

CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT (“PAGA”) SETTLEMENT AGREEMENT

This Class Action and Private Attorneys’ General Act (“PAGA”) Settlement Agreement (“Agreement”) is made by and between plaintiffs Crisanto Perez and Robert Ladd (“Perez Plaintiffs”), Jaime Felix Moreno and Robert Estupesolis (“Felix Plaintiffs”), on behalf of themselves as individuals and in their capacity as representative plaintiffs (collectively, “Plaintiffs”), and Defendant Amerit Fleet Solutions, Inc. (“Defendant”). Plaintiffs and Defendant collectively are referred to in this Agreement as the “Parties.” The Parties agree that the Action (as defined herein) shall be fully and finally compromised, settled and released, and final judgment entered upon the terms and conditions set forth herein and to be approved by the Court.

I. DEFINITIONS

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

A. “**Action**” means the LWDA Letters (dated May 19, 2020 and November 23, 2021), the Complaint and any amendments thereto, which is captioned as *Crisanto A. Perez, et al. v. Amerit Fleet Solutions, Inc.*, Superior Court of California, County of San Bernardino, Case No. CIVDS2015781, the Complaint in *Jaime Rene Felix, et al. v. Amerit Fleet Solutions, Inc.*, Superior Court of California, County of Los Angeles, Case No. 21STCV14498, and any amendments thereto, and the LWDA Letter (dated March 9, 2021) and the Complaint in *Jaime Rene Felix, et al. v. Amerit Fleet Solutions, Inc.*, Superior Court of California, County of Los Angeles, Case No. 21STCV27144 and any amendments thereto.

B. “**Class**” means all individuals who are or were previously employed by Defendant in California who were classified as non-exempt employees, excluding corporate employees and employees covered by a collective bargaining agreement, during the Class and PAGA Period. Each individual member of the Class shall be referred to herein as a “**Class Member**.”

C. “**Class and PAGA Period**” means the period of time between May 19, 2019 to the date when the Court grants preliminary approval of the Settlement or September 11, 2022, whichever is earlier.

D. “**Class Counsel**” means Geralyn Skapik of Skapik Law Group and Gabriel J. Pimentel and Yesenia Rodriguez of Pimentel Law, P.C.

E. “**Class Counsel Fees Payment**” and “**Class Counsel Litigation Expenses Payment**” mean the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.

F. **“Class Data”** means, for each Class Member, their name; last-known mailing address; Social Security number; and the number of pay periods worked during the Class and PAGA Time Period.

G. **“Class Notice”** means the Notice of Proposed Settlement of Class Action and Hearing Date for Final Court Approval substantively in the form attached hereto as **Exhibit A** to this Agreement and incorporated by reference into this Agreement.

H. **“Class Notice Packet”** means the Class Notice to be provided to the Class Members by the Settlement Administrator in the form set forth as **Exhibit A** to this Agreement (other than formatting changes to facilitate printing by the Settlement Administrator).

I. **“Class Representatives or Plaintiffs”** means Plaintiffs Crisanto Perez, Robert Ladd, Jaime Rene Felix and Robert Estupesolis.

J. **“Class Representative Service Payment”** means the service payment made to each of the named Plaintiffs in their capacity as Class Representatives in order to compensate them for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendant’s expenses in the event Plaintiffs were unsuccessful in the prosecution of the Action, and for the general release of all claims by the Plaintiffs.

K. **“Court”** means the Superior Court of California, County of San Bernardino.

L. **“Defendant”** means Amerit Fleet Solutions, Inc.

M. **“Defendant’s Counsel”** means Heather M. Sager, Heather Shook and Brittany A. Sachs of Perkins Coie LLP.

N. **“Effective Date”** means the date by which all of the following have occurred:

1. This Agreement is approved by the Court;
2. The Judgment becomes Final as defined in Section I.R of this Agreement;
3. The *Felix I* Action has been dismissed pursuant to the terms of this Agreement; and
4. The *Felix II* Action has been dismissed pursuant to the terms of this Agreement.

O. **“Election Not to Participate in Settlement”** means the written request by a Class Member to exclude themselves from the Settlement submitted in accordance with the instructions in the Class Notice.

P. **“Felix I Action”** means the action titled *Jaime Rene Felix, et al. v. Amerit Fleet Solutions, Inc.*, filed in the Superior Court of California, County of Los Angeles, Case No. 21STCV14498, in which the Court compelled individual arbitration and stayed the class claims based on the existence of the class action waiver in Plaintiffs’ arbitration agreements.

Q. “**Felix II Action**” means the action titled *Jaime Rene Felix, et al. v. Amerit Fleet Solutions, Inc.*, pending in the Superior Court of California, County of Los Angeles, Case No. 21STCV27144, in which Plaintiffs alleged claims pursuant to PAGA.

R. “**Final**” means the last of the following dates, as applicable:

1. If no objection to the Settlement is made, the date the Judgment is entered.
2. If an objection to the Settlement is made and Judgment is entered but no appeal is filed, the last date on which a notice of appeal from the Judgment may be filed and none is filed.
3. If an objection to the Settlement is made, Judgment is entered and a timely appeal from the Judgment is filed, the date the Judgment is affirmed and is no longer subject to appeal.

S. “**Final Approval Hearing**” means the hearing to be conducted by the Court to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.

T. “**Gross Settlement Amount**” means One Million Two Hundred and Fifty Thousand Dollars and zero cents (\$1,250,000.00) to be paid by Defendant as provided by this Agreement. This Gross Settlement Amount is an all-in amount without any reversion to Defendant and shall be inclusive of all payments of Settlement Shares to the Participating Class Members, Settlement Administration Expenses, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the PAGA Payment, and excluding any employer payroll taxes, if any, due on the portion of the Settlement Shares allocated to wages which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendant.

U. “**Judgment**” means the Final Approval Order and Judgment entered by the Court substantially in the forms attached hereto as **Exhibit C** to this Agreement and incorporated by reference into this Agreement.

V. “**LWDA**” means the California Labor and Workforce Development Agency. Class Counsel shall be responsible for timely submitting any copies of all relevant documents, judgments, or orders that are required to be submitted to the LWDA.

W. “**LWDA Letters**” means all letters Plaintiffs submitted to the LWDA, including any and all amended letters, which are attached as **Exhibits E and F**.

X. “**Net Settlement Amount**” means the Gross Settlement Amount less the Court-approved amounts for the Class Representative Service Payments, the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the PAGA Payment, and the Settlement Administration Expenses.

Y. **“Non-Participating Class Member”** means a Class Member who submits a valid and timely Election Not to Participate in Settlement.

Z. **“PAGA”** means the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698 *et seq.*).

AA. **“PAGA Employees”** mean all individuals who are or were previously employed by Defendant in California who were classified as non-exempt employees, excluding corporate employees and employees covered by a collective bargaining agreement, at any time during the Class and PAGA Time Period. Each individual member shall be referred to herein as a **“PAGA Employee.”**

BB. **“PAGA Payment”** means the payment each PAGA Employee receives from the Gross Settlement Amount pursuant to PAGA.

CC. **“PAGA Released Claims”** means any and all PAGA causes of action that: (i) were alleged in the LWDA letters or (ii) were pled in the Second Amended Complaint in the *Perez* Action. PAGA Released Claims do not include claims outside of the Class and PAGA Period.

DD. **“Participating Class Member”** means a Class Member who does not submit a valid and timely Election Not to Participate in Settlement.

EE. **“Perez Action”** means the action titled *Crisanto A. Perez, et al. v. Amerit Fleet Solutions, Inc.*, pending in the Superior Court of California, County of San Bernardino, Case No. CIVDS2015781, and any amendments to the Complaints filed therein.

FF. **“Perez Second Amended Complaint”** means the operative Complaint in this Action that is filed to effectuate the terms of this Settlement, a copy of which is attached hereto as **Exhibit D**.

GG. **“Preliminary Approval of the Settlement”** means the Court’s Order Granting Preliminary Approval of the Settlement substantially in the form attached hereto as **Exhibit B** to this Agreement and incorporated by this reference herein.

HH. **“Released Class Claims”** means the claims that Plaintiffs and the other Participating Class Members are releasing in exchange for consideration provided for by this Agreement. These claims are any and all claims arising out of or relating to the facts alleged in the operative *Perez* Second Amended Complaint, Plaintiffs’ LWDA Letters, or any claims that could have been alleged based on the facts pleaded, along with related claims and all associated penalties against Released Parties during the Class and PAGA Period. For avoidance of doubt, the Released Class Claims include, but are not limited to, any and all past and present claims, actions, demands, causes of action, suits, debts, obligations, damages, rights or liabilities, known or unknown, including claims for damages, statutory damages, declaratory relief, injunctive relief, equitable relief, penalties, interest, attorneys’ fees, or costs incurred by Class Counsel (other than those expressly awarded by the Court in the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment authorized by this Agreement), arising out of or relating to

the facts alleged in the operative *Perez* Second Amended Complaint, Plaintiffs' LWDA Letters, or any claims that could have been alleged based on the facts pleaded, along with related claims and all associated penalties against Released Parties during the Class and PAGA Period, including, but not limited to, the following:

- (1) claims for unpaid wages (including, claims for minimum wage, regular wages, overtime, off the clock claims, failure to pay double minimum wage when employee furnished their own tools and failure to pay all earned wages);
- (2) claims for failure to provide meal periods, including meal period premiums;
- (3) claims for failure to provide rest periods, including rest period premiums;
- (4) claims for failure to reimburse employees for necessary business expenses, including, but not limited to, reimbursement for tools;
- (5) claims for failure to provide accurate itemized wage statements as required by Labor Code section 226(a);
- (6) claims for failure to maintain required records (including time records showing when an employee begins and ends each work period, hours of overtime worked and hours of time worked off the clock);
- (7) claims for failure to timely pay wages when due (including payment of all wages owed upon separation and payment of all wages earned by the seventh calendar day following the close of the pay period);
- (8) claims for liquidated damages (including Labor Code section 1194.2), interest, statutory penalties (including waiting time penalties pursuant to Labor Code Section 203, wage statement penalties pursuant to Labor Code Section 226), restitution, and civil penalties (including Labor Code section 2699);
- (9) claims for failure to adopt standards that minimize excessive heat including pursuant to Labor Code sections 6720 and 226.7;
- (10) claims for unfair business practices in violation of California's Business and Professions Code, Section 17200, *et seq.*; and
- (11) any and all claims based on applicable law that were alleged or could have been pled based on the factual allegations raised in the operative *Perez* Second Amended Complaint or LWDA letters submitted by Plaintiffs.

Released Class Claims do not include claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and claims outside of the Class and PAGA Period.

II. **“Released Parties”** collectively mean: Defendant, Defendant’s respective past, present and future parents, subsidiaries, affiliates, corporations, divisions, agents, related entities, and successors and assigns, and the past, present and future shareholders, managing agents, investors, managers, officers, partners, legal representatives, accountants, trustees, administrators, members, directors, agents, employees, attorneys, insurers, predecessors, successors, transferees and assigns of Defendant, real or alleged alter egos and real or alleged joint employers of Defendant.

JJ. **“Settlement”** means the disposition of the Action and all related claims effectuated by this Agreement.

KK. **“Settlement Administrator”** means the qualified third-party settlement administrator as approved by the Court.

LL. **“Settlement Share”** means each Participating Class Member’s share of the Net Settlement Amount as provided by this Agreement.

II. RECITALS

A. On July 29, 2020, Plaintiffs Crisanto Perez and Robert Ladd filed a Complaint under PAGA against Defendant in the Superior Court of the State of California, County of San Bernardino. Plaintiffs asserted that Defendant committed the following violations of the California Labor Code, which warranted PAGA penalties:

1. Failure to pay all overtime hours worked and permitted or required off the clock work in violation of Labor Code sections 510, 558, 1194 and Wage Order No. 9-2001 § 3;
2. Failure to provide rest periods and rest period premiums in violation of Labor Code sections 225.7; 558, and Wage Order No. 9-2001, § 12;
3. Failure to maintain required records in violation of Labor Code sections 1174, 1174.5 and Wage Order No. 9-2001, § 7;
4. Failure to provide itemized wage statements in violation of Labor Code sections 226(a) and 226.3; and
5. Failure to pay all wages owed upon separation in violation of Labor Code sections 201, 202, 203, 256 and 558.

B. On October 29, 2020, Plaintiffs Perez and Ladd filed a First Amended Complaint under PAGA to allege additional facts to support their claims.

C. On December 2, 2020, Defendant filed an Answer to the First Amended Complaint in the *Perez* Action generally denying the allegations and asserted twenty-seven affirmative defenses.

D. On April 15, 2021, Plaintiffs Felix and Estupesolis filed a putative Class Action Complaint in the *Felix I* Action against Defendant in the Superior Court of the State of California, County of Los Angeles. Plaintiffs asserted that Defendant committed the following violations of the California Labor Code:

1. Failure to pay minimum wage in violation of Labor Code sections 1182.12, 1194, 1197, 1197.1, 1198 and applicable Wage Orders;
2. Failure to pay overtime in violation of Labor Code sections 510, 1198 and applicable Wage Orders;
3. Failure to provide meal periods in violation of Labor Code sections 226.7, 512, 1198, and applicable Wage Orders;
4. Failure to provide rest periods in violation of Labor Code sections 226.7, 1198, and applicable Wage Orders;
5. Failure to indemnify for necessary expenditures in violation of Labor Code sections 1182, 1194, 1194.2, 1197, 2802, and applicable Wage Orders;
6. Failure to furnish complaint wage statements and maintain accurate pay records in violation of Labor Code sections 226, 1174 and 1198;
7. Failure to timely pay wages in violation of Labor Code section 204;
8. Willful failure to pay wages in violation of Labor Code sections 201 through 203; and
9. Unfair competition in violation of California Business and Professions Code section 17200, *et seq.*

E. On August 20, 2021, Defendant filed a Motion to Compel Arbitration and Stay the Action in the *Felix I* Action;

F. On November 22, 2021, the Court in *Felix I* granted Defendant's Motion to Compel and compelled arbitration of Plaintiff Felix and Estupesolis' individual claims and stayed the proceedings pending the arbitration;

G. On July 23, 2021, Plaintiffs Felix and Estupesolis filed a Complaint under PAGA in the *Felix II* Action in the Superior Court of the State of California, County of Los Angeles. Plaintiffs asserted that Defendant committed the following violations of the California Labor Code, which warranted PAGA penalties:

1. Failure to reimburse for necessary business expenses, including tools, in violation of Labor Code section 2802;

2. Failure to pay minimum wage in violation of Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198;
3. Failure to pay overtime in violation of Labor Code sections 510 and 1198;
4. Failure to furnish compliant wage statements and maintain accurate pay records in violation of Labor Code sections 226, 1174, and 1198;
5. Failure to provide meal periods in violation of Labor Code sections 226.7, 512, and 1198;
6. Failure to provide rest periods in violation of Labor Code sections 226.7 and 1198;
7. Failure to timely pay wages in violation of Labor Code sections 204; and
8. Willful failure to pay wages in violation of Labor Code sections 201 to 203.

H. On September 2, 2021, Defendant filed an Answer in the *Felix II* Action generally denying the allegations and asserted sixteen affirmative defenses.

I. On June 13, 2022, the Parties participated in an all-day mediation presided over by Judge Carl West (Ret.), a respected mediator of wage and hour representative and class actions. Following the mediation, each party, represented by its respective counsel, was able to agree to settle the Action, the terms of which were memorialized in the form of a Memorandum of Understanding. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties.

J. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of Plaintiffs, the Class or the PAGA Employees have merit or that Defendant bears any liability to Plaintiffs or the Class on those claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action. The Parties agree and acknowledge that Defendant has valid arbitration agreements with enforceable class action waivers with its employees.

Based on these Recitals that are part of this Agreement, the Parties agree as follows:

III. SETTLEMENT TERMS AND CONDITIONS

A. **Second Amended Complaint.** This Agreement is intended to resolve, collectively, all claims within the scope of the Action, the LWDA letters, as well as any arguments raised at mediation. In connection with this Settlement, Plaintiffs Perez and Ladd

agreed to file a Second Amended Complaint in the *Perez* Action. The Second Amended Complaint includes, without limitation, adding class claims, including Plaintiffs Felix and Estupesolis, adding claims alleged in the *Felix I* and *Felix II* Actions, adding claims alleged in the LWDA letters, and adding any arguments raised in mediation. The Second Amended Complaint also conformed the Class definition to that set forth in this Agreement. Plaintiffs provided a copy of the Second Amended Complaint to Defendant for review and comment prior to filing. The Parties submitted to the Court a stipulation allowing Plaintiffs to file the Second Amended Complaint on August 16, 2022. The Second Amended Complaint is substantively in the form attached hereto as **Exhibit D**. Plaintiffs must take all steps to effectuate the filing of the Second Amended Complaint as required by the Court, if additional steps are needed in addition to filing the joint stipulation. Defendant's obligation to file an answer to the Second Amended Complaint is stayed pending the hearing on the Preliminary Approval Motion and Final Approval Hearing and will be mooted by the Judgment in the Action. Upon the filing of the Second Amended Complaint and the entry of the Preliminary Approval Order by the Court, Plaintiffs Felix and Estupesolis shall take the steps necessary for dismissal of the *Felix I* and *Felix II* Actions without prejudice as to the class and representative PAGA claims and with prejudice as to Plaintiffs Felix and Estupesolis' individual claims and individual PAGA claims. Plaintiffs Felix and Estupesolis will file any necessary documents, including declarations, with the Court in the *Felix I* and *Felix II* Actions. Plaintiffs Felix and Estupesolis warrant and represents that they will take all necessary steps to dismiss the *Felix I* and *Felix II* Actions, and agree and represent that they will not pursue their individual claims through arbitration, which is a material term to this Agreement. Should the Court in the *Felix I* or *Felix II* Action decline to grant the request to dismiss, the Parties shall meet and confer about a mutually acceptable method to request the Court close the *Felix I* and/or *Felix II* Action.

B. Second Amended LWDA Letter. On May 19, 2020, Plaintiffs Perez and Ladd submitted a notice to the LWDA. On November 23, 2020, Plaintiffs Perez and Ladd submitted an amended notice to the LWDA, incorporating the May 19, 2020 notice. On March 9, 2021, Plaintiffs Felix and Estupesolis submitted a notice to the LWDA. To comply with the requirements of PAGA, Plaintiffs in the *Perez Action* agreed to file a Second Amended Notice with the LWDA to incorporate all claims within the scope of the *Felix I* and *Felix II* Actions, any arguments raised at mediation, as well as any allegations raised by the Second Amended Complaint to be filed in the *Perez Action*. Plaintiffs provided a copy of the Second Amended Notice to Defendant for review and comment prior to filing. On July 19, 2022, Plaintiffs submitted the Second Amended Notice to the LWDA prior to filing the Second Amended Complaint. The Second Amended Notice is attached as **Exhibit E**.

C. Conditional Nature of Stipulation for Certification. The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiffs and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with the question of whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit or venue. If the Settlement does not become effective, Defendant reserves the right to contest any issues relating to class certification, liability, and damages. Moreover, if the Settlement does not become final and effective, as provided herein, class certification shall immediately be set aside and

decertified (subject to further proceedings on motion of any Party to certify or deny certification thereafter).

D. Appointment of Class Representatives. Solely for purposes of this Settlement, the Parties stipulate and agree that Plaintiffs shall be appointed as the representatives for the Class. If the Settlement does not become effective, Defendant reserves the right to contest Plaintiffs' adequacy to serve as class representatives.

E. Appointment of Class Counsel. Solely for purposes of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class Members. If the Settlement does not become effective, Defendant reserves the right to contest Plaintiffs' Counsel's adequacy to serve as class counsel.

F. Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the Gross Settlement Amount that Defendant will pay under this Settlement is One Million Two Hundred and Fifty Thousand Dollars and zero cents (\$1,250,000.00). This amount is inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Settlement Shares allocated to wages which shall be separately paid by Defendant to the Settlement Administrator. All of the Gross Settlement Amount will be disbursed pursuant to this Agreement without the need to submit a claim form and none of the Gross Settlement Amount will revert to Defendant.

G. Payments from the Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments out of the Gross Settlement Amount:

1. **To Plaintiffs Perez, Ladd, Felix and Estupesolis:** In addition to the Settlement Shares to be paid to Plaintiffs Perez, Ladd, Felix and Estupesolis, Plaintiffs will apply to the Court for an award of not more than Fifteen Thousand Dollars and zero cents (\$15,000.00) each as Class Representative Service Payments, which is a combined total of Sixty Thousand Dollars and zero cents (\$60,000.00) in Class Representative Service Payments. Defendant will not oppose Class Representative Service Payments of no more than Fifteen Thousand Dollars (\$15,000.00) for each of the Plaintiffs. The Settlement Administrator will pay the Class Representative Service Payments approved by the Court out of the Gross Settlement Amount. If the Court approves Class Representative Service Payments of less than Fifteen Thousand Dollars (\$15,000.00) for each of the Plaintiffs, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Payroll tax withholding and deductions will not be taken from the Class Representative Service Payments and instead a Form 1099 will be issued to each of the Plaintiffs with respect to the payments who will assume full responsibility and liability for the taxes due on their Class Representative Service Payments. To receive the payment, as consideration, Plaintiffs Perez, Ladd, Felix and

Estupesolis agree to a 1542 waiver and a general release of all claims as set forth below.

2. **To Class Counsel:** Class Counsel will apply to the Court for an award of not more than thirty-five (35%) percent of the Gross Settlement Amount, which is presently Four Hundred, Thirty-Seven thousand, Five Hundred Dollars and zero cents (\$437,500.00), as their Class Counsel Fees Payment and an amount of not more than Twenty-One Thousand and Six Hundred Dollars and zero cents (\$21,600.00) for all expenses incurred as documented in Class Counsel's records regarding litigation expenses. Defendant will not oppose their request for a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment consistent with this Agreement and approved by the Court. The Settlement Administrator will pay the attorney fees and costs approved by the Court out of the Gross Settlement Amount. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment of less than these amounts, which are presently Four Hundred, Thirty-Seven Thousand, Five Hundred Dollars (\$437,500.00) and not more than Twenty-One Thousand and Six Hundred Dollars and zero cents (\$21,600.00) respectively, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Payroll tax withholding and deductions, if any, will not be taken from the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment and instead one or more Forms 1099 will be issued by the Settlement Administrator to Class Counsel with respect to those payments. The payment of the Class Counsel Fees Payment shall be allocated as follows: 55% to Skapik Law Group and 45% to Pimentel Law, P.C. The Class Counsel Litigation Expenses Payment shall be allocated between firms based upon the expenses actually incurred by each firm as set forth in the declarations by Class Counsel. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.
3. **The PAGA Payment.** The Parties will seek approval from the Court for the PAGA Payment of Fifty Thousand Dollars and zero cents (\$50,000.00) out of the Gross Settlement Amount, which shall be allocated 75% (\$37,500.00) to the LWDA as the LWDA's share of the settlement of civil penalties paid under this Agreement pursuant to the PAGA and 25% (\$12,500.00) will be distributed to the PAGA Employees based on their respective pay periods worked during the Class and PAGA Period. If the Court approves a PAGA Payment of less than \$50,000, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. All PAGA Employees will be sent their share of the PAGA Payment and will be subject to the release of the PAGA Released

Claims, as set forth below, whether or not they opt out of the Settlement. One hundred percent (100%) of the PAGA Payment is in settlement of claims for penalties and not be subject to wage withholdings and shall be reported on IRS Form 1099.

4. **To the Settlement Administrator.** The Settlement Administrator will pay out of the Gross Settlement Amount to itself its reasonable fees and expenses that are documented and approved by the Court in an amount not to exceed Eighteen Thousand Dollars (\$18,000.00) (“Settlement Administration Expenses”). To the extent the Settlement Administration Expenses that are documented and approved by the Court are less than Eighteen Thousand Dollars and zero cents (\$18,000.00), the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.
5. **To the Responsible Tax Authorities.** The Settlement Administrator will pay over employer’s share of payroll taxes and amounts withheld in accordance with this Agreement to the appropriate taxing authorities.

H. **Payments from the Net Settlement Amount.** The Net Settlement Amount shall include the following payments after the deductions have been made from the Gross Settlement Amount as described in this Agreement. The Net Settlement Amount shall include the following:

1. **Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay a Settlement Share from the Net Settlement Amount to each Participating Class Member. The submission of a claim form is not required to be paid.
2. **Calculation.** Each Participating Class Member will be entitled, provisionally, to a share or shares of the Net Settlement Amount. The Settlement Share for each Participating Class Member will be calculated as follows: (i) Defendant shall provide the Settlement Administrator with the pay periods for all Participating Class Members during the Class and PAGA Period; (ii) the Settlement Administrator shall then divide the Net Settlement Amount by the total number of pay periods to determine a dollar amount per pay period (“Pay Period Rate”); and (iii) the Settlement Administrator shall then take the number of pay periods for each Participating Class Member and multiply it by the Pay Period Rate to calculate their Settlement Share.
3. **Withholding.**
 - a. Subject to approval by the Court, twenty (20) percent of each Participating Class Member’s Settlement Share is in settlement of wage claims (the “Wage Portion”). Accordingly, the Wage Portion is subject to wage withholdings, and shall be reported on

IRS Form W-2 and shall be paid for from the Gross Settlement Amount. The Settlement Administrator shall be responsible for timely remitting to the tax authorities employees' and employer's share of all payroll taxes on the Wage Portion.

- b. Subject to approval by the Court, eighty (80) percent of each Participating Class Member's Settlement Share is in settlement of claims for interest and penalties allegedly due to employees (collectively the "Non-Wage Portion"). The Non-Wage Portion shall not be subject to wage withholdings and shall be reported on IRS Form 1099.
 - c. The Participating Class Members agree to hold harmless Defendant, Class Counsel, and Defendant's Counsel for any tax liability, including penalties and interest, arising out of or relating to the Participating Class Members' failure to pay taxes on any amounts paid pursuant to this Settlement.
4. **Effect of Non-Participating Class Members.** Non-Participating Class Members will receive no Settlement Share, and their Election Not to Participate in the Settlement will reduce neither the Gross Settlement Amount nor the Net Settlement Amount. Their respective Settlement Shares will remain a part of the Net Settlement Amount for distribution to Participating Class Members on a *pro rata* basis relative to their Settlement Shares.

I. **Appointment of Settlement Administrator.** After obtaining a quote from mutually acceptable and qualified settlement administrators, the Parties have mutually agreed to ask the Court to appoint Simpluris as the qualified administrator to serve as the Settlement Administrator, which, as a condition of appointment, will agree to be bound by this Agreement with respect to the performance of its duties and its compensation. The Settlement Administrator's duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned to the Class Member's new address; setting up a toll-free telephone number to receive calls from Class Members; receiving and reviewing for validity completed Elections Not to Participate in Settlement; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of completed Elections Not to Participate in Settlement; calculating Settlement Shares and PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Settlement Administrator will have the authority to resolve all disputes concerning the calculation of a Participating Class Member's Settlement Share, subject to the dollar limitations and calculations set forth in this Agreement. The Settlement Administration Expenses, including the cost of printing and mailing the Class Notice Packet, will be paid out of the Gross Settlement Amount.

The Settlement Administrator shall have its own Employer Identification Number under Internal Revenue Service Form W-9 and shall use its own Employer Identification Number in calculating payroll withholdings for taxes and shall transmit the required employer's and employees' share of the withholdings to the appropriate state and federal tax authorities. The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under Section 468B of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder which settlement fund shall consist of the Gross Settlement Amount plus any employer-side payroll taxes payable in connection with amounts paid pursuant to this Settlement which are paid by Defendant to the Settlement Administrator pursuant to the foregoing Section III.F and the below Section III.J.9. The Parties shall cooperate as necessary to ensure that settlement fund is treated as a QSF. Any taxes due as a result of income earned by the QSF will be paid by the QSF.

In addition, the Parties agree that the Settlement Administrator will provide notice of the final judgment to Class Members by mail along with the Participating Class Member's Settlement Share, if any. The notice shall include the following (or substantially similar) language: "This notice is being mailed to all Class Members in *Crisanto A. Perez, et al. v. Amerit Fleet Solutions, Inc.*, Case No. CIVDS2015781, pending in Superior Court of the State of California, County of San Bernardino, including you, pursuant to California Rule of Court 3.771. This notice is to advise you that the Court has approved the settlement of this matter and entered judgment accordingly. Your Participating Class Member's Settlement Share is enclosed if you did not opt-out of this Settlement."

J. Procedure for Approving Settlement.

1. Motion for Preliminary Approval of Settlement by the Court.

- a. After Execution of this Settlement Agreement, Plaintiffs will file a Preliminary Approval Motion with the Court for an order giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice (the "Motion for Preliminary Approval"). Any disagreement among the Parties concerning the Class Notice, the proposed orders, or other documents necessary to implement the Settlement will be referred to the mediator for resolution. At the time of the filing of the Preliminary Approval Motion, Plaintiffs will serve the LWDA with a copy of this Agreement and the Preliminary Approval Motion as required by PAGA.
- b. At the hearing on the Motion for Preliminary Approval, the Parties will jointly appear, support the granting of the motion, and submit an Order Granting Preliminary Approval of the Settlement substantially in the form evidenced by **Exhibit B** to this Agreement and incorporated by reference into this Agreement.
- c. Should the Court decline to preliminarily approve aspects of the Settlement, the Parties shall work together in good faith to address

any concerns raised by the Court and propose a revised Settlement for the Court's approval, unless any such revisions are inconsistent with a material term of this Agreement. "Material" includes but is not limited to, the Gross Settlement Amount, the scope of the Released Class Claims, the scope of Plaintiffs Releases, the scope of the PAGA Released Claims, or the binding effect of the Settlement on Participating Class Members (including Plaintiffs). In the event the Court declines to preliminarily approve a material term, at Defendant's sole election, the Settlement shall be null and void, and the Parties will have no further obligations under it. However, an award by the Court of a lesser amount than that sought by Plaintiffs and Class Counsel for the PAGA Payment, Class Representative Service Payments, the Class Counsel Fees Payment, or the Class Counsel Litigation Expenses Payment, will not constitute a material modification to the Settlement within the meaning of this paragraph provided that Defendant's obligation to make payments under this Settlement will remain limited by the Gross Settlement Amount.

2. **Notice to Class Members.** After the Court enters an Order Granting Preliminary Approval of the Settlement, every Class Member will be sent the Class Notice Packet (which will include the Class Notice completed to reflect the Order Granting Preliminary Approval of the Settlement and showing the Class Member's Settlement Share) as follows:
 - a. No later than thirty (30) days after the Court enters an Order Granting Preliminary Approval of the Settlement, Defendant will provide to the Settlement Administrator an electronic file containing each Class Member's Class Data. This information will otherwise remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities, in order to carry out the reasonable efforts described in Section III.I, or pursuant to Defendant's express written authorization or by order of the Court. All Class Data will be used for settlement notification and settlement administration and shall not be used for any other purpose by Class Counsel. This provision shall not be construed to impede Class Counsel's ability to discharge their fiduciary duties to the Class, and if additional disclosures are necessary, Class Counsel will obtain written authorization of Defendant and/or an order from the Court.
 - b. The Settlement Administrator shall update the Class Data using the National Change of Address database prior to mailing the Class Notice Packets. Using best efforts to mail it as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Settlement Administrator will mail the Class

Notice Packets to all Class Members via first-class regular U.S. Mail using the mailing address information provided by Defendant, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement.

- c. If a Class Notice Packet is returned because of an incorrect address, the Settlement Administrator will promptly, and not longer than fourteen (14) days from receipt of the returned packet, search for a more current address for the Class Member and re-mail the Class Notice Packet to the Class Member. The Settlement Administrator will use the Class Data and otherwise work with Defendant to find a more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, Court orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a Class Notice Packet is returned by the 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 using available email addresses, phone numbers, social security numbers, credit reports, LinkedIn, and Facebook; and promptly re-mailing to Class Members for whom new addresses are found. If the Class Notice Packet is re-mailed, the response date for written objections, disputes and opt-outs will be extended an additional fifteen (15) days, and the Settlement Administrator will note for its own records and notify Class Counsel and Defendant's Counsel of the date and address of each such re-mailing as part of a weekly status report provided to the Parties.
- d. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Elections Not to Participate in Settlement it receives (including the numbers of valid and deficient), and number of objections received.
- e. Not later than ten (10) days before the date by which the Plaintiffs file the motion for final approval of the Settlement, the Settlement Administrator will provide the Parties, for filing with the Court, a declaration of due diligence setting forth its compliance with its obligations under this Agreement and detailing the Elections Not to Participate in Settlement it received (including the numbers of valid and deficient Elections) and objections received. Prior to 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.

3. **Objections to Settlement; Disputes as to Information allocated to Class Members; Elections Not to Participate in Settlement.**

Participating Class Members may submit objections to the Settlement and/or objections to the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. Class Members may also submit disputes as to pay periods allocated to them and Elections Not to Participate in Settlement pursuant to the following procedures:

- a. **Objections to Settlement.** The Class Notice will provide that only Participating Class Members who wish to object to the Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or the Class Representative Service Payments may object to the proposed Settlement, either in writing or orally at the Final Approval Hearing. Objections in writing must be submitted to the Settlement Administrator, postmarked no later than forty-five (45) calendar days after the Settlement Administrator mails the Class Notice Packets. Written objections must set forth the grounds for the objection(s) and comply with the instructions in the Class Notice. If a Class Notice Packet is re-mailed, the response date for written objections will be extended an additional fifteen (15) days. Alternatively, Class Members shall be entitled to be heard at the Final Approval Hearing (whether individually or through separate counsel) to orally object to the Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or the Class Representative Service Payments. Non-Participating Class Members shall have no ability to comment on or object to the Settlement.
- a. **Disputes as to Pay Periods.** Each Class Member shall also have forty-five (45) calendar days after the Settlement Administrator mails the Class Notice Packets in which to dispute the pay periods the Class Notice allocates to them during the Class Period. Any notice of dispute shall be directed to the Settlement Administrator. Any dispute as to this allocation shall be resolved by the Settlement Administrator, with input and assistance from Defendant's Counsel where applicable. If a Class Notice Packet is re-mailed, the response date for disputes will be extended an additional fifteen (15) days.
- b. **Election Not to Participate in Settlement.** The Class Notice also will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator, postmarked no later than forty-five (45) calendar days after the Settlement Administrator mails the Class Notice Packets, a signed

Election Not to Participate in Settlement. If a Class Notice Packet is re-mailed, the response date for opt-outs will be extended an additional fifteen (15) days. To be valid, an Election Not to Participate in Settlement must be timely and must comply with the instructions in the Class Notice. If a question is raised about the authenticity of a signed Election Not to Participate in Settlement, the Settlement Administrator will have the right to demand additional proof of the Class Member's identity. A Non-Participating Class Member will not participate in, or be bound by, the Settlement and the Judgment, except that a PAGA Employee will still be paid their allocation of the PAGA Payment and will remain bound by the release of the PAGA Released Claims regardless of their request for exclusion. Defendant will remain free to contest any claim brought by any Class Member that would have been barred by this Agreement, and nothing in this Agreement will constitute or be construed as a waiver of any defense Defendant has or could assert against such a claim. A Class Member who does not complete and mail a timely Election Not to Participate in Settlement in the manner and by the deadline specified above and in the Class Notice will automatically become a Participating Class Member and will be bound by all terms and conditions of the Settlement, including the Released Class Claims by the Class, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement. Persons who submit an Election Not to Participate in Settlement shall not be permitted to file objections to the Settlement or appear at the Final Approval Hearing to voice any objections to the Settlement.

All Participating Class Members who do not submit a valid and timely Election Not to Participate in Settlement will receive a Settlement Share, without the need to file a claim form, and will be bound by all of the terms of the Settlement, including without limitation, the release of the Released Class Claims by the Participating Class Members set forth in this Agreement.

- c. **Report.** Not later than ten (10) calendar days after the deadline for submission of Elections Not to Participate in Settlement, the Settlement Administration will provide Class Counsel and Defendant's Counsel with a complete and accurate list of all Participating Class Members and all Non-Participating Class Members.

- 4. **Right of Defendant to Negate Settlement.** If the number of Class Members who timely submit valid Elections Not to Participate in Settlement exceeds ten percent (10%) of the Class, Defendant, at its sole discretion, shall have the right, but not the obligation, to negate the

Settlement or decrease the Settlement Amount on a pro rata basis. Defendant shall exercise its rights, if at all, within fourteen (14) days after receiving the Settlement Administrator's report regarding the number of Elections Not to Participate in the Settlement it received, by providing written notice to Class Counsel. If Defendant exercises its revocation right to negate the Settlement, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount, or any amounts that otherwise would have been owed under this Agreement, except that Settlement Administration Expenses as of the date that Defendant exercises the right to void the Settlement pursuant to this Paragraph will be paid by Defendant. Further, if Defendant elects to negate the settlement, the Second Amended Complaint filed in the *Perez* Action shall be void *ab initio* and of no force or effect and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose with respect to any issue, substantive or procedural.

5. **No Solicitation.** The Parties and their respective counsel represent that neither the Parties nor their respective counsel have or will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, appeal from the Judgment, or elect not to participate in the Settlement.
6. **Additional Briefing and Final Approval.**
 - a. Unless otherwise ordered by the Court, Class Counsel will file with the Court their motion for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments no later than the date Plaintiffs file the Motion for Final Approval, and the application will be scheduled to be heard by the Court at the Final Approval Hearing.
 - b. Not later than sixteen (16) court days before the Final Approval Hearing, Plaintiffs will file with the Court a motion for final approval of the Settlement, the PAGA Payment, and payment of the Settlement Administration Expenses. At the time of the filing of the motion for final approval, Plaintiffs will serve the LWDA with a copy of the motion for final approval as required by PAGA.
 - c. If any opposition is filed to the motion for final approval and/or the motion for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the PAGA Payment, then no later than five (5) court days before the Final Approval Hearing, both Parties may file a reply in support of the motion for final approval, and Plaintiffs and Class Counsel may also file a reply in support of

their motion for the Class Representative Service Payment, the Class Counsel Fees Payments, and the Class Counsel Litigation Expenses Payment.

d. If the Court does not grant final approval of the Settlement or grants final approval conditioned on a change to the Settlement, the Parties shall work together in good faith to address any concerns raised by the Court and propose a revised Settlement for the Court's approval, unless any such revisions are inconsistent with a material term of this Agreement. "Material" includes but is not limited to, the Gross Settlement Amount, the scope of the Released Class Claims, the scope of Plaintiffs Releases, the scope of the PAGA Released Claims, or the binding effect of the Settlement on Participating Class Members (including Plaintiffs). In the event the Court does not grant final approval of the Settlement or grants final approval conditioned on a material change to the Settlement, at Defendant's sole election, the Settlement shall be null and void, and the Parties will have no further obligations under it. However, an award by the Court of a lesser amount than that sought by Plaintiffs and Class Counsel for the PAGA Payment, Class Representative Service Payments, the Class Counsel Fees Payment, or the Class Counsel Litigation Expenses Payment, will not constitute a material modification to the Settlement within the meaning of this paragraph provided that Defendant's obligation to make payments under this Settlement will remain limited by the Gross Settlement Amount.

d. Upon final approval of the Settlement by the Court at or after the Final Approval Hearing, the Parties will present for the Court's approval and entry the Judgment substantially in the form attached hereto as **Exhibit C**. After entry of the Judgment, the Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of (i) enforcing this Agreement, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as may be appropriate under court rules or applicable law. Upon entry of the Judgment, Plaintiffs will serve the LWDA with a copy of the Judgment as required by PAGA.

7. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the material terms and conditions of this Agreement, Plaintiffs and Participating Class Members who did not timely submit an objection to the Settlement, Defendant, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion for new trial, and any extraordinary writ. The waiver of appeal does not include any waiver of the right to

oppose any appeal, appellate proceedings or post-judgment proceedings. If an appeal is taken from the Judgment, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved and the Judgment becomes Final.

8. **Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal, a petition for review, or a petition for certiorari, or any other motion, petition, or application, the reviewing Court vacates, reverses, or modifies the Judgment such that there is a modification to the Settlement, and that Court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher Court, then the Parties shall work together in good faith to address any concerns raised by the reviewing Court and propose a revised Settlement for the approval of the Court not later than fourteen days after the reviewing Court's decision vacating, reversing, or modifying the Judgment becomes Final, unless any such revisions are inconsistent with a material term of this Agreement. "Material" includes but is not limited to, the Gross Settlement Amount, the scope of the Released Class Claims, the scope of Plaintiffs Releases, the scope of the PAGA Released Claims, or the binding effect of the Settlement on Participating Class Members (including Plaintiffs). In the event of a vacation, reversal, or modification of a material term, at Defendant's sole election, the Settlement shall be null and void, and the Parties will have no further obligations under it. A vacation, reversal, or modification of the Court's award of the Class Representative Service Payments or the Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this paragraph, provided that Defendant's obligation to make payments under this Settlement will remain limited by the Gross Settlement Amount.
9. **Timing of Settlement Funding and Provision of Settlement Shares and Other Payments.** Defendant shall fund the Gross Settlement Amount by depositing the money with the Settlement Administrator. Defendant shall fund the Gross Settlement Amount and the amount necessary to pay Defendant's share of any employer-side payroll taxes within thirty (30) days of the Effective Date. Within fifteen (15) days after Defendant funds the Gross Settlement Amount, the Settlement Administrator will make payment of all Settlement Shares to Participating Class Members, as well as payment of Settlement Administration Expenses, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service Payments and the PAGA Payment in accordance with this Agreement.

10. **Uncashed Settlement Share Checks.** A Participating Class Member must cash their Settlement Share check within one-hundred eighty (180) days after it is mailed to them. If a Participating Class Member's Settlement Share check is not cashed within one-hundred twenty (120) days after its last mailing to the Participating Class Member, the Settlement Administrator will also send the affected Participating Class Member a notice informing them that unless the check is cashed in the next sixty (60) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed. If the check remains uncashed by the expiration of the sixty (60)-day period after this notice, the funds from such uncashed checks will be paid to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member, and the Participating Class Member shall remain bound by the Settlement. The Parties agree that this disposition results in no "unpaid residue" within the meaning of California Code of Civil Procedure Section 384, as the entire Net Settlement Amount will be paid out to Participating Class Members, whether or not they all cash their Settlement Share checks.
11. **Final Report by Settlement Administrator to Court.** Within ten (10) days after final disbursement of all funds from the Gross Settlement Amount, the Settlement Administrator will provide the Parties with a declaration proving a final report on the disbursements of all funds from the Gross Settlement Amount.

K. Release of Claims.

1. **Participating Class Members.** As of the date the Defendant fully funds the Gross Settlement Amount, Defendant and the Released Parties shall receive a release from the Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns of any and all Released Class Claims. For the avoidance of doubt, the Participating Class Members are only releasing claims for the time period that they were employed by Defendant in California and were classified as non-exempt employees during the Class and PAGA Period. The Judgment shall have *res judicata* and preclusive effect on the Participating Class Members as to the Released Class Claims and shall therefore bar Participating Class Members from initiating or prosecuting any of the Released Class Claims. As of the date the Defendant fully funds the Gross Settlement Amount, Participating Class Members and Plaintiffs Perez, Ladd, Felix and Estupesolis shall be permanently enjoined and forever barred from prosecuting any and all Released Class Claims against any Released Party, including in arbitration. Thus, subject to and in accordance with this Agreement, even if the Named Plaintiff or any Participating Class Member may subsequently discover facts in addition to

or different from those they now know or believe to be true with respect to the subject matter of the Released Class Claims, they shall be deemed to have, and by operation of the Final Judgment, shall have fully, finally, and forever settled and released any and all Released Class Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or have existed upon any theory of law or equity now existing or coming into existence in the future, including but not limited to conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

2. **PAGA Employees.** As of the date Defendant fully funds the Gross Settlement Amount, Defendant and the Released Parties shall receive a release from the State of California and all PAGA Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns of all PAGA Released Claims. The release of the PAGA Released Claims shall be effective as to all PAGA Employees, regardless of whether a PAGA Employee submitted a request for an exclusion from the Class.
3. **Plaintiffs Perez, Ladd, Felix and Estupesolis.** As of the date the Defendant fully funds the Gross Settlement Amount, Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally release and discharge the Released Parties from any and all claims, transactions or occurrences between them that occurred during their employment (“Plaintiffs’ Released Claims”), including all claims related to their employment with Defendant, even if not specifically alleged in the Action. This release of Plaintiffs’ Released Claims releases the Released Parties from any claim that Plaintiffs could maintain in any action against any Released Party, including any claims that occurred during their employment with Defendant through the date of this Agreement, including, but not limited to, any and all tort claims, contract claims, wage claims, wrongful termination claims, disability claims, benefit claims, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any claims arising under any federal, state, or other governmental statute, law, regulation or ordinance, including, but not limited to claims for violation of the Fair Labor Standards Act, the Equal Pay Act, California Labor Code, the Wage Orders of California’s Industrial Welfare Commission, other state wage and hour laws, the Americans with Disability Act, the Age Discrimination in Employment Act (ADEA), the Older Workers Benefit Protection Act (OWBPA), Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the

Family and Medical Leave Act, California's Whistleblower Protection Act, California Business & Professions Code Section 17200, *et seq.*, and any and all claims arising under any other federal, state or other governmental statute, law, regulation ordinance that Plaintiffs can lawfully release. Notwithstanding the foregoing, this waiver and release of claims does not extend to any rights which as a matter of law cannot be waived and released by private agreement, including rights to sue to enforce this Agreement and rights to vested benefits, unemployment benefits, disability benefits, social security benefits, and workers' compensation benefits.

Plaintiffs acknowledge that they may discover facts or law different from, or in addition to the facts or law that they know or believe to be true with respect to the claims and matters released by way of this Agreement and agrees, nonetheless, that this Agreement and the releases contained in it shall be and remain effective in all respects, notwithstanding such different or additional facts or the discovery of them. The Parties declare and represent that they intend this Agreement to be complete and not subject to any claim of mistake, and that the releases herein express full and complete releases, and that they intend that the releases herein shall be final and complete.

a. **Waiver of Rights Under California Civil Code Section 1542.**

As partial consideration for the Class Representative Service Payments, the Plaintiffs' Released Claims shall include all such claims, whether known or unknown, by each Plaintiff. Thus, even if Plaintiffs discover facts and/or claims in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Plaintiffs' Released Claims, those claims will remain released and forever barred. Therefore, with respect to Plaintiffs' Released Claims, Plaintiffs expressly waive and relinquish the provisions, rights and benefits of Section 1542 of the California Civil Code, which reads:

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

4. **Class Counsel.** As of the date the Defendant fully funds the Gross Settlement Amount, and except as otherwise provided by this Agreement and the Judgment, Class Counsel and any counsel associated with Class Counsel waive any claim to costs and attorneys' fees and expenses against any of the Released Parties arising from or related to the Action.

L. No Effect on Other Benefits. The Settlement Shares will not result in any additional benefit payments (such as 401(k) or bonus) beyond those provided by this Agreement to Plaintiffs or Participating Class Members, and Plaintiffs and Participating Class Members will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement.

M. Limitation on Public Statements About Settlement. Neither Class Counsel nor Defendant's Counsel shall publicize the Settlement prior to the Court granting preliminary approval, other than filing documents with the Court. Plaintiffs and Class Counsel and Defendant and Defendant's Counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the Settlement. If Plaintiffs or Class Counsel or Defendant or Defendant's Counsel receives an inquiry about the Settlement from the media, they may respond only after the Motion for Preliminary Approval has been filed and only by confirming the accurate terms of the Settlement. This provision shall not prohibit Class Counsel from communicating with Class Members after preliminary approval is granted for the sole purpose of administering the Settlement. This provision also does not limit Class Counsel from complying with ethical obligations or from providing court-filed documents to Class Members after preliminary approval. Nothing in this provision shall prevent Defendant or Plaintiffs from making any required disclosures.

N. Miscellaneous Terms.

1. **Defendant's Reservation of Rights Regarding Arbitration.** By entering into this Settlement, Defendant is not waiving any argument it has that an arbitration agreement with a valid class action waiver applied to this Action and to all Class Members. Similarly, by entering into this Settlement, Defendant is not waiving any argument or defense that it has or may have in this, any other, or any subsequently filed matters, including, but not limited to, waiving its right to compel arbitration in this Action, any other or subsequent litigations (including enforcing a class action waiver, dismissing representative PAGA claims or compelling arbitration of individual PAGA claims).
2. **No Admission of Liability or Class Certification for Other Purposes.**
 - a. Defendant and the Released Parties deny that they have engaged in any unlawful activity, deny they have failed to comply with the law in any respect, deny they have any liability to anyone under the claims asserted in the Action, or concede 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 of liability or wrongdoing by Defendant or the Released Parties, or an admission by Plaintiffs that any of the claims were non-meritorious or any defense asserted by Defendant was meritorious. This Settlement and the

fact that Plaintiffs and Defendant were willing 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 effectuating or enforcing the Settlement in this Action or any other litigation pursuant to this Agreement). Nothing in this Agreement shall be constructed as an admission by Defendant of any liability or wrongdoing as to Plaintiffs, Class Members, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. Moreover, it is not, and it should not be construed as, any admission of fact or law in this matter or any other matter that a class action is appropriate. The Parties have entered into this Settlement with the intention of avoiding further disputes and litigation with the attendant inconvenience, expenses and risks. Nothing in this Agreement shall be construed as an admission by Plaintiffs that Plaintiffs' claims do not have merit or that a class action is inappropriate.

- b. Whether or not the Judgment becomes Final, neither the Settlement, this Agreement, any document, statement, proceeding or conduct related to the Settlement or the Agreement, nor any reports or accounting of those matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Plaintiffs or Defendant or any of the Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against any of the Released Parties, in any further proceeding in the Action, or any other civil, criminal or administrative action or proceeding except for purposes of effectuating the Settlement pursuant to this Agreement.
- c. This Section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may only be admitted in evidence and otherwise used in any and all proceedings for the limited purpose of enforcing any or all terms of this Agreement or defending any claims released or barred by this Agreement.

- 3. **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.

4. **Attorney Authorization.** Class Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement including any amendments to 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 the 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 mediator, Judge Carl West (Ret.), for resolution.
5. **No Prior Assignments.** The Parties 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 right released and discharged in this Settlement.
6. **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; that Class Members and PAGA Employees will assume any such tax obligations or consequences that may arise from this Agreement; and that Class Members and PAGA Employees shall not seek any indemnification from the Parties or any of the Released Parties in this regard. Moreover, nothing in this Settlement shall be relied upon as any advice regarding taxes or taxability within the meaning of United States Treasury Department Circulate 230 (31 CFR Part 10, as amended), or otherwise. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member and/or PAGA Employee, such Class Member and/or PAGA Employee assumes all responsibility for the payment of such taxes. Other than the employers' share of payroll taxes as described in this Agreement, the Parties further agree that Defendants shall have no legal obligation to pay, on behalf of the Settlement Class Members and/or PAGA Employees, any taxes, deficiencies, levies, assessments, fines, penalties, interests, or costs, which may be required to be paid with respect to settlement payments.
7. **Modification of Agreement.** Except as set forth in Section III.N.4 above, this Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives.

8. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
9. **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.
10. **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.
11. **Fair 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.
12. **Confidentiality.** To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to confidentiality of information shall survive the execution of this Agreement.
13. **Use of and Return of Documents and Data.** All originals, copies, and summaries of documents and data provided to Class Counsel by Defendant in connection with the mediation or other settlement negotiations in this matter may be used only with respect to this Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule. Within thirty days after the Judgment becomes Final, Class Counsel will return or destroy and confirm in writing to Defendant the destruction of, all such documents and data.
14. **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
15. **Exhibits Incorporated by Reference.** The terms of this Agreement include the terms set forth in any attached Exhibits, which are incorporated by reference as though fully set forth herein. Any Exhibits to this Agreement are an integral part of the Settlement.
16. **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 unless the provision is a material provision. "Material" includes but is not limited to, the Gross Settlement Amount, the scope of the Released Class Claims, the scope of Plaintiffs Releases, the scope of the PAGA Released Claims, or the binding effect of the Settlement on Participating Class Members (including Plaintiffs). In the event a material provision is found invalid, at Defendant's sole election, the Settlement shall be null and void, and the Parties will have no further obligations under it.

17. **Notice.** All notices, demands, or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, addressed as follows:

To Plaintiffs and the Class:

Geralyn L. Skapik,
SKAPIK LAW GROUP
5861 Pine Avenue, Suite A-1
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Tel: (909) 398-4404
Fax: (909) 398-1883
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YLR@pimentellaw.com

To Defendant:

Heather M. Sager
Perkins Coie LLP
505 Howard Street, Suite 1000
San Francisco, CA 94105-3204
Tel.: (415) 344-7000
Fax: (415) 344-7050
Email: HSager@perkinscoie.com

Heather L. Shook
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Seattle, Washington 98101
Tel.: (206) 359-8154
Fax: (206) 359-9154
Email: HShook@perkinscoie.com

Brittany A. Sachs
Perkins Coie LLP
1888 Century Park E., Suite 1700
Los Angeles, CA 90067-1721
Tel.: (310) 788-9900
Fax: (310) 788-3399
Email: BSachs@perkinscoie.com

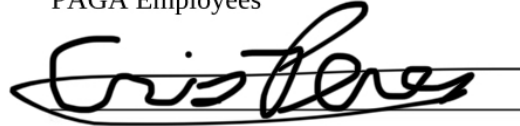
18. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, electronically or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
19. **Stay of Litigation.** The Parties agree that upon the execution of this Agreement, the litigation shall be stayed except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement, that pursuant to California Code of Civil Procedure Section 583.330, to extend the date to bring a case to trial under California Code of Civil Procedure Section 583.310, for the entire period of this settlement process, from the mediation with Judge Carl West (Ret.) on June 13, 2022 until the earlier of the Effective Date or the date this Agreement, shall no longer be in force or effect.
20. **Continuing Jurisdiction.** The Court shall retain continuing jurisdiction over the Action under California Code of Civil Procedure Section 664.6 to ensure the continuing implementation of this Agreement and enforcement of the Settlement until performance in full of the terms of this Settlement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties hereby execute this Agreement.

DATED: 8/29, 2022

CRISTANO PEREZ, for himself and as a representative of other Class Members and PAGA Employees



DATED: _____, 2022

ROBERT LADD, for himself and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

JAIME RENE FELIX, for himself and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

ROBERT ESTUPESOLIS, for and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

AMERIT FLEET SOLUTIONS, Inc.

By: _____
Its: _____

APPROVED AS TO FORM AND CONTENT: **SKAPIK LAW GROUP**

DATED: _____, 2022

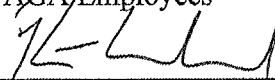
By: _____
Geraldyn L. Skapik
For Plaintiffs **CRISTANO PEREZ**
and **ROBERT LADD** and Class
Members and PAGA Employees

DATED: _____, 2022

CRISTANO PEREZ, for himself and as a representative of other Class Members and
PAGA Employees

DATED: 8/29, 2022

ROBERT LADD, for himself and as a representative of other Class Members and
PAGA Employees



DATED: _____, 2022

JAIME RENE FELIX, for himself and as a representative of other Class Members and
PAGA Employees

DATED: _____, 2022

ROBERT ESTUPESOLIS, for and as a representative of other Class Members and
PAGA Employees

DATED: _____, 2022

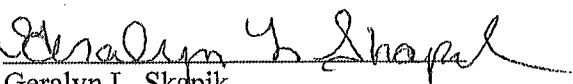
AMERIT FLEET SOLUTIONS, Inc.

By: _____
Its: _____

APPROVED AS TO FORM AND CONTENT:

SKAPIK LAW GROUP

DATED: Aug. 30, 2022

By: 
Geralyn L. Skapik
For Plaintiffs **CRISTANO PEREZ**
and **ROBERT LADD** and Class
Members and PAGA Employees

DATED: _____, 2022

CRISTANO PEREZ, for himself and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

ROBERT LADD, for himself and as a representative of other Class Members and PAGA Employees

DATED: Aug 29, 2022, 2022

JAIME RENE FELIX, for himself and as a representative of other Class Members and PAGA Employees



Jaime Felix (Aug 29, 2022 15:39 PDT)

DATED: _____, 2022

ROBERT ESTUPESOLIS, for and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

AMERIT FLEET SOLUTIONS, Inc.

By: _____
Its: _____

APPROVED AS TO FORM AND CONTENT:

SKAPIK LAW GROUP

DATED: _____, 2022

By: _____
Geraldyn L. Skapik
For Plaintiffs **CRISTANO PEREZ**
and **ROBERT LADD** and Class
Members and PAGA Employees

DATED: _____, 2022

CRISTANO PEREZ, for himself and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

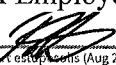
ROBERT LADD, for himself and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

JAIME RENE FELIX, for himself and as a representative of other Class Members and PAGA Employees

DATED: Aug 29, 2022, 2022

ROBERT ESTUPESOLIS, for and as a representative of other Class Members and PAGA Employees


Robert Estupesolis (Aug 29, 2022 15:40 PDT)

DATED: _____, 2022

AMERIT FLEET SOLUTIONS, Inc.

By: _____
Its: _____

APPROVED AS TO FORM AND CONTENT:

SKAPIK LAW GROUP

DATED: _____, 2022

By: _____
Geraldyn L. Skapik
For Plaintiffs **CRISTANO PEREZ**
and **ROBERT LADD** and Class
Members and PAGA Employees

DATED: _____, 2022

CRISTANO PEREZ, for himself and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

ROBERT LADD, for himself and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

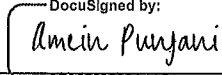
JAIME RENE FELIX, for himself and as a representative of other Class Members and PAGA Employees

DATED: _____, 2022

ROBERT ESTUPESOLIS, for and as a representative of other Class Members and PAGA Employees

DATED: August 29, 2022

AMERIT FLEET SOLUTIONS, Inc.

By: 
Its: Chief Operating Officer

APPROVED AS TO FORM AND CONTENT:

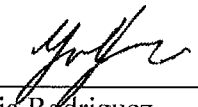
SKAPIK LAW GROUP

DATED: _____, 2022

By: _____
Geraldyn L. Skapik
For Plaintiffs **CRISTANO PEREZ**
and **ROBERT LADD** and Class
Members and PAGA Employees

APPROVED AS TO FORM AND CONTENT: **PIMENTEL LAW, P.C.**

DATED: August 29, 2022

By: 

Yesenia Rodriguez
For Plaintiffs **JAIME RENE FELIX**
and **ROBERT ESTUPESOLIS** and
Class Members and PAGA
Employees

APPROVED AS TO FORM AND CONTENT: **PERKINS COIE LLP**

DATED: _____, 2022

By: _____

Heather Sager
For **DEFENDANT AMERIT**
FLEET SOLUTIONS, INC.

APPROVED AS TO FORM AND CONTENT: **PIMENTEL LAW, P.C.**

DATED: _____, 2022

By: _____
Yesenia Rodriguez
For Plaintiffs **JAIME RENE FELIX**
and **ROBERT ESTUPESOLIS** and
Class Members and PAGA
Employees

APPROVED AS TO FORM AND CONTENT: **PERKINS COIE LLP**

DATED: August 29, 2022

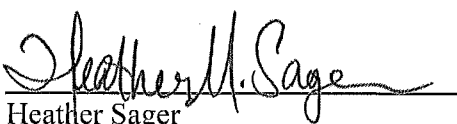
By: 
Heather Sager
For **DEFENDANT AMERIT**
FLEET SOLUTIONS, INC.

EXHIBIT A

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

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

**(Crisanto A. Perez, et al. v. Amerit Fleet Solutions, Inc., Superior Court of the State of
California, County of San Bernardino, Case No. CIVDS2015781**

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT
ACT. PLEASE READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. The actual amount you receive may be different and will depend on a number of factors. Your estimated Settlement Share and estimated PAGA Payment are set forth below in Section 5. After final approval by the Court, the payment will be mailed to you at the same address as this notice. In exchange for the settlement payment, you will release claims as detailed in Section 4 below. If your address has changed, you must notify the Settlement Administrator as explained in Section 6 below.
Exclude Yourself (i.e. “Opt-out”)	If you do not want to participate as a Class Member, you may exclude yourself from the Class Settlement. To exclude yourself (i.e. Opt-out), you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive not receive a Class Settlement Share and you will not be bound by the Released Class Claims. However, even if you Opt-out of the Class, you will still be paid your allocation of the PAGA Payment and will remain bound by the Released PAGA Claims. Instructions on how to exclude yourself are set forth in Section 7 below.
Object	If you want to object to the Settlement, write about why you do not agree with the Settlement through a written objection sent to the Settlement Administrator or appear at the Final Approval Hearing to make an oral objection. If you want to object, you may not opt out of the Settlement. Instructions on how to object are provided in Section 8 below.

Your options are further explained in this Class Notice. To exclude yourself from, or object to, the settlement you must take action by certain deadlines. If you agree with the Settlement as proposed, you do not need to do anything to obtain your share of the Settlement.

Regardless of what you decide to do, Amerit Fleet Solutions, Inc. will not retaliate against you for any actions you take with respect to the Settlement.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of the above-captioned action pending in the Superior Court of the State of California, in and for the County of San Bernardino (the “Court”) has been reached between Plaintiffs Crisanto A. Perez, Robert Ladd, Jaime Felix Moreno and Robert Estupolis (“Plaintiffs”) and Defendant Amerit Fleet Solutions, Inc. (“Defendant”) and has been granted preliminary approval by the Court. You may be entitled to receive money from this Settlement.

You have received this Class Notice because you have been identified as a Class Member, which is defined as:

All individuals who are or were previously employed by Defendant Amerit Fleet Solutions, Inc. in California who were classified as non-exempt employees, excluding corporate employees and employees covered by a collective bargaining agreement, between May 19, 2019 and <<INSERT either the date the Court grants preliminary approval of the Settlement or September 11, 2022, whichever is earlier>> (the “Class and PAGA Period”).

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Class Notice carefully as your rights may be affected by the Settlement.

2. What is this lawsuit about?

On May 19, 2020, Plaintiffs Crisanto A. Perez and Robert Ladd provided written notice to the California Labor and Workforce Development Agency (“LWDA”) of provisions of the Labor Code they contended Defendant violated and facts supporting their contentions.

On July 29, 2020, Plaintiffs Perez and Ladd filed a Private Attorneys General Act of 2004 (“PAGA”) lawsuit against Defendant in the Superior Court of the State of California, County of San Bernardino, Case No. CIVDS2015781. Plaintiffs amended their Complaint on October 29, 2020. Plaintiffs brought their PAGA representative action on behalf of California Diesel Technicians and alleged Defendants failed to pay all overtime hours worked, failed to provide rest periods and rest period premiums, failed to maintain required records, failed to provide compliant wage statements, and failed to pay all wages owed upon separation. Defendant answered the lawsuit by generally denying the allegations and claims asserted against it, and asserting affirmative defenses.

On November 23, 2021, Plaintiffs Perez and Ladd submitted an amended LWDA Letter alleging additional Labor Code provisions that Defendant allegedly violated, including that Defendant failed to provide uninterrupted meal periods, failed to reimburse business expenses, and failed to adopt standards to minimize excessive indoor heat.

On March 9, 2021, Plaintiffs Felix and Estupesolis submitted a letter to the LWDA alleging claims similar to those asserted in *Felix I*.

On April 15, 2021, Plaintiffs Jaime Felix Moreno and Robert Estupesolis filed a putative Class Action Complaint against Defendant (*Felix I*) in the Superior Court of the State of California, County of Los Angeles, Case No. 21STCV14498. *Felix I* asserted similar allegations against Defendant on behalf of all non-exempt employees in California, including, failure to pay minimum wage for all hours worked, failure to pay overtime for all hours worked, failure to provide meal and rest periods, failure to reimburse necessary business expenditures, failure to provide compliant wage statements, failure to maintain accurate pay records, failure to timely pay wages including upon separation, s and unfair competition in violation of California Business and Professions Code section 17200 *et seq.* The Court granted Defendant's motion to compel individual arbitration after finding Plaintiffs' arbitration agreements with Defendant contained valid class action waivers, and stayed the *Felix I* Action.

On July 23, 2021, Plaintiffs Felix and Estupesolis filed a Complaint under PAGA in the Superior Court of the State of California, County of Los Angeles, Case No. 21STCV27144, alleging similar violations of the Labor Code. Defendant answered the lawsuit by generally denying the allegations and claims asserted against it, and asserting affirmative defenses.

As part of this Settlement, Plaintiffs Perez and Ladd agreed to file a Second Amended Complaint, which adds Plaintiffs Felix and Estupesolis as Plaintiffs in their case and adds the claims alleged in the *Felix I* and *Felix II* Actions. Plaintiffs Perez and Ladd also submitted a Second Amended LWDA Letter to support the new theories alleged in the Second Amended Complaint. Specifically, the Second Amended Complaint alleges a class action on behalf of Plaintiffs and other non-exempt employees of Defendant in California, excluding corporate employees and employees covered by a collective bargaining agreement, between May 19, 2019 and either the date the Court grants preliminary approval of the Settlement or September 11, 2022, whichever is earlier Plaintiffs' claims are that Defendant failed to pay minimum wages for all hours worked, failed to pay overtime for all hours worked, failed to provide meal and rest breaks, failed to maintain required records, failed to provide accurate itemized wage statements, failed to pay all wages owed upon separation, failed to timely pay wages, failed to reimburse for necessary expenditures, failed to adopt standards that minimize excessive indoor heat, violated California Business and Professions Code section 17200 *et seq.*, and they seek civil penalties pursuant to PAGA. This lawsuit is referred to collectively as the "Action."

Defendant expressly denies and disputes that it did anything wrong to Plaintiffs or the Class Members or that it violated the law. Defendant also denies that Plaintiffs can pursue or maintain this Action on a class or PAGA basis. Specifically, Defendant contends that Plaintiffs and the Class Members were properly compensated for all hours worked and were paid all wages owed under applicable law; that Plaintiffs and the Class members were provided with meal and rest periods in compliance with California law; that Defendant complied with California wage

statement requirements; that Defendant timely paid all wages due, including at separation; that Defendant reimbursed all necessary and reasonable business expenses; that Defendant complied with any excessive indoor heat requirements; that Defendant is not liable for any of the damages, penalties, restitution, or any other relief claimed or that could be claimed in this Action. Defendant further contends that it has valid and enforceable arbitration agreements with Plaintiffs and Class Members that contain class action waivers, which preclude class claims in the Action or any other or subsequent litigation.

The Court has not made any determination as to whether the claims advanced by Plaintiffs have any merit. In other words, the Court has not determined whether any laws have been violated; instead, both sides agreed to resolve the Action without any admission of liability. By agreeing to resolve the lawsuit, the Parties avoid the risks, disruption, and cost of a trial.

The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiffs to serve as Class Representatives, and the law firms of Skapik Law Group and Pimentel Law, P.C. to serve as Class Counsel.

3. What are the important terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000.00) (the “Gross Settlement Amount”) with no reversion to Defendant to fund the settlement of the Action. The Gross Settlement Amount includes all payments of Settlement Shares to Participating Class Members contemplated by the Settlement, the Settlement Administration Expenses, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the PAGA Payment. Any employer-side payroll taxes on the portion of the Settlement Shares allocated to wages shall be separately paid by Defendant.

Within thirty (30) days of the Effective Date, Defendant will fund the Gross Settlement Amount by depositing the money with the Settlement Administrator. The Effective Date is the date by which all of the following have occurred: (1) The Agreement is approved by the Court; (2) Judgment becomes Final, which means entry of judgment if no objections to the Settlement, and if there are objections to the Settlement, it is the date the Judgment is final or affirmed on appeal and no longer subject to appeal; (3) The *Felix I Action* has been dismissed pursuant to the terms of this Agreement; and (4) the *Felix II Action* has been dismissed pursuant to the terms of this Agreement. Fifteen (15) days after the settlement is funded, the Settlement Administrator will mail checks for the Settlement Shares to Participating Class Members and the employees’ shares of the PAGA Payment to PAGA Employees.

Amounts to be Paid from the Gross Settlement Amount. The proposed payments, subject to Court approval, will be deducted from the Gross Settlement Amount before Settlement Shares are paid to Class Members who do not request exclusion (“Participating Class Members”):

- **Settlement Administration Expenses.** Payment to the Settlement Administrator, not to exceed \$20,000.00, for expenses, including without limitation, expenses of notifying the

Class Members of the Settlement, processing opt outs, and distributing Settlement Shares and tax forms, distributing PAGA payments, and handling inquiries and uncashed checks.

- Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. Payment to Class Counsel of reasonable attorneys' fees not to exceed thirty-five (35%) percent of the Gross Settlement Amount, which is presently \$437,500.00, and an additional amount to reimburse actual litigation costs incurred by the Plaintiffs not to exceed \$21,600. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money) and has been paying all litigation costs and expenses. The amounts stated are what Class Counsel will be requesting and the final amounts to be paid will be decided at the Final Approval Hearing.
- Class Representative Service Payment. Class Representative Service Payment in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00) each to the Plaintiffs (a combined total of Sixty Thousand Dollars (\$60,000.00)), or such lesser amounts as may be approved by the Court, to compensate them for services on behalf of the Class in initiating and prosecuting the Action, and for the risks they undertook. The amounts stated are what Plaintiffs will be requesting and the final amounts to be paid will be decided at the Final Approval Hearing.
- PAGA Payment. A payment of Fifty Thousand Dollars (\$50,000.00) relating to the claim for penalties under PAGA, \$37,500.00 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA Payment"). The remaining \$12,500.00 will be distributed pro rate based on the Class Members' respective pay periods worked during the Class and PAGA Period. The PAGA Payment shall be paid to all Class Members regardless of whether they request exclusion from the Settlement.

Calculation of Payments to Class Members. After the amounts approved by the Court for the Class Representative Service Payments, the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the PAGA Payment, and the Settlement Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed as Settlement Shares to the Participating Class Members. The Net Settlement Amount is estimated to be approximately \$660,900.00, based upon the above proposed deductions. The Settlement Administrator will pay a Settlement Share from the Net Settlement Amount to each Participating Class Member. The Settlement Share for each Participating Class Member will be calculated as follows: (i) the Net Settlement Amount shall be divided by the total number of pay periods to determine a dollar amount per pay period ("Pay Period Rate"); and (ii) the Settlement Administrator shall then take the number of pay periods for each Participating Class Member and multiply it by the Pay Period Rate to calculate their Settlement Share.

If the Settlement is approved by the Court and you do not exclude yourself, you will automatically be mailed a check for your Settlement Share to the same address as listed in this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment, as explained in Section 6 below.

Tax Matters. Twenty (20%) percent of each Participating Class Member's Settlement Share is in settlement of wage claims (the "Wage Portion"). Accordingly, the Wage Portion is subject to wage withholdings, and shall be reported on IRS Form W-2 and shall be paid for from the Gross Settlement Amount. Eighty (80%) percent of each Participating Class Member's Settlement Share is in settlement of claims for interest and penalties allegedly due to employees (collectively the "Non-Wage Portion"). The Non-Wage Portion shall not be subject to wage withholdings and shall be reported on IRS Form 1099. The employee portion of all applicable income and payroll taxes will be the responsibility of the Participating Class Members. One hundred (100%) percent of the PAGA Payment is in settlement of claims for penalties and will not be subject to wage withholdings, and shall be reported on IRS Form 1099. Neither Class Counsel nor Defendants' Counsel intend anything contained in this Notice to constitute advice regarding taxes or taxability. The tax issues for each individual are unique to them, and each individual may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement. Participating Class Members and individuals receiving PAGA Payments agree to hold harmless Defendant, Class Counsel, and Defendant's Counsel for any tax liability, including penalties and interest, arising out of or relating to the Participating Class Members' and individuals' receiving PAGA Payment failure to pay taxes on any amounts paid pursuant to this Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering the Judgment. It is possible the Court will decline to grant final Approval of the Settlement or decline to enter Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, under certain circumstances, the Settlement may be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

4. What Do I Release Under the Settlement?

Released Class Claims. Upon full funding of the Gross Settlement Amount, Defendant and the Released Parties shall receive a release from the Participating Class Members of all Released Class Claims. The Released Class Claims are any and all claims arising out of or relating to the facts alleged in the Action, Plaintiffs' LWDA Letters, or any claims that could have been alleged based on the facts pleaded, along with related claims and all associated penalties against Released Parties during the Class and PAGA Period. For avoidance of doubt, the Released Class Claims include but are not limited to any and all past and present claims, actions, demands, causes of action, suits, debts, obligations, damages, rights or liabilities, known or unknown, including claims for damages, statutory damages, declaratory relief, injunctive relief, equitable relief, penalties, interest, attorneys' fees, or costs incurred by Class Counsel (other than those expressly awarded by the Court in the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment authorized by this Agreement), arising out of or relating to the facts alleged in the operative Perez Second Amended Complaint, Plaintiffs' LWDA Letters, or any claims that could have been alleged based on the facts pleaded, along with related claims and all associated penalties against Released Parties during the Class and PAGA Period, including, but not limited to, the following:

- (1) claims for unpaid wages (including, claims for minimum wage, regular wages, overtime, off the clock claims, failure to pay double minimum wage when employee

furnished their own tools and failure to pay all earned wages); (2) claims for failure to provide meal periods, including meal period premiums; (3) claims for failure to provide rest periods, including rest period premiums; (4) claims for failure to reimburse employees for necessary business expenses, including, but not limited to, reimbursement for tools; (5) claims for failure to provide accurate itemized wage statements as required by Labor Code section 226(a); (6) claims for failure to maintain required records (including time records showing when an employee begins and ends each work period, hours of overtime worked and hours of time worked off the clock); (7) claims for failure to timely pay wages when due (including payment of all wages owed upon separation and payment of all wages earned by the seventh calendar day following the close of the pay period); (8) claims for liquidated damages (including Labor Code section 1194.2), interest, statutory penalties (including waiting time penalties pursuant to Labor Code Section 203, wage statement penalties pursuant to Labor Code Section 226), restitution, and civil penalties (including Labor Code section 2699); (9) claims for failure to adopt standards that minimize excessive heat including pursuant to Labor Code sections 6720 and 226.7; (10) claims for unfair business practices in violation of California's Business and Professions Code, Section 17200, et seq.; and (11) any and all claims based on applicable law that were alleged or could have been pled based on the factual allegations raised in the Action or LWDA letters submitted by Plaintiffs. Released Class Claims do not include claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and claims outside of the Class and PAGA Period.

If you do not timely exclude yourself from the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit or arbitration against Defendant and any other Released Party involving the Released Class Claims resolved by this Settlement. It also means that all of the Court's orders in the Action will apply to you and be legally binding on you.

Released PAGA Claims. As of the date the Defendant fully funds the Gross Settlement Amount, Defendant and the Released Parties shall receive a release from the State of California and all Class Members of all PAGA Released Claims. PAGA Released Claims means any and all PAGA causes of action that: (i) were alleged in the LWDA Letters or (ii) were pled in the Action. PAGA Released Claims do not include claims outside of the Class and PAGA Period. **The release of the PAGA Released Claims shall be effective to all Class Members, regardless of whether the Class Member submitted a request to be excluded from the Class.**

5. How much can I expect to receive from this Settlement?

The estimate "Pay Period Rate" is <<[REDACTED]>>.

Defendant's records reflect that you worked <<[REDACTED]>> pay periods for Defendant as a non-exempt employee in California during the Class Period. The Class Period is May 19, 2019 to [REDACTED].

Based on the above information, your estimated Settlement Share for the Class Portion of the Settlement is <<[REDACTED]>>.

Based on the above information, your estimated PAGA Payment is << [REDACTED] >>.

If you wish to challenge the information set forth above, you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in Section 6 of this Class Notice no later than [REDACTED] [forty-five (45) days after the mailing of the Class Notice or 60 days after the Class Notice in the case of re-mailing].

6. How do I receive a payment?

To receive money from the Settlement, you do not have to do anything. A check for your Settlement Share will be mailed automatically to you to the same address as the Class Notice once the Settlement is final.

If your address is incorrect or has changed you must notify the Settlement Administrator. The Settlement Administrator is [REDACTED].

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will not receive a Settlement Share for the Class Portion of the Settlement, and you will not be bound by the Class Settlement which means you will retain the right to sue for the Released Class Claims. However, even if you opt out of receiving money as a Participating Class Member, you will still receive a PAGA Payment, and you will be subject to the PAGA Released Claims.**

To opt out of the Class, you must mail to the Settlement Administrator, by First Class Mail, a written, signed and dated Election Not to Participate in Settlement (the "Opt-out"), postmarked no later than [REDACTED] [forty-five (45) days after the date of the Class Notice or 60 days after the Class Notice in the case of re-mailing]. The Opt-out must be timely sent to the Settlement Administrator and should state in substance:

"I wish to be excluded from the Class in the *Crisanto A. Perez, et al. v. Amerit Fleet Solutions, Inc.* (Case No. CIVDS2015781) lawsuit. I understand that if I ask to be excluded from the Class, I will not receive a settlement payment from the class settlement in this Action."

The Opt-out should also state the Class Member's full name, address, and telephone number. You must sign the Opt-out. No other person may opt-out for a living member of the Class.

The address for the Settlement Administrator is [REDACTED].

Written Opt-outs that are postmarked after [REDACTED], or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and release described above.

8. How do I Object to the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason may object to the proposed Settlement, the attorneys' fees, the costs and/or the service award, either in writing or in person. Objections that are in writing should state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair. All written objections or other correspondence should also state the name and number of the case, which is *Crisanto A. Perez, et al. v. Amerit Fleet Solutions, Inc.*, Case No. CIVDS2015781.

All written objections must be mailed to the Settlement Administrator at [REDACTED], no later than [REDACTED] [forty-five (45) days after the date of the Class Notice or 60 days after the Class Notice in the case of re-mailing].

Alternatively, Class Members may appear at the Final Approval Hearing on [REDACTED] at [REDACTED] to make oral objection without submitting a written objection. The hearing may be remote. Check the Court's website at <https://www.sb-court.org/> for the most current information. Class Counsel can assist you if you want to appear at the hearing.

To object to the Settlement, you must not Opt-out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Class Members who do not object and you will still be mailed a check for your Settlement share.

9. Who Are the Attorneys Representing the Parties?

The addresses for Parties' counsel are as follows:

Counsel for Plaintiffs and Class Counsel	Counsel for Defendant
SKAPIK LAW GROUP Geralyn L. Skapik 5861 Pine Avenue, Suite A-1 Chino Hills, CA 91709 Tel: (909) 398-4404 Fax: (909) 398-1883 Email: GSkapik@skapiklaw.com PIMENTEL LAW, P.C. Gabriel J. Pimentel Yesenia L. Rodriguez 30 N. Raymond Ave, Suite 211 Pasadena, CA 91103 Tel: (626) 765-9800 Fax: (626) 628-3081 Email: GJP@pimentellaw.com YLR@pimentellaw.com	PERKINS COIE LLP Heather M. Sager 505 Howard Street, Suite 1000 San Francisco, CA 94105-3204 Heather L. Shook 1201 3rd Avenue, Suite 4900 Seattle, Washington 98101 Brittany A. Sachs 1888 Century Park E., Suite 1700 Los Angeles, CA 90067-1721

10. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at [REDACTED] on [REDACTED], at the San Bernardino County Superior Court, located at the San Bernardino Justice Center, 247 West Third Street, San Bernardino, CA 92415-0210, in Department S-26 before Judge David Cohn. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval of the Settlement and to fix the amounts to be paid as attorneys' fees and costs to Class Counsel and as service payments to Plaintiffs. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. If you are interested in participating in the Final Approval Hearing, you should confirm the date, time, and location by contacting Class Counsel. **You are not required to attend the Final Approval Hearing**, although any Class Member is welcome to attend the hearing. In addition, hearing dates are posted on the Internet on via the Court Access Portal for the San Bernardino County Superior Court (<https://cap.sb-court.org/>) and running a Case Search by Case Number. You should enter Case No. CIVDS2015781.

11. How do I get more information about the Settlement?

You may call the Settlement Administrator at [REDACTED] or write to *Crisanto A. Perez, et al. v. Amerit Fleet Solutions, Inc.* Settlement Administrator, [REDACTED].

This Class Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Judgment, the motion for attorneys' fees, costs and service awards, the motion for final approval or other Settlement documents by contacting Class Counsel or by examining the Court's file on the Internet or at the courthouse. If you wish to view the Court files in person, you can go to the Court located at Superior Court of California County of San Bernardino, San Bernardino District - Civil Division, 247 West Third Street, San Bernardino, CA 92415-0210.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed, and this expiration date is printed on the check. In such event, the Settlement Administrator shall pay all unclaimed funds to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member where the funds may be claimed. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

[ORDER GRANTING PRELIMINARY APPROVAL OF THE SETTLEMENT]

EXHIBIT C

[FINAL APPROVAL ORDER AND JUDGMENT]

EXHIBIT D

[SECOND AMENDED COMPLAINT]

EXHIBIT E

[SECOND AMENDED PAGA NOTICE TO LWDA BY PEREZ AND LADD]

EXHIBIT F

[PAGA NOTICES TO THE LWDA BY PEREZ, LADD, FELIX AND ESTUPESOLIS]