2016 through June 13, 2023.

40. **Released Parties:** Defendants and their past, present and/or future, direct and/or indirect, officers, directors, employees, representatives, administrators, attorneys, agents, managing agents, parent companies, subsidiaries and affiliated corporations and entities.
41. **Response Deadline:** Forty-five (45) calendar days from the initial mailing of the Class Notices.
42. **Second Amended Complaint:** Before Plaintiffs file a motion for preliminary approval, Plaintiffs will file a Second Amended Complaint adding Steven Runkle as a Plaintiff and Class Representative.
43. **Settlement Administration:** Prior to mailing the Class Notices, the Settlement Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes and will skip trace returned mail that does not have a forwarding address, and re-mail such Class Notices accordingly. If a new address is obtained by a way of a returned Notice, then the Claims Administrator shall promptly forward the original Notice to the updated address via first-class regular U.S. mail indicating on the original Notice the date of such re-mailing. The Class Notices will inform Class Members that they have until the Response Deadline to object to or opt out of the Settlement. Any Class Member who does not receive notice after the steps outlined above have been taken will still be bound by the Settlement and/or judgment.
44. **Settlement Administrator:** The third party administrator agreed upon by Parties to administer this Settlement is Phoenix Settlement Administrators.

II. **RECITALS**

45. On April 28, 2020, Plaintiff Sonny Williams provided notice to the LWDA pursuant to the PAGA.
46. On September 25, 2020, Plaintiff Sonny Williams filed this wage and hour putative class action against Defendants. Plaintiff seeks to represent all individuals who have contracted with Defendants and performed work in furtherance of said contracts within the state of California at any time during the period of the relevant statute of limitations. Plaintiff alleges that Defendants violated the California Labor Code by: (1) failing to pay straight time wages; (2) failing to provide meal periods; (3) failing to provide rest breaks; (4) failing to pay wages due at termination and during employment; (5) failing to reimburse/illegal deductions; (6) knowingly and intentionally failing to comply with itemized employee wage statements; (7) violating California's Unfair Competition Law; (8) and violations of the Private Attorneys General Act of 2004. The central issues in the case surround not only the causes of action Plaintiff has alleged on a class-wide basis, but also on whether Plaintiffs and

the putative class are/were employed by Defendants under the relevant tests in California.

47. On March 12, 2021, Defendants filed a motion to bifurcate and sequence discovery. On May 25, 2021, the Court denied Defendant's motion.
48. The Parties have engaged in significant discovery. In total, Plaintiff has propounded three sets of requests for production of documents and two sets of special interrogatories on Defendant Hansen and Adkins Auto Transport, Inc. Plaintiff also propounded one set of special interrogatories and one set of requests for production of documents on Defendant Hansen and Adkins, Inc. Collectively, Defendants propounded two sets of special interrogatories, one set of form interrogatories – general, one set of form interrogatories – employment, one set of requests for admissions, and one set of requests for production of documents on Plaintiff. This discovery led to Defendant producing of over thirteen thousand (13,000) documents and Plaintiff producing over four thousand (4,000) documents.
49. On August 18, 2022, Defendants took Plaintiff Sonny Williams's deposition. On August 24, 2022, Plaintiff took the deposition of Defendants' Person Most Qualified witness, Barry Williams. On August 30, 2023, Plaintiff took a deposition of Defendants' Person Most Qualified witness, Sara Khatib.
50. Plaintiff served an out of state commission on Vertical Alliance to obtain training videos and documents in its possession. Vertical Alliance produced documents for Plaintiff on March 24, 2023. Thereafter, Vertical Alliance produced responsive documents for all Class Members.
51. On March 24, 2023, Plaintiff filed his motion for class certification. On June 13, 2023, the Court granted class certification of the Class for Plaintiff's claims for unpaid minimum wages, reimbursements under California Labor Code section 2802, knowing and intentional failure to comply with itemized employee wage statement provisions under California Labor Code section 226, waiting time penalties under Labor Code section 203, and violation of the unfair competition law.
52. On August 23, 2023, Phoenix Class Action Administration Solutions mailed a Notice of Pendency of Class Action to all Class Members and Class Members had until September 22, 2023, to request to be excluded from the case. No Class Members requested to be excluded, as such all 137 Class Members remain in this case.
53. The Parties previously attended a private mediation on April 22, 2022 with mediator Michael Dickstein. This mediation was unsuccessful but the Parties have continued to engage in informal settlement discussions facilitated by Mr.

Dickstein. Mr. Dickstein issued a mediator's proposal in this case which was ultimately accepted by the Parties on October 19, 2023.

54. As part of the Parties' settlement, Plaintiff will file a Second Amended Complaint adding Steven Runkle as a plaintiff.
55. **Benefits of Settlement to Class Members.** Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendants through trial and through any possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel have conducted extensive settlement negotiations. Based on the foregoing, Plaintiffs and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.
56. **Defendants' Reasons for Settlement.** Defendants recognize that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendants have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendants, therefore, have agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
57. **Defendants' Denial of Wrongdoing.** Defendants generally and specifically deny any and all liability or wrongdoing of any sort with regard to any of the claims alleged, and make no concessions or admissions of liability of any sort. Defendants assert a number of defenses to the claims, and have denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendants or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendants.
58. **Plaintiffs' Claims.** Plaintiffs assert that Defendants' defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is finally approved by the Court, the Plaintiffs, Class Members, and Class Counsel will not oppose Defendants' efforts to use this Agreement to prove that Plaintiffs and Class Members have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

- 59. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, that Defendants are obligated to pay under this Settlement Agreement is \$3,950,000. The Gross Settlement Amount includes, but is not limited to: (1) the Net Settlement Amount to be paid to Class Members; (2) the Attorneys' Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment, as approved by the Court. Defendants' portion of payroll taxes will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.
- 60. Individual Class Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the Net Settlement Amount to each Participating Class Member.

A. Calculation.

- i. **Individual Class Settlement Share Calculation.** Each Participating Class Member, including Plaintiffs, will be provisionally assigned an award amount based on his or her tenure as part of the Class. To arrive at these figures, the Net Settlement Amount will be divided by the total number of weeks worked by all Class Members to arrive at a dollar value per week worked. Each Class Member's provisional award will be equivalent to the number of weeks he or she performed work for Defendants during the Class Period multiplied by the calculated amount to be paid per week worked. Any partial workweek will be expressed as a percentage of a full workweek.
- ii. The number of workweeks for each Class Member will be determined using Defendants' records, including but not limited to, contract lease and termination dates and settlement sheet data showing dates when Class Members performed work for Defendants.

- B. Tax Withholdings.** Each Class Member's Individual Settlement Share will be apportioned as follows: 20% wages, 30% penalties, and 50% reimbursements and interest. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2

forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties, reimbursements, and interest shall be reported by IRS 1099 forms. Only the employee share of payroll tax withholdings shall be deducted from each Class Member's Individual Settlement Share. The employer share of payroll tax withholdings shall be paid separate from and in addition to the Gross Settlement Amount.

C. Tax Treatment and Payment. The Parties agree that Plaintiffs and the Class Members who receive any payment pursuant to this Settlement shall be solely responsible for any and all individual tax obligations associated with this Settlement and shall hold Defendants harmless from any and all liability with regard thereto.

61. Individual PAGA Settlement Share. Of the total \$100,000 of the GSA allocated to satisfy the PAGA penalties claim, twenty-five percent (25%) (\$25,000) shall be distributed by the Settlement Administrator to each PAGA Aggrieved Employee on a pro rata basis, as calculated by the Settlement Administrator, pursuant to Labor Code §2699(i).

A. Calculation.

i. Individual PAGA Settlement Share Calculation. Each PAGA Aggrieved Employee will receive a portion of the PAGA Payment (\$25,000). The allocation of the PAGA Payment to each PAGA Aggrieved Employee shall be calculated pro rata based on the total number of PAGA Pay Periods each PAGA Aggrieved Employee worked during the PAGA Period. The pro-rata share is equal to (i) dividing the total amount allocated to PAGA Aggrieved Employees by the total number of PAGA Pay Periods worked by all PAGA Aggrieved Employees during the PAGA Period and (ii) multiplying the result by each PAGA Aggrieved Employee's total PAGA Pay Periods. The Settlement Administrator shall make these calculations based on the Class Data provided by Defendant.

B. Tax Withholdings. Payments to PAGA Aggrieved Employees will be allocated as 100% penalties. The Settlement Administrator will report the individual PAGA Payment on IRS 1099 Forms.

C. Tax Treatment and Payment. The Parties agree that Plaintiffs and the PAGA Aggrieved Employees who receive any payment pursuant to this Settlement shall be solely responsible for any and all individual tax obligations associated with this Settlement and shall hold Defendants harmless from any and all liability with regard thereto.

62. Constituents of Gross Settlement Amount Disbursement. Subject to the terms and conditions of this Agreement, the Settlement Administrator shall disburse the Gross Settlement Amount as directed later on herein to the following:

- A. To the Named Plaintiffs:** In addition to their Individual Settlement Shares, and subject to the Court's approval, Sonny Williams will receive up to \$20,000 and Steven Runkle will receive up to \$15,000 in consideration for their efforts in prosecuting this case. The Settlement Administrator will pay the Class Representative Enhancement Payments out of the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payments. An IRS Form 1099 will be issued to Plaintiffs with respect to their Class Representative Enhancement Payments.
- B. To Class Counsel.** At the Final Approval Hearing, Class Counsel will apply to the Court for an Attorneys' Fee Award not to exceed 33.33% of the GSA and a Cost Award not to exceed \$50,000. The Settlement Administrator will pay the Court approved amounts for the Attorneys' Fee Award and Cost Award out of the Gross Settlement Amount. Payroll tax withholding and deductions will not be taken from the Attorneys' Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to the Attorneys' Fee Award. In the event the Court does not approve the entirety of the application for the Attorneys' Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorneys' Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members.
- C. To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of Class Members' portion of normal payroll withholding taxes out of each Class Member's Individual Settlement Share. Defendants' portion of payroll taxes (including the payment of applicable FICA, FUTA, and SUI contributions, etc.) will be paid outside of and in addition to the GSA. The Settlement Administrator will calculate the amount of Class Members' and Defendants' portion of payroll withholding taxes and will forward the amount of Class Members' portion of normal payroll withholding taxes to the appropriate taxing authorities.
- D. To the Settlement Administrator.** The Settlement Administrator – Phoenix Settlement Administrators – will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$15,000. This will be paid out of the Gross Settlement Amount. If the actual

amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

E. To the LWDA. The Settlement Administrator will pay \$75,000 of the Gross Settlement Amount to the LWDA. This is 75% of the \$100,000 allocated to satisfy the PAGA penalties claim. The remaining 25% of the \$100,000 PAGA Payment (which equates to \$25,000) shall become part of the NSA and be available for distribution to PAGA Aggrieved Employees.

F. To Participating Class Members. The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Gross Settlement Amount.

63. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that Phoenix Settlement Administrators shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice to Class Members; performing skip traces and remailing notices to Class Members; calling Class Members with undeliverable notices to obtain accurate addresses; keeping track of any objections from Class Members; calculating any and all payroll tax deductions as required by law; notifying Defendants of any and all employer-side payroll taxes; calculating each Class Member's Individual Settlement Share; providing weekly status reports to Defendants' Counsel and Class Counsel, which is to include updates on any objections that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing and remailing Individual Settlement Shares to Class Members; calculating and mailing the PAGA Payment to the LWDA; distributing the Attorneys' Fee Award and Cost Award to Class Counsel; printing and providing Participating Class Members with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; providing any funds remaining as a result of uncashed checks to the State Controller's Office in the name of the Participating Class Member, in the amounts directed per this Settlement, including the administration of related tax reimbursements; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Phoenix Settlement Administrators or otherwise have a relationship with Phoenix Settlement Administrators that could create a conflict of interest.

64. Procedure for Approving Settlement.

A. Motion for Preliminary Approval and Conditional Certification.

- i. Plaintiffs will move for an order: (1) granting Preliminary Approval of the Settlement; (2) setting a date for the Final Approval hearing; and (3) approving the Class Notice.
- ii. At the same time that Plaintiffs file their Motion for Preliminary Approval, Plaintiffs shall send a copy of the Agreement to the LWDA pursuant to Labor Code Section 2699(l).
- iii. At the Preliminary Approval hearing, Class Counsel will appear, support the granting of the motion, and submit a proposed order granting Preliminary Approval of the Settlement; appointing the Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.
- iv. **Effect of Denial of Preliminary Approval.** Should the Court decline to preliminarily approve all material aspects of the settlement, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorneys' Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payments shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement Agreement. Any order or proceeding relating to an application for the Attorneys' Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payments shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiffs' or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorneys' Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payments.

B. Notice to Class Members. After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Class Notice in accordance with the following procedure:

- i. **Delivery of Class Data.** Within five (5) business days after entry of the Preliminary Approval Order, Defendants shall deliver to the Settlement Administrator the Class Data, in Excel format, which will list the following information for each Class Member: (1) first and last name; (2) most current mailing address and telephone number; (3) social security number; and (4) the respective weeks that each Class Member worked during the applicable Class

Period. One week before submitting Class Data to the Administrator, Counsel for Defendants shall disclose to Counsel for Plaintiffs the methodology used for calculating the respective weeks that each Class Member worked during the applicable Class Period. Prior to mailing, the Claims Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes. The Class Data shall be based on Defendants' business records. The Settlement Administrator shall maintain the Class Data and all information contained within the Class Data as private and confidential.

- ii. Preparation of Class Notices.** Based on the information in the Class Data and the formula set forth in Paragraph 64(B)(i), above, the Settlement Administrator shall promptly calculate the estimated Individual Settlement Share for every Class Member, to be included in the individualized Class Notices to be sent to that Class Member, and shall prepare and email a spreadsheet setting forth those calculations to Class Counsel and Defense Counsel no fewer than five (5) calendar days before mailing the Class Notices to Class Members. The Class Notices will inform each Class Member of his/her right to do nothing, dispute the number of work weeks worked, opt out of the Settlement, or object to the Settlement. It will also inform Class Members that if they first request exclusion from the Settlement and then object, the objections would not be considered valid. In addition, if the Class Members object and then request exclusion from the Class Settlement, the Class Members would be deemed to have waived their objection.
- iii. Mailing of Class Notices.** Within fourteen (14) calendar days after receipt of the Class Data, the Settlement Administrator will mail via first-class regular U.S. Mail the Class Notice to all identified Class Members using the mailing address information provided by Defendants and the results of the skip trace performed.
- iv. Returned Notices.** If a Class Notice is returned because of an incorrect address, within five (5) calendar days from receipt of the returned notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom

a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail, performing address searches for all mail returned without a forwarding address, and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address through a database search or skip trace, the Settlement Administrator shall call the last known phone number provided by Defendants to attempt to obtain an accurate address. If an address is obtained, the Settlement Administrator shall promptly re-mail the Class Notice to the updated address. If a new address is obtained by a way of a returned Notice, then the Claims Administrator shall promptly forward the original Notice to the updated address via first-class regular U.S. mail indicating on the original Notice the date of such re-mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or by request, will have the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark or fax a Request for Exclusion or Notice of Objection to the Settlement.

v. **Weekly Status Reports.** The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendants' Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of requests for exclusion or objections received.

vi. **Settlement Administrator's Declaration.** No later than fourteen (14) calendar days after the Response Deadline, or on a date mutually agreed upon by the Parties and the Settlement Administrator, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel at the same time as the final approval motion is filed. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

C. **Objections to Settlement.** The Class Notice will provide that the Class Members who wish to object to the Settlement must do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline. The timeframe to submit an objection will not be increased for returned mailings.

- a. **Format.** Any Objections shall state: (a) the objecting person's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.
- b. **Notice of Intent to Appear.** Class Members who timely file valid objections to the Settlement may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel, provided the objector has first notified the Settlement Administrator by sending his/her written objections to the Settlement Administrator, postmarked no later than the Response Deadline.

D. Request for Exclusion from the Settlement ("Opt-Out"). The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator a written request for exclusion. The written request for exclusion must: (a) state the Class Member's name, address, telephone number, and the last four digits of the Class Member's social security number or employee identification number; (b) state the Class Member's intention to exclude themselves from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (e) be postmarked no later than the Response Deadline.

- i. **Confirmation of Authenticity.** If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the subsequent judgment, regardless of whether he or she has objected to the Settlement.
- ii. **Report.** No later than five (5) business days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices

mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.

- E. Class Member Disputes.** If a Class Member who receives a Class Notice wishes to dispute the number of work weeks listed on the Class Notice, the Class Member may notify the Settlement Administrator or Class Counsel by mail or telephone no later than the Response Deadline and should produce any available supporting evidence, such as settlement sheets, ICSAs, and/or other records showing dates on which work was performed by the Class Member to the Settlement Administrator or Class Counsel. The documentation should provide evidence of the dates the Class Member contends he or she worked for Defendants during the Class Period. If a Class Member contacts Class Counsel, Class Counsel shall inform the Settlement Administrator of the dispute. If the Class Member provides documentation to Class Counsel, Class Counsel shall forward such documentation to the Settlement Administrator. The Settlement Administrator shall provide the documentation provided by the Class Member to Defendants. Defendants shall review their records, the documentation provided by the Class Member, and shall provide information to the Settlement Administrator in response to any such disputed claim within seven (7) business days. Defendants' records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class Member and Settlement Administrator make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.
- F. No Solicitation of Objection or Requests for Exclusion.** Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.
- G. Settlement Website.** The Settlement Administrator shall establish a website to host documents relevant to this lawsuit and the proposed settlement, i.e., the operative complaint; Defendants' answer; this Joint Stipulation and Settlement Agreement, together with its exhibits; the Class Notice; the forthcoming settlement motions; the Court's orders on those motions; and the Final Judgment.
- H. Motion for Final Approval.**

- i. Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorneys' Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Enhancement Payments; and (5) PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Claims of the Participating Class Members.
 - ii. **Denial or Appeal of Final Approval.** If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendants to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Enhancement Payments, Attorneys' Fee Award, Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.
 - iii. **Proposed Order and Judgment.** Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-judgment matters as may be appropriate under Court rules and applicable law.
- I. **Waiver of Right to Appeal.** Provided that the judgment is consistent with the terms and conditions of this Agreement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

J. Vacating, Reversing, or Modifying Judgment on Appeal. If, after a notice of appeal, the reviewing Court vacates, reverses, or modifies the judgment such that there is a material modification to the Settlement Agreement, and that Court's decision is not completely reversed and the judgment is not fully affirmed on review by a higher Court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount, an alteration in the calculation of the Net Settlement Amount, and any change to the calculation of the Individual Settlement Share.

K. Disbursement of Settlement Shares and Payments. Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval Order and Judgment. The Settlement Administrator shall keep Defendants' Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendants' Counsel and Class Counsel. No person shall have any claim against Defendants, Defendants' Counsel, Plaintiffs, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

- i. Calculation of Employer Taxes:** Within five (5) business days of the Effective Final Settlement Date, the Administrator will calculate the employer payroll taxes due on the wage component of the NSA and inform Counsel for Defendants of the total amount.
- ii. Funding the Settlement:** Defendants shall wire to the Settlement Administrator the Gross Settlement Amount plus the employer payroll taxes as calculated by the Settlement Administrator no later than twenty (20) business days of the Effective Final Settlement Date.
- iii. Disbursement:** Within ten (10) calendar days after the Defendants wire the GSA to the Settlement Administrator, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys' Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; (5) the PAGA Payment to the LWDA; and (6) Defendants' portion of payroll taxes.

- iv. **Qualified Settlement Fund or QSF:** The Parties agree that the QSF is intended to be a “Qualified Settlement Fund” under Section 468B of the Code and Treasury Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

L. Settlement Administrator’s Final Report. Within ten (10) business days after the disbursement of all funds, or at another time agreed upon by the Parties, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds. The Parties shall file this declaration with the Court. The Settlement Administrator will provide any supplemental declaration required by the Court or the Parties.

M. Uncashed Checks. Participating Class Members must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them.

- i. **Reminder Postcard.** If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced.
- ii. **Transmittal of Funds from Uncashed Checks.** If any checks remain uncashed or not deposited at the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks. All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those Individual Settlement Share checks remaining un-cashed, shall be transmitted by the Settlement Administrator to the California State Controller – Unclaimed Property Division, with the identity of the Participating Class Member to whom the funds belong. The funds shall be held by the California State Controller – Unclaimed Property Division in the name of the Participating Class Member.

N. Defendants’ Legal Fees. Defendants are responsible for paying for all of Defendants’ own legal fees, costs, and expenses incurred in this Action outside of the Gross Settlement Amount.

- 65. Release of Claims.** As of the Effective Final Settlement Date, Class Members who do not submit a timely and valid request for exclusion release the Released Parties from the Released Claims. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Claims.
- 66. Plaintiffs' Release of Claims and General Release.** As of the Effective Final Settlement Date and to the extent that Plaintiffs are Participating Class Members, in exchange for the Class Representative Enhancement Payments to the named Plaintiffs as outlined herein, Plaintiffs shall, in addition to the Release of Claims provided in this Agreement, give the following general release of claims, for themselves and their respective spouse, heirs, successors, and assigns, forever releasing the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties, and expenses of any nature whatsoever, from the beginning of time through the date of their signatures on this Agreement, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state, or local statute, rule, ordinance, or regulation, including, but not limited, to all claims arising out of, based upon, or relating to the work they performed for Defendants pursuant to the ICSAs they entered into with Defendants. Plaintiffs' Release of Claims also includes a waiver of California Civil Code section 1542, which provides as follows:

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

This release excludes any release of any claims not permitted to be released by law, as well as claims or actions to enforce this Agreement. Should either Plaintiff request to be excluded from the settlement, they will not release these claims and will not receive a Class Representative Enhancement Payment.

67. Miscellaneous Terms

- A. No Admission of Liability.** Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendants reserve the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendants deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that but for the Settlement, a Class should be certified in the Action. This Agreement is entered into solely for the purpose of

compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. This Settlement and Plaintiffs' and Defendants' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

- B. Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
- C. Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendants' Counsel warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
- D. Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
- E. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.
- F. Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by

an express written instrument signed by counsel for all Parties or their successors-in-interest.

- G. Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- H. No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- I. Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- J. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
- K. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes.
- L. Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.
- M. Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid

and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

N. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

O. Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile, DocuSign, or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 2/13/2024

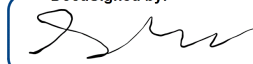
SONNY WILLIAMS

DocuSigned by:

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Dated: 2/13/2024

STEVEN RUNKLE

DocuSigned by:

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Dated: 02 / 16 / 2024

**HANSEN & ADKINS AUTO TRANSPORT,
INC.; HANSEN & ADKINS, INC.**

Deb Tonello

Name: Deb Tonello
 Title: Director of Administration

Dated: 2/9/2024

MARA LAW FIRM, PC

DocuSigned by:

 4579A5106C10447...
 David Mara, Esq.

Jill Vecchi, Esq.
Attorneys for the Class

Dated: 02/16/2024

LARSON & GASTON, LLP



Victor Cosentino, Esq.
Michelle Moy, Esq.
Attorneys for Hansen & Adkins Auto Transport, Inc.
and Hansen & Adkins, Inc.

Exhibit *A*

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Sonny Williams, et al. v. Hansen & Adkins Auto Transport, Inc., et al.

Case No. CIVDS2020832

SAN BERNARDINO COUNTY SUPERIOR COURT

You are not being sued. This notice affects your rights. Please read it carefully

As an individual who signed an Independent Contractor Service Agreement (“ICSA”) with Hansen & Adkins Auto Transport, Inc. and worked as a truck driver for Hansen & Adkins Auto Transport, Inc. in California in service of that ICSA at any time from July 6, 2016, to June 13, 2023, you could get a payment from a class action settlement.

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

You have received this notice because the records of Hansen & Adkins Auto Transport, Inc. (“Hansen & Adkins”) show that you are a “Class Member” and, therefore, entitled to a payment from this class action Settlement. Class Members are all individuals who signed ICSAs with Hansen & Adkins and worked as truck drivers for Hansen & Adkins in California in service of those ICSAs at any time from July 6, 2016 to June 13, 2023 (“Class Period”).

- The settlement will resolve a class action lawsuit, *Williams, et al. v. Hansen and Adkins Auto Transport, Inc., et al.*, pending in the Superior Court of California for the County of San Bernardino, Case Number CIVDS2020832 (the “Lawsuit”), which alleges that Hansen & Adkins and Hansen & Adkins, Inc. (“Defendants”) misclassified truck drivers as independent contractors.
- On [REDACTED], the San Bernardino County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the lawsuit. The Court has only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and any final determination will be made at the Final Approval Hearing. Defendants vigorously deny these claims in the Lawsuit and contend that they fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

**DO NOTHING AND
RECEIVE PAYMENT**

Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit. **If you are still working for Hansen & Adkins and choose to receive a settlement payment, this will not affect your work.**

EXCLUDE YOURSELF	Exclude yourself from the Settlement, get no payment, and retain your legal rights to individually pursue the claims that would otherwise be released by the settlement of the Lawsuit. Please note that you are unable to exclude yourself from the PAGA portion of the settlement if you are a PAGA Aggrieved Employee.
OBJECT	If you do not opt out, you may write to the Settlement Administrator, Phoenix Class Action Administration Solutions, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the settlement.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court still has to decide whether to approve of the settlement. Payments will be made if the Court approves the settlement. Please be patient.
- The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at [REDACTED]:[REDACTED].m. on [REDACTED], at the San Bernardino County Superior Court in Department S17 before Judge Joseph Ortiz, located at 247 W. 3rd Street, San Bernardino, CA 92415. You are not required to attend the Hearing, but you may do so.

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1. *Why Have I Received this Notice?*

Hansen & Adkins' records indicate that you signed an ICSAs with Hansen & Adkins and worked as a truck driver for Hansen & Adkins in California in service of that ICSA at any time from July 6, 2016, to June 13, 2023. This period of time is referred to as the "Class Period." If you worked for Hansen & Adkins during the "Class Period," you may be entitled to money under this Settlement. This notice provides you with basic information about the case and advises you of your options with regard to the Settlement.

2. *What is this Case About?*

The class action lawsuit is called *Sonny Williams, et al. v. Hansen and Adkins Auto Transport, Inc., et al.* and is pending in the San Bernardino County Superior Court, Case No. CIVDS2020832. It was commenced by a former truck driver of Hansen & Adkins named Sonny Williams. Another former truck drivers of Hansen & Adkins, Steven Runkle, later joined Mr. Williams in bringing this action. Mr. Williams and Mr. Runkle are what is referred to as the "Plaintiffs" or "Class Representatives" in this case. The settlement resolves claims against Defendants for allegedly misclassifying truck drivers as independent contractors. On this basis, the Plaintiffs claim that Defendants failed to reimburse employees for all business expenses, failed to pay all minimum wages, failed to provide accurate itemized wage statements, and failed to pay all wages due at the termination of employment.

Defendants deny all of the allegations made by Plaintiffs and deny that they violated any laws. The Court has made no ruling on the merits of Plaintiffs' claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing. However, the Parties concluded that it is in their respective best interests and the interests of the Class Members to settle this lawsuit on the terms summarized in this Notice.

3. *How Does this Class Action Settlement Work?*

Plaintiffs and their attorneys believe the settlement is fair, adequate, and reasonable. The San Bernardino County Superior Court has preliminarily reviewed the terms of the settlement and determined the settlement is fair, adequate, and reasonable. On [date of ruling on preliminary approval], the Court directed that you receive this Notice.

The Court will hold a Final Fairness Hearing concerning the proposed settlement on [date of final approval hearing], 2024 at [time a.m./p.m.], in Department S17 before Judge Joseph Ortiz, located at 247 W. 3rd Street, San Bernardino, CA 92415. The date of the Final Fairness Hearing may change without further notice to the Class. You are advised to check the Court's website (instructions on accessing this site are provided in Section 15 of this Notice) to confirm that the date has not been changed.

4. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiffs and the Class ("Class Counsel")	Attorneys for Hansen & Adkins & Hansen & Adkins, Inc.
MARA LAW FIRM, PC David Mara dmara@maralawfirm.com Jill Vecchi jvecchi@maralawfirm.com 2650 Camino Del Rio North, Suite 302 San Diego, CA 92108 Telephone: (619) 234-2833	LARSON & GASTON, LLP Victor J. Cosentino Michelle Moy 200 S. Los Robles Ave, Suite 530 Pasadena, CA 91101 Telephone: (626)795-6001

The Court has appointed Mara Law Firm, PC, to represent you and all other Class Members simultaneously in this settlement. You do not need to hire your own attorney because Mara Law Firm, PC, is working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

5. *How do I Participate in the Settlement?*

If you do nothing, you will automatically be included as a participant in this settlement and will not have to take any further action to receive your settlement payment. By participating in the settlement, you will be bound by the release. It is your responsibility to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or a settlement payment.

Important Note: Defendants will not retaliate against you in any way for either participating or not participating in this Settlement.

HOW TO GET YOUR MONEY IF YOU ARE A CLASS MEMBER:

If you do nothing, once the Court grants final approval of the settlement you **will** receive money and **will** be bound by the release of class action claims stated in this notice.

6. *How Do I Request to be Excluded from the Settlement?*

If you request to be excluded from the settlement, you **will not** receive a settlement payment. You retain your legal rights to individually pursue the claims that would otherwise be released by the settlement of the Lawsuit. By timely opting out, you will no longer be a part of the settlement. Except that, because Class Members are unable to exclude themselves from the PAGA portion of the

Settlement, you will receive, only if you are a PAGA Aggrieved Employee, a pro rata share of the PAGA allocation to Aggrieved Employees and be bound by the release of PAGA claims, as explained in Section 10 of this notice.

HOW TO REQUEST TO BE EXCLUDED FROM THE SETTLEMENT:	
How can I request to be excluded from the settlement?	You can request to be excluded from the settlement by mailing the Settlement Administrator a written request for exclusion.
Is there a deadline to request to be excluded?	If you send a written request to the Settlement Administrator, you must postmark your request by RESPONSE DEADLINE .
What information do I need to provide?	Your request for exclusion must include: (1) your name, address, telephone number, and the last four digits of your social security number or employee identification number; (2) your intention to exclude yourself from the settlement (<i>e.g.</i> “I want to exclude myself from this settlement. I also understand that I retain all rights to sue Hansen & Adkins, for the claims asserted in this lawsuit.”); and (3) the request for exclusion must be signed by you or your lawful representative.

The proposed settlement includes the settlement of claims for civil penalties under PAGA. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves this settlement, then even if you request exclusion from the settlement, you still will receive an individual settlement share for the PAGA claims if you were employed between April 28, 2019 through June 13, 2023, and will be deemed to have released the PAGA claims. A request for exclusion will preserve your right to individually pursue only the remaining substantive, individual and/or class claims.

7. *How Do I Object to the Settlement?*

You can ask the Court to deny final approval by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

HOW TO OBJECT TO THE SETTLEMENT:	
How can I object to the settlement?	You can objection to the settlement by mailing the Settlement Administrator a written objection.

Is there a deadline to request to be excluded?	If you send a written objection to the Settlement Administrator, you must postmark your request by RESPONSE DEADLINE .
What information do I need to provide?	Your objection must include: (a) your full name, address, and telephone number; (b) the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) you may call to testify at the Final Approval Hearing; and (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval hearing.

Objectors who want to appear at the Final Fairness/Approval Hearing must state the intention to do so at the time of submitting the written objection(s).

Class Members who fail to file timely objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether an appeal or otherwise) to the settlement, unless otherwise ordered by the Court. The Court may excuse this requirement upon a showing of good cause. The Court may, at its discretion, only require substantial compliance with the requirements for submitting an objection.

If the Court rejects the objection, the objector will receive a settlement payment and will be bound by the terms of the settlement and will release claims as defined in Section 8 of this notice and in the settlement agreement.

Please note that you cannot both object to the settlement and opt out of the settlement. If you exclude yourself and object, then your objection will be overruled. If the Court overrules your objection, you will be bound by the settlement and will release claims as defined in Section 8 of this notice and in the settlement agreement.

8. *How Does This Settlement Affect Employees’ Rights?*

If the proposed settlement is approved by the Court, a final judgment will be entered by the Court. All Class Members who do not opt out of the settlement will be bound by the Court’s final judgment and will release Defendants and the other Released Parties¹ from the released claims. The claims released under the settlement are: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Defendants and the Released Parties from all wage and hour claims that were alleged, or reasonably could have been alleged, based on the facts stated in the operative Second Amended Complaint, including claims for misclassification of Participating Class Members as Independent Contractors. Participating Class Members do not

¹ “Released Parties” mean Hansen & Adkins Auto Transport, Inc. and Hansen & Adkins, Inc. and their past, present and/or future, direct and/or indirect, officers, directors, employees, representatives, administrators, attorneys, agents, managing agents, parent companies, subsidiaries and affiliated corporations and entities.

release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. The Class Period is July 6, 2016 through June 13, 2023.

In addition, the proposed settlement includes the settlement of claims for civil penalties under the PAGA. If you worked for Hansen & Adkins from April 28, 2019, through June 13, 2023, you are a PAGA Aggrieved Employee. PAGA Aggrieved Employees will fully release and discharge Defendants and the Released Parties from any and all claims for civil penalties under the California Labor Code and the Private Attorneys General Act predicated upon the Labor Code violations asserted in the Notice to the LWDA, the operative Second Amended Complaint, and all Certified Claims of the Class and Sub-Classes.

If you would like to see the settlement documents or complaints on file, you can check www.INSERT.com, the Court's website, or contact Class Counsel. Directions for accessing the Court's website are outlined in Section 15 of this notice. Class Counsel's information is outlined in Section 4 of this notice.

9. *How Much is the Settlement?*

The total maximum amount that Hansen & Adkins is required to pay under this settlement is \$3,950,000. This amount is referred to as the "Gross Settlement Amount." The Gross Settlement Amount includes the following amounts: (1) approximately \$2,433,465 for disbursement to Class Members who do not request to be excluded from the settlement; (2) \$20,000 to Plaintiff Sonny Williams and \$15,000 to Steven Runkle for their efforts in bringing this action; (3) costs to administer the settlement – meaning costs associated with mailing this notice to employees and costs associated with sending out settlement checks – to the Settlement Administrator, Phoenix Class Action Administration Solutions, which will not to exceed \$15,000; (3) payment of \$75,000 to the Labor and Workforce Development Agency and payment of \$25,000 to PAGA Aggrieved Employees pursuant to the Private Attorneys' General Act of 2004; and (4) payment to Class Counsel in an amount not to exceed \$1,316,535 (33.33% of the Gross Settlement Amount) in attorneys' fees for investigating the facts of the case, litigating the case, and negotiating the settlement, and an amount not to exceed \$50,000 for actual costs spent litigating this case. All of these payments are subject to Court approval.

The Court will not approve any of these requests until the Final Fairness Hearing. If the any of the amounts awarded are less than the amounts requested, the difference shall become part of the amount available for distribution to employees who do not request to be excluded from the settlement.

10. *How Much Can I Expect to Receive from the Settlement?*

Each employee who does not request to be excluded from the settlement will be provisionally assigned an award amount based on their weeks worked at Hansen & Adkins during the Class Period. Each Participating Class Member, including Plaintiffs, will be provisionally assigned an award amount based on his or her tenure as part of the Class. To arrive at these figures, the Net Settlement Amount will be divided by the total number of weeks worked by all Class Members to arrive at a dollar value per week worked. Each Class Member's provisional award will be

equivalent to the number of weeks he or she performed work for Defendants during the Class Period multiplied by the calculated amount to be paid per week worked. Any partial workweek will be expressed as a percentage of a full workweek.

Although your exact settlement share cannot be precisely calculated until employees have had the opportunity to request to be excluded from the settlement, based upon the calculation formula above, your approximate share of the settlement is: \$ [REDACTED] (based on Hansen & Adkins' data which shows you worked # of workweeks between July 6, 2016 through June 13, 2023). Your estimated workweek only includes those workweeks during the Class Period and excludes any workweeks in which you performed no work.

You may also be entitled to a payment for your release of PAGA claims if you worked for Hansen & Adkins on or after April 28, 2019, through June 13, 2023. If you worked for Hansen & Adkins during this time period, you are a PAGA Aggrieved Employee. Your payment as a PAGA Aggrieved Employee is \$ [REDACTED] (based on Hansen & Adkins' data which shows you worked # of pay periods between April 28, 2019, through June 13, 2023).

If you believe the number of workweeks attributed to you is incorrect, you must notify the Settlement Administrator or Class Counsel by mail or telephone no later than [INSERT], and should produce any available supporting evidence, such as settlement sheets, ICSAs, and/or other records showing dates on which work was performed by you to the Settlement Administrator or Class Counsel. The documentation should provide evidence of the dates you contend you worked for Hansen & Adkins from July 6, 2016, through June 13, 2023. The Settlement Administrator will provide the documentation provided by you to Hansen & Adkins. Hansen & Adkins will review their records, the documentation provided by you, and will provide information to the Settlement Administrator in response to any such disputed claim within seven (7) business days. Hansen & Adkins' records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by you and Settlement Administrator will make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.

11. Will Taxes be Taken Out of My Settlement Share?

Yes, twenty percent (20%) of each settlement payment is intended to settle employees' claims for unpaid wages. This portion of your settlement share will be reduced by applicable payroll tax withholdings and deductions. Hansen & Adkins will pay the employer's share of legally required payroll taxes separately and outside of the settlement. The Settlement Administrator will issue you an IRS Form W-2 with respect to this portion of your settlement share.

Eighty percent (80%) of each settlement payment is intended to settle each employee's claims for interest and penalties. This portion will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue you an IRS Form 1099 with respect to this portion of your settlement share.

Payments to PAGA Aggrieved Employees will be allocated as 100% penalties. This portion will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue you an IRS Form 1099 with respect to this portion of your settlement share.

12. *When Can I Expect to Receive Money from the Settlement?*

If you do not request to be excluded from the settlement, you should receive your settlement check approximately two months after the settlement becomes final. The effective date of this Settlement will be the later of the time when either: (i) the Judgment of the Court granting final approval of the settlement is final and no longer subject to appeal, if there are objections, or (ii) the date the Court enters an order on final approval of the settlement, if there are no objections. As such, if there are no objections to the settlement, you should receive your settlement check approximately two months after the date of the Final Fairness Hearing, listed in Section 3 of this notice.

Please note that you must cash or deposit your settlement check within 180 calendar days after the check is mailed to you. If you have not cashed or redeemed your check within 90 days after it was mailed, the Settlement Administrator will send you a reminder postcard indicating that unless the check is redeemed or deposited in the next 90 days, it will expire and become non-negotiable. If your check was lost or misplaced, please contact the Settlement Administrator. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, they will be deemed void and of no further force and effect. This means that you will not be able to cash or redeem your settlement check 180 days after its issuance. All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those checks remaining un-cashed, shall escheat to the State of California Controller's Office under the Unclaimed Property Statutes in the name of the Class Member.

13. *How Will the Attorneys for the Class Be Paid?*

The Court-appointed attorneys for Plaintiffs and the Class will be paid from the Gross Settlement Amount, subject to Court approval, in an amount not to exceed 33.33% of the Gross Settlement Amount (\$1,316,535) in attorneys' fees and an amount not to exceed \$50,000 in actual litigation costs. Defendants have paid and will continue to pay all of their own attorneys' fees and costs.

14. *How Will the Class Representative Be Paid?*

Subject to Court approval, Plaintiff Sonny Williams will also be paid an amount not to exceed \$20,000, and Plaintiff Steven Runkle will be paid an amount not to exceed \$15,000, in consideration for bringing this case and for the time and effort they put into litigating the Lawsuit.

15. *What do I do if I Need More Information or Have Questions?*

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement available at www.INSERT.com, you can also receive a copy of the settlement agreement by contacting Class Counsel at (619) 234-2833, or by accessing the Court docket in this case through the Court's website at <https://www.sb-court.org>, or by visiting the office of the Court at 247 W. 3rd Street, San Bernardino, CA 92415 between 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. You may also ask Class Counsel for a copy of any of the case documents to be mailed to you free of charge. Please refer to the *Sonny Williams v. Hansen and Adkins Auto Transport, Inc.* Class Action Settlement when calling the settlement administrator or Class Counsel.

To view the case documents on the Court's website, access the website <https://www.sb-court.org>. Once at this website, click on the "Online Services" link. Then click the link that says "Learn More" under the heading "Case Information and Document Sales." At the bottom of the page, click on the link "Accept (Court Access Portal)." Then, click on the heading "Search" and select "Case Information" under that heading. On the next page, type the case number "CIVDS2020832" into the box with the words Case Number." Then, click the "Search" button. This will take you to the case information. If you select the heading "Documents" on this page you will be able to access all of the documents filed in the case.

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

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

Exhibit 2