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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

Joshua Rhodes and Juan Buenrostro, individually
and on behalf of all others similarly situated,

Plaintiffs,

v.

Coastal Transport Co. Inc., a Texas Corporation;
and DOES 1 to 100, inclusive

Defendants.

) Case No.: 37-2021-00011509-CU-OE-CTL

) [Assigned for all purposes to the Honorable
) Kenneth J. Medel, Dept. C-66]

) **JOINT STIPULATION OF CLASS
) SETTLEMENT**

) Complaint Filed: March 15, 2021

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1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This Joint Stipulation and Agreement of Compromise and Class Settlement is made and entered
3 into by and between Plaintiffs and Class Representatives JOSHUA D. RHODES (“Rhodes”) and JUAN
4 A. BUENROSTRO (“Buenrostro”) (collectively, “Plaintiffs), individually and on behalf of the members
5 of the Class (as defined below), by and through their counsel of record, and Defendant COASTAL
6 TRANSPORT CO., INC. (“Defendant”), by and through its counsel of record, subject to the approval of
7 the Court, as set forth below. This Joint Stipulation of Settlement is intended by Plaintiffs and Defendant
8 to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined below), upon
9 and subject to the terms and conditions hereof.

10 **1. DEFINITIONS.** As used herein, for the purposes of this Joint Stipulation of Settlement
11 only, the following terms shall be defined as set forth below:

12 **1.1.** The “**Action**” refers to the present class and representative action filed in
13 Superior Court of California, County of San Diego, on March 15, 2021, which is entitled *Joshua D.*
14 *Rhodes et al v. Coastal Transport Co., Inc.*, San Diego Superior Court, Case No. 37-2021-00011509-
15 CU-OE-CTL.

16 **1.2.** The “**Class**” or “**Class Members**” or “**Class Member**” refers to Plaintiffs and all
17 persons, or each of them, currently or formerly employed by Defendant in the State of California in
18 Driver positions during the time frame of March 2, 2017 through March 31, 2021.

19 **1.3.** “**Class Counsel**” refers to Craig Ackermann, ACKERMANN TILAJEF P.C., and
20 Amir Seyedfarshi, EMPLOYMENT RIGHTS LAW GROUP, APC, the attorneys of record for the Class
21 Representatives in the Action.

22 **1.4.** “**Class Notice**” refers to the form of direct-mail notice to Class Members,
23 substantially in the form attached hereto as “**Exhibit A**,” as may be modified by the Court.

24 **1.5.** “**Class Payment**” shall be defined as the aggregate of the Individual Settlement
25 Payments to be paid to each of the Settlement Class Members in accordance with the procedures set
26 forth herein and as ordered by the Court.

27 **1.6.** The “**Class Period**” refers to the time period for which Class Members may
28 receive an Individual Settlement Payment, as defined below. The Class Period shall be the time period

of March 2, 2017 through March 31, 2021.

1.7. “Class Representatives” refers to Plaintiffs Rhodes and Buenrostro, collectively.

1.8. “Class Representative Enhancements” refers to the payments made to Class Representatives pursuant to Paragraph 5.2 in consideration for their individual release and waiver of Section 1542 of California Civil Code pursuant to Paragraph 7.3 and their services as named plaintiffs in the Action. The Class Representative Enhancements shall be paid in addition to the Class Representatives’ pro-rata share of the Net Settlement Amount.

1.9. “Class Workweeks” refers to the number of workweeks worked by each Class Member during the Class Period as set forth in Paragraph 4.3.

1.10. “Complaint” refers to the operative Class and Representative Action Complaint in this Action, which alleges the following nine (9) causes of action: (1) Failure To Pay Minimum Wages (Labor Code §§ 1194, 1194.2; IWC Wage Order 9-2001); (2) Failure To Provide Timely, Duty-Free Meal Periods And/Or Pay Meal Period Premiums (Labor Code §§ 226.7, 510; IWC Wage Order 9-2001); (3) Failure To Provide Timely, Duty-Free Rest Periods And/Or Pay Rest Period Premiums (Labor Code § 226.7; IWC Wage Order 9-2001); (4) Failure To Provide Accurate Itemized Wage Statements (Labor Code § 226); (5) Waiting Time Penalties (Labor Code § 201 – 203); (6) Failure To Pay Timely Wages (Labor Code §§ 204, 210); (7) Failure To Reimburse For Necessary Business Expenses (Labor Code § 2802); (8) UCL Violations (Bus. & Prof. Code §§ 17200-17204); and (9) PAGA And Other Penalties (labor Code §§ 2698 – 2699.5).

1.11. “Court” refers to the Superior Court of California, County of San Diego.

1.12. “Defendant” refers to Defendant COASTAL TRANSPORT CO., INC.

1.13. “Defendant’s Counsel” refers to Defendant’s counsel of record in the Action, Paul F. Sorrentino, John P. Nordlund, and Melissa D. Owens of JACKSON LEWIS P.C.

1.14. “Effective Date” means the date when all of the following events have occurred: (1) the Joint Stipulation of Settlement has been executed by all Parties, Class Counsel, and Defendant’s Counsel; (2) the Court has granted preliminary approval to the Joint Stipulation of Settlement; (3) the Class Notice has been mailed to the Class, providing them with an opportunity to object to or opt out of the Joint Stipulation of Settlement; (4) the Court has held a Final Approval Hearing and entered a Final

1 Approval Order and Judgment; (5) sixty-five (65) calendar days have passed since the Court has entered
2 the Final Approval Order and Judgment; and (6) in the event there are written objections filed prior to
3 the Final Approval Hearing that are not later withdrawn or denied, the later of the following events: (a)
4 five (5) business days after the period for filing any appeal, writ, or other appellate proceeding in
5 connection with the Final Approval Order and Judgment has elapsed without any appeal, writ, or other
6 appellate proceeding having been filed; or (b) if any appeal, writ, or other appellate proceeding in
7 connection with the Final Approval Order and Judgment has been filed, five (5) business days after any
8 appeal, writ, or other appellate proceedings in connection with the Final Approval Order and Judgment
9 has been finally and conclusively dismissed with no right to pursue further remedies or relief.

10 **1.15. “Employer Taxes”** refers to all applicable federal, state, and local income and
11 employment taxes, including, but not limited to, any portion of such taxes that are to be paid by an
12 employer, and including, but not limited to, Unemployment Insurance, Employment Training Tax, FICA
13 (Social Security and Medicare), State Disability Insurance, and state and federal personal income taxes.

14 **1.16. “Exclusion Deadline”** refers to the date by which Class Members must submit to
15 the Settlement Administrator a Request for Exclusion, which shall be the date that is forty-five (45)
16 calendar days after the Notice Date, as defined below, or as such date may be modified by the Court.

17 **1.17. “Final Fairness Hearing”** refers to the hearing at which the Court will make a
18 final determination whether the terms of the Joint Stipulation of Settlement are fair, reasonable, and
19 adequate for the Class and meet all applicable requirements for approval, and, if the terms of the Joint
20 Stipulation of Settlement are so approved, whether a judgment should be entered thereon, whether the
21 Class Representatives’ application for Class Representative Enhancements should be granted, and
22 whether an application by Class Counsel for an award of reasonable attorneys’ fees and reimbursement
23 of their reasonable costs and expenses should be granted.

24 **1.18. “Final Approval Order”** refers to the final order by the Court approving the
25 Joint Stipulation of Settlement and entering Judgment following the Final Fairness Hearing.

26 **1.19. “Final Funding Amount”** refers to the portion of the Maximum Settlement
27 Amount that Defendant is obligated to fund as payment of this Joint Stipulation of Settlement, which
28 shall be equal to the sum of: (i) the total amount of Individual Settlement Payments properly calculated

1 by the Settlement Administrator in accordance with the claims process as set forth in Paragraphs 8.1
2 through 8.13, and as approved by the Court in the Final Approval Order; (ii) the Settlement
3 Administration Cost as set forth in Paragraph 5.6, and as approved by the Court in the Final Approval
4 Order; (iii) the Class Counsel attorneys' fees as set forth in Paragraph 5.1, and as approved by the Court
5 in the Final Approval Order; (iv) the Class Counsel litigation costs as set forth in Paragraph 5.1, and as
6 approved by the Court in the Final Approval Order; (v) the Class Representative Enhancements as set
7 forth in Paragraph 5.2, and as approved by the Court in the Final Approval Order; (vi) Employer Taxes
8 as set forth in Paragraphs 6.1 through 6.9; and (vii) the PAGA Payment, as set forth in Paragraph 5.3,
9 and as approved by the Court in the Final Approval Order. Under no circumstances shall the Final
10 Funding Amount exceed the Maximum Settlement Amount.

11 **1.20. "Final Funding Date"** refers to the date on which Defendant shall provide the
12 Final Funding Amount to the Settlement Administrator for distribution, which shall be thirty (30) days
13 after the Final Effective Date.

14 **1.21. "Gross Settlement Amount"** refers to the negotiated dollar amount of this Joint
15 Stipulation of Settlement, which is equal to Two Hundred Seventy-Five Thousand and Zero Cents
16 (\$275,000.00). The Gross Settlement Amount includes the Net Settlement Amount, all Individual
17 Settlement Payments to the Class, all Settlement Administration Costs, all Class Counsel attorneys' fees,
18 all Class Counsel litigation costs, the Class Representative Enhancements, all Settlement Class
19 Members' portions of Employee-side payroll Taxes, and all PAGA Payments. The Gross Settlement
20 Amount does not include Defendant's share of Employer Taxes. Defendant shall pay its share of
21 Employer Taxes into the qualified settlement fund as part of the Final Funding Amount separately and
22 apart from, and in addition to, the Gross Settlement Amount.

23 **1.22. "Individual Class Settlement Payment"** refers to the payments made to
24 Settlement Class Members of the amount that shall be payable from the Net Settlement Amount to each
25 Settlement Class Member as determined in accordance with the provisions of Paragraphs 4.2 through
26 4.4.

27 **1.23. "Individual PAGA Payment"** refers to the payment made to PAGA Class
28 Members of their *pro rata* share of the twenty-five percent (25%) of the PAGA Payment to be

distributed to PAGA Class Members in accordance with the provisions of Paragraph 5.3, or each of them.

1.24. “Information Sheet” means the form that the Settlement Administrator shall prepare and send to each Class Member, substantially in the form attached as “**Exhibit B**,” setting forth the total number of Class Workweeks worked by the Class Member, which the Settlement Administrator shall mail to each Class Member with the Class Notice.

1.25. “Joint Stipulation of Settlement” refers to this Joint Stipulation and Agreement of Compromise and Class Settlement, including any permitted and executed amendments hereto.

1.26. “Judgment” refers to the final judgment by the Court approving this Joint Stipulation of Settlement and adjudicating the Action.

1.27. “LWDA” refers to the California Labor & Workforce Development Agency.

1.28. “LWDA Letter” refers to the letter Plaintiff Rhodes sent to the LWDA and Defendant on July 13, 2020, through which Rhodes stated his intent to file a hybrid class action and representative action under PAGA on behalf of individuals employed by Defendant as truck drivers, alleging seven (7) potential causes of action: (1) failure to provide timely duty-free meal periods; (2) failure to pay minimum wage; (3) failure to provide accurate wage statements; (4) unfair business practices; (5) failure to pay employees all wages due; (6) failure to reimburse business expenses; and (7) penalties under PAGA.

1.29. “Maximum Settlement Amount” is the maximum sum of all monies that Defendant shall pay under this Joint Stipulation of Settlement, including the Gross Settlement Amount plus Defendant’s share of Employer Taxes. Under no circumstances shall the Maximum Settlement Amount exceed the Gross Settlement Amount of Two Hundred Seventy-Five Thousand Dollars and Zero Cents (\$275,000.00) plus Defendant’s portion of Employer Taxes.

1.30. “Net Settlement Amount” shall be defined as the Gross Settlement Amount, less the amounts awarded by the Court for attorneys’ fees, litigation costs, Settlement Administration Costs, the Class Representative Enhancements, Settlement Class Members’ portions of Employer Taxes, and PAGA Payments, as provided for in Paragraphs 5.1 through 6.9. The combined amount of the Net Settlement Amount in their Individual Settlement Payments and in their Individual PAGA Payments is

the maximum amount that shall be made available to Class Members for distribution. Under no circumstances shall the value of the Net Settlement Amount cause the Gross Settlement Amount to exceed Two Hundred Seventy-Five Thousand Dollars and Zero Cents (\$275,000.00).

1.31. “Notice Date” refers to the date ordered by the Court for the dissemination of the direct mail Class Notice, a date that is expected to be less than forty-five (45) calendar days after the Preliminary Approval Order Date.

1.32. “Objection” refers to the process by which Class Members may object to the terms and conditions of this Joint Stipulation of Settlement by the Response Deadline, as set forth in Paragraphs 8.7 through 8.10. However, Class Members may not object to the settlement of the PAGA Claim.

1.33. “PAGA Claim” refers to the cause of action in the Action for civil penalties pursuant to PAGA, Labor Code section 2698 *et seq.*

1.34. “PAGA Class Member” refers to any Class Member who was employed by Defendant during the PAGA Period.

1.35. “PAGA Pay Periods” refers to the number of pay periods worked by Class Members during the PAGA Period, as calculated in accordance with Paragraph 5.3.

1.36. “PAGA Payment” refers to all payments made to satisfy the settlement of the PAGA Claim as set forth in Paragraph 5.3, which shall be in the total amount of Twenty Thousand Dollars and Zero Cents (\$20,000.00). The PAGA Payment shall be made in the following allocation: seventy-five percent (75%), or Fifteen Thousand Dollars and Zero Cents (\$15,000.00), to be paid to the LWDA and twenty-five percent (25%), or Five Thousand Dollars and Zero Cents (\$5,000.00) to be distributed to all PAGA Class Members as Individual PAGA Payments on a *pro rata* basis based upon their PAGA Pay Periods. PAGA Class Members shall be prohibited from submitting a written Request for Exclusion with respect to claims under PAGA and thus shall receive their portion of the PAGA Payment regardless of any Request for Exclusion from the Settlement Class.

1.37. “PAGA Period” refers to the time period of July 13, 2019 to March 31, 2021.

1.38. “Parties” or “Party” refers to Plaintiffs and Defendant, or each of them.

1.39. “Preliminary Approval Order” refers to the order by the Court granting

preliminary approval to the Joint Stipulation of Settlement and directing the Parties to disseminate Class Notice to the Class.

1.40. “Preliminary Approval Order Date” refers to the date on which the Court enters the Preliminary Approval Order.

1.41. “Released Claims” refers to all claims against Released Parties released by the Settlement Class upon Final Approval of this Joint Stipulation of Settlement as set forth in Paragraph 7.1, including any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, liquidated damages, punitive damages, penalties, action, or causes of action of any nature under state, federal, or local law, whether statutory, common law or administrative law, or any claims arising out of or related to allegations set forth in Plaintiffs’ LWDA Letter and the Complaint or which could have been raised against Released Parties based upon the allegations in Plaintiffs’ LWDA Letter and the Complaint in the Action, including: (1) Failure To Pay Minimum Wages (Labor Code §§ 1194, 1194.2; IWC Wage Order 9-2001); (2) Failure To Provide Timely, Duty-Free Meal Periods And/Or Pay Meal Period Premiums (Labor Code §§ 226.7, 510; IWC Wage Order 9-2001); (3) Failure To Provide Timely, Duty-Free Rest Periods And/Or Pay Rest Period Premiums (Labor Code § 226.7; IWC Wage Order 9-2001); (4) Failure To Provide Accurate Itemized Wage Statements (Labor Code § 226); (5) Waiting Time Penalties (Labor Code § 201 – 203); (6) Failure To Pay Timely Wages (Labor Code §§ 204, 210); (7) Failure To Reimburse For Necessary Business Expenses (Labor Code § 2802); (8) UCL Violations (Business & Professions Code §§ 17200-17204); (9) PAGA And Other Penalties (Labor Code §§ 2698 – 2699.5). The Released Claims do not include any claims for workers compensation, unemployment, or disability benefits of any nature, nor do they include any claims, actions, or causes of action that may be possessed by Settlement Class Members under state or federal anti-discrimination statutes, including, without limitation, the California Fair Employment and Housing Act, California Government Code § 12940 *et seq.*; the Unruh Civil Rights Act, California Civil Code § 51 *et seq.*; the California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 *et seq.*; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 *et seq.*; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq.*; the Fair Credit Reporting Act, the Investigative Consumer Reporting Agencies Act (ICRAA), and/or the

Consumer Credit Reporting Agencies Act (CCRAA).

1.42. “Released Parties” refers to Defendant and all of its former, present, and future parent companies, subsidiaries, divisions, concepts, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, predecessors, successors, and assigns, and any individual or entity that could be liable to any member of the Class for any Released Claims as set forth in Paragraph 7.1.

1.43. The “Release Period” refers to the effective dates of the release of all Released Claims by Settlement Class Members against Released Parties, which shall be the time period of March 2, 2017 through March 29, 2021, as set forth in Paragraph 7.2.

1.44. “Request for Exclusion” refers to a written request that a Class Member timely submits to the Settlement Administrator requesting to be excluded from the Class and this Joint Stipulation of Settlement. However, Class Members shall be prohibited from submitting a Request for Exclusion with respect to the PAGA Claim and, thus, if a PAGA Class Member, shall receive an Individual PAGA Payment and be bound by the release of the PAGA Claim regardless of whether they submit a written Request for Exclusion from the Class.

1.45. The “Response Deadline” refers the date by which Class Members must submit a valid Request for Exclusion or Objection to the Joint Stipulation of Settlement, pursuant to the terms below, which shall be the date that is forty-five (45) calendar days after the Notice Date and as such date may be modified by the Court. However, no Class Member is entitled to submit a Request for Exclusion or Objection to the settlement of the PAGA Claim.

1.46. “Settlement Administrator” refers to ILYM Group, an independent third-party that will be engaged by Class Counsel and paid out of the Final Funding Amount, with the approval of Defendant, to perform the notice, administration, and distribution functions further described in this Joint Stipulation of Settlement in Section 8.

1.47. “Settlement Administration Cost” refers to the amount for which Class Counsel shall petition this Court for compensation of the Settlement Administrator pursuant to Paragraph 5.6 for services in administering this settlement pursuant to Section 8 of this Joint Stipulation of Settlement. The Settlement Administration Cost shall be paid from the Final Funding Amount.

1 **1.48. “Settlement Class” or “Settlement Class Member” or “Settlement Class**
2 **Members”** as used herein means all Class Members, or each of them, who do not timely submit a valid
3 Request for Exclusion.

4 **1.49. “Settling Parties”** refers to Class Representatives, the other Class Members, and
5 Defendant.

6 **1.50. “Terminating Event(s)”** refers to any occurrence set forth in Paragraph 14.2
7 below, or each of them, which cause this Joint Stipulation of Settlement to become null and void,
8 namely: (a) Defendant exercises its right to rescission under Paragraph 14.1 (subject to the terms and
9 conditions set forth therein); (b) the Court declines to enter a Preliminary Approval Order or declines to
10 enter the Final Approval Order or Judgment or any part thereof as provided for herein, or the Parties fail
11 to consent to the entry of alternative forms of Judgment, in lieu thereof, or after such consent the Court
12 declines to enter such alternate form of Judgment; (c) any other conditions to the Joint Stipulation of
13 Settlement are not satisfied; (d) the Court disapproves this Joint Stipulation of Settlement, or any term
14 contained in this Joint Stipulation of Settlement, including any amendments hereto, and such
15 disapproval becomes final by reason of its affirmance on appeal or lapse of time or otherwise; or (e) the
16 Court approves this Joint Stipulation of Settlement, including any amendments hereto, but any such
17 Judgment and Final Approval Order is finally reversed on appeal.

18 **2. RECITALS**

19 **2.1. Prior Class Settlement.** Defendant entered into a prior class settlement in the
20 action entitled *Scott et al. v. Coastal Transport Co., Inc.*, San Diego Superior Court, Case No. 37-2016-
21 00020248 (“*Scott Action*”), which alleged ten (10) causes of action on a class and representative basis:
22 (1) failure to pay straight time wages; (2) waiting time penalties; (3) failure to provide accurate itemized
23 wage statements; (4) failure to provide meal and rest periods; (5) payment for required and necessary
24 expenditures; (6) unfair business practices; (7) conversion; (8) wage theft; (9) remedies under PAGA;
25 and (10) failure to pay overtime. The *Scott Action* settled on a classwide basis and the class release
26 extended through March 1, 2017. As a result, the Parties agree that the class period in this Action begins
27 March 2, 2017.

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1 **2.2. The Litigation.** On July 13, 2020, Plaintiff Rhodes sent his LWDA Letter, which
2 provided notice to the LWDA of Rhodes' intent to file suit under PAGA. In the LWDA Letter, Rhodes
3 stated his intent to file a hybrid class action and representative action under PAGA on behalf of
4 individuals employed by Defendant as truck drivers, alleging seven (7) potential causes of action:
5 (1) failure to provide timely duty-free meal periods; (2) failure to pay minimum wage; (3) failure to
6 provide accurate wage statements; (4) unfair business practices; (5) failure to pay employees all wages
7 due; (6) failure to reimburse business expenses; and (7) penalties under PAGA.

8 **2.3. Mediation.** On January 28, 2021, the Parties engaged in a mediation with Louis
9 Marlin of MARLIN MEDIATION, which incorporated all the claims raised in this Action, and the
10 Parties were able to reach a settlement of this Action. The settlement discussions were conducted at
11 arm's-length, and this Joint Stipulation of Settlement is the result of an informed and detailed analysis
12 of Defendant's potential liability of total exposure in relation to the costs and risks associated with
13 continued litigation. Based on the documents produced, as well as Class Counsel's own independent
14 investigation and evaluation, and the efforts of Louis Marlin, Class Counsel believes that this Joint
15 Stipulation of Settlement with Defendant for the consideration and on the terms set forth in this Joint
16 Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class
17 Members in light of all known facts and circumstances, including the risk of significant delay and
18 uncertainty associated with litigation and various defenses asserted by Defendant.

19 **2.4.** As part of the stipulated settlement, on March 15, 2021, Plaintiffs filed the
20 Complaint in this Court.

21 **2.5. Claims Disputed.** Defendant denies all material allegations set forth in the
22 Action and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding
23 further litigation, Defendant desires to fully and finally settle the Action and obtain the releases set
24 forth in Paragraph 7.1.

25 **2.6. Diligent Efforts.** Class Counsel diligently investigated the proposed Class
26 Members' claims against Defendant in the Action, including any and all applicable defenses and the
27 applicable law, and undertook review and analysis of a volume of documents and data obtained from
28 Defendant and other sources.

1 **2.7. No Admissions.** This Joint Stipulation of Settlement is made and entered into
2 by and between Plaintiffs, individually, and on behalf of all others similarly situated, and Defendant,
3 and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly
4 acknowledge that this Joint Stipulation of Settlement is entered into solely for the purpose of
5 compromising significantly disputed claims and that nothing herein is an admission of liability or
6 wrongdoing by Defendant or any of the other Released Parties. If, for any reason, the Joint Stipulation
7 of Settlement is not approved, it will be of no force or effect, and the Parties shall be returned to their
8 original respective positions.

9 **2.8. Conditional Class Certification.** The Parties stipulate and agree to the
10 certification of the Class for purpose of this Joint Stipulation of Settlement only. In the event the Joint
11 Stipulation of Settlement does not become final for whatever reason, the fact that the Parties were
12 willing to stipulate to class certification as part of the Joint Stipulation of Settlement shall have no
13 bearing on, and will not be admissible in connection with, the issue of whether any class should be
14 certified in any subsequent proceeding. The Parties and their respective counsel further agree that they
15 will not offer or make reference to this provisional stipulation to class certification for purposes of this
16 Joint Stipulation of Settlement in any subsequent proceeding in this Action (except for purposes of
17 having this Joint Stipulation of Settlement approved by the Court) or any other action. In the event that
18 this Joint Stipulation of Settlement is terminated for any reason, or otherwise not approved by the Court,
19 the conditional class certification in this Action shall be deemed withdrawn, void, and nullified, as stated
20 more fully in Paragraph 14.3 below.

21 **2.9. Settlement in the Interests of the Class.** The Parties stipulate that Class Counsel
22 has conducted an informal investigation into the facts of the Action, including interviewing witnesses
23 and conducting an extensive review of documents, including putative class member records produced in
24 advance of mediation and Defendant's company policies and business records, and has diligently
25 pursued an investigation of Class Members' claims against Defendant. Based on Class Counsel's own
26 independent investigation and evaluation, Class Counsel is of the opinion that the settlement with
27 Defendant for the consideration and on the terms set forth in this Joint Stipulation of Settlement is fair,
28 reasonable, and adequate and is in the best interest of the Class and each member of the Class in light of

all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendant, and numerous potential appellate issues. Defendant and Defendant's Counsel also agree that this Joint Stipulation of Settlement is fair and in the best interest of the Class and each Class Member.

NOW, THEREFORE, in consideration of these Recitals, which are incorporated into the Joint Stipulation of Settlement, and the mutual covenants, promises, and warranties set forth herein, the Parties agree, subject to the Court's approval, as follows:

3. IDENTIFICATION OF CLASS MEMBERS

3.1. Defendant's Employment Records. Defendant's employment records shall take precedence and shall supersede any and all conflicting information regarding the identification of potential Class Members, including their employment histories.

4. COMPENSATION TO SETTLEMENT CLASS MEMBERS.

4.1. Funding. Provided all conditions to this Joint Stipulation of Settlement are satisfied and no Terminating Event has occurred, Defendant agrees to pay the Final Funding Amount, which shall be equal to the sum of: (a) the total amount of Individual Settlement Payments properly calculated by the Settlement Administrator as set forth in Paragraphs 8.1 through 8.13, and as approved by the Court in the Final Approval Order; (b) the Settlement Administrator fee as set forth in Paragraph 5.6, and as approved by the Court in the Final Approval Order; (c) the Class Counsel attorneys' fees as set forth in Paragraph 5.1, and as approved by the Court in the Final Approval Order; (d) the Class Counsel litigation costs as set forth in Paragraph 5.1, and as approved by the Court in the Final Approval Order; (e) the Class Representative Enhancements as set forth in Paragraph 5.2, and as approved by the Court in the Final Approval Order; (f) all Employer Taxes as set forth in Paragraphs 6.1 through 6.9; and (h) the PAGA Payment, as set forth in Paragraph 5.3, and as approved by the Court in the Final Approval Order. Under no circumstances will Defendant be required to pay more than the Maximum Settlement Amount in connection with the settlement of this Action. If, for any reason, the Final Funding Amount is greater than the Maximum Settlement Amount, then the Settlement Administrator will reduce Settlement Class Members' Individual Settlement Payments proportionally in amounts sufficient to cover the difference between the Final Funding Amount and the Maximum Settlement Amount as set forth in Paragraph 4.4 below, such that the Final Funding Amount shall not exceed the

Maximum Settlement Amount under any circumstance. Defendant shall provide the Final Funding Amount to the Settlement Administrator on or before the Final Funding Date (*i.e.* thirty (30) days after the Effective Date). The Net Settlement Amount shall be distributed to the Settlement Class according to the “Settlement Payment Formula,” as set forth below.

4.2. Settlement Class Payment Formula. The Net Settlement Amount shall be divided among Settlement Class Members based on the Settlement Class Members’ number of Class Workweeks worked during the Class Period. The Settlement Administrator will calculate each Settlement Class Member’s *pro rata* share of the Net Settlement Amount by dividing the total number of Class Workweeks worked by all Settlement Class Members during the Class Period into the Net Settlement Amount (*i.e.*, the “Workweek Value”), and then multiplying the Workweek Value by the number of Class Workweeks actually worked by each Settlement Class Member during the Class Period.

4.3. Calculation of Settlement Class Workweeks. Defendant shall provide the Settlement Administrator with the start and ending dates of each member of the Class’s employment within the Class Period. Based on this employment history data provided to the Settlement Administrator by Defendant, the Settlement Administrator will calculate each member of the Class’s Class Workweeks by dividing the total days employed as a Class Member during the applicable Class Period by seven (7). Partial workweeks will be rounded up to the nearest full workweek. Defendant’s employment history data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by providing written documentation to support the correction. All workweek disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator’s decision on all workweek disputes will be final and non-appealable.

4.4. Setoff. Any Class Members who previously entered into settlements with, or received payments from, Defendant on account of the claims being released and settled during the class period will have the amounts of such settlements or payments deducted from the amount of their Individual Settlement Payments before payment by the Settlement Administrator. Any Class Members who have executed a release of claims in favor of Defendant for any and all claims being settled herein shall not receive an Individual Settlement Payment in this Action from Defendant and such Individual

Settlement Payments to which they otherwise would have been entitled shall be added to the Net Settlement Amount, to be redistributed to the remainder of the Class pursuant to Paragraph 4.2.

4.5. Maximum Payment. Under no circumstances shall the aggregate of Individual Settlement Payments paid to Class Members exceed the Net Settlement Amount, and under no circumstances shall the Final Funding Amount exceed the Maximum Settlement Amount. If the total value of Individual Settlement Payments exceeds the Net Settlement Amount, or if the Final Funding Amount exceeds the Maximum Settlement Amount, each Class Member's recovery shall be reduced on a *pro rata* basis so that the total amount of Individual Settlement Payments does not exceed the Net Settlement Amount, or that the Final Funding Amount does not exceed the Maximum Settlement Amount. This *pro rata* decrease shall be made until the total Class payment is equal to or less than the Net Settlement Amount, or until the Final Funding Amount is less than or equal to the Maximum Settlement Amount.

4.6. Individual Settlement Payment Distribution. The Settlement Administrator shall attempt to deliver each Settlement Class Member's Individual Settlement Payment to the Settlement Class Member's last known address as indicated in Defendant's records, or to a more recent address using reasonable efforts to locate a Class Member, as set forth more fully in Paragraph 8.2, within fifteen (15) days of the Final Funding Date. Any Individual Settlement Payment that is undeliverable due to an inaccurate or non-current address of a Class Member, following reasonable efforts by the Settlement Administrator to locate the Class Member, will be . Any checks that were delivered to a Settlement Class Member, but remain uncashed at the time the checks expire according to Paragraph 8.12, will similarly be .

4.7. Individual Settlement Payment Check. The Settlement Administrator shall mail each Settlement Class Member one check that shall constitute the Settlement Class Member's Individual Settlement Payment. The checks shall include writing indicating that they shall expire one hundred eighty (180) days from the date of issuance, as set forth below in Paragraph 8.12.

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1 **5. AWARD OF FEES, COSTS, AND CLASS REPRESENTATIVE**
2 **ENHANCEMENTS**

3 **5.1. Attorneys' Fees and Litigation Costs.** Any attorneys' fees and litigation costs
4 awarded to Class Counsel will be paid out of the Final Funding Amount. Class Counsel shall apply to
5 the Court for approval of an award of attorneys' fees in an amount that will not exceed one-third (1/3) of
6 the Gross Settlement Amount, in accordance with the applicable legal precedent therefore, and
7 conditioned upon the Joint Stipulation of Settlement reaching its Final Effective Date. As long as the
8 total amount requested or awarded does not exceed one-third (1/3) of the Gross Settlement Amount,
9 Defendant agrees not to oppose the application for attorneys' fees and to pay such amounts as requested
10 by Class Counsel and awarded by the Court, up to Ninety-One Thousand Six Hundred Sixty-Seven
11 Dollars and Zero Cents (\$91,667.00). Class Counsel shall not apply to the Court for an award of
12 attorneys' fees that is greater than the amounts set forth in this Joint Stipulation of Settlement, and, in no
13 event shall Defendant be required to pay Class Counsel more than Ninety-One Thousand Six Hundred
14 Sixty-Seven Dollars and Zero Cents (\$91,667.00) in attorneys' fees. Class Counsel shall also apply to
15 the Court for approval of an award of litigation costs in an amount not to exceed Fifteen Thousand
16 Dollars and Zero Cents (\$15,000.00) in accordance with the applicable legal precedent therefore, and
17 conditioned upon the Joint Stipulation of Settlement reaching its Effective Date. Defendant agrees not to
18 oppose the application for litigation costs and to pay such amounts as requested by Class Counsel and
19 awarded by the Court, up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00). Any reduction by
20 the Court in attorneys' fees or litigation costs awarded to Class Counsel will be added to the Net
21 Settlement Amount and distributed to Settlement Class Members on a *pro rata* basis, in accordance with
22 Paragraph 4.2. Payment shall be made by the Settlement Administrator from the Final Funding Amount
23 to Class Counsel as they direct, within fifteen (15) days of the Final Funding Date.

24 **5.2. Class Representative Enhancements.** Class Counsel will petition the Court for
25 Class Representative Enhancements for the Class Representatives to compensate them for their time and
26 energy spent in serving as the Class Representatives and as consideration for the individual release and
27 waiver of Section 1542 of the California Civil Code as set forth in Paragraph 7.3. Class Counsel's
28 application for Class Representative Enhancements for the Class Representatives will not exceed

Twelve Thousand Dollars and Zero Cents (\$12,000.00) for Rhodes and Ten Thousand Dollars and Zero Cents (\$10,000.00) for Buenrostro; *i.e.* a total of Twenty-Two Thousand Dollars and Zero Cents (\$22,000.00). As long as the total amount requested or awarded does not exceed Twenty-Two Thousand Dollars and Zero Cents (\$22,000.00), Defendant agrees not to oppose the application for the Class Representative Enhancements and to pay the amount awarded by the Court out of the Final Funding Amount. Class Representatives will be provided an IRS Form 1099 for all amounts paid as to them as Class Representative Enhancements. The Class Representative Enhancements shall be independent of any other benefits to which Class Representatives may be entitled as Class Members pursuant to this Joint Stipulation of Settlement and plan of allocation. The Class Representative Enhancements paid to the Class Representatives will be paid by the Settlement Administrator from the Final Funding Amount within fifteen (15) days of the Final Funding Date. Any reduction by the Court in the Class Representative Enhancements awarded to Class Representatives will be distributed to all Settlement Class Members on a *pro rata* basis proportionate to the amounts due to each Settlement Class Member under this Joint Stipulation of Settlement, in accordance with Paragraph 4.2. As a condition precedent to payment of the Class Representative Enhancements, the Class Representatives shall execute this Joint Stipulation, which contains a general release of all Class Representatives' claims under California Civil Code section 1542 pursuant to Paragraph 7.3. Class Representative Enhancements shall be deemed to be paid to the Class Representatives solely in the year in which such payments actually are received by Class Representatives. It is expressly understood and agreed that the receipt of such payments will not entitle Class Representatives to additional compensation or benefits under any company bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Class Representatives to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Joint Stipulation of Settlement that Class Representatives are not entitled to any new or additional compensation or benefits outside of this Joint Stipulation of Settlement as a result of having received the individual Class Representative Enhancements.

5.3. PAGA Payment. Twenty Thousand Dollars and Zero Cents (\$20,000.00) shall be paid from the Final Funding Amount as PAGA Payment. The Settlement Administrator shall pay Fifteen Thousand Dollars and Zero Cents (\$15,000.00) from that amount directly to the LWDA. The remaining

1 Five Thousand Dollars and Zero Cents (\$5,000.00) shall be distributed to all PAGA Class Members on a
2 *pro rata* basis as their Individual PAGA Payment based upon the number of PAGA Pay Periods worked
3 by each PAGA Class Member during the PAGA Period. Individual PAGA Payments shall be distributed
4 to PAGA Class Members in the same manner as Individual Settlement Payments as set forth in
5 Paragraphs 4.6 and 8.2. If a PAGA Class Member is also a Settlement Class Member, the PAGA Class
6 Member's Individual Settlement Payment and PAGA Payment may be combined into a single check
7 pursuant to Paragraph 4.7.

8 **5.4. Calculation of PAGA Pay Periods.** Defendant shall provide the Settlement
9 Administrator with the start and ending dates of each PAGA Class Member's employment within the
10 PAGA Period. Based on this employment history data provided to the Settlement Administrator by
11 Defendant, the Settlement Administrator will calculate each PAGA Class Member's PAGA Pay Periods
12 by dividing the total days employed as a PAGA Class Member during the PAGA Period by fourteen
13 (14). Partial PAGA Pay Periods will be rounded up to the nearest whole PAGA Pay Period. Defendant's
14 employment history data will be presumed to be correct, unless a particular PAGA Class Member
15 proves otherwise to the Settlement Administrator by providing written documentation to support the
16 correction. All disputes will be resolved and decided by the Settlement Administrator, and the
17 Settlement Administrator's decision on all disputes will be final and non-appealable.

18 **5.5. Individual PAGA Payment Formula.** The Settlement Administrator shall
19 calculate individual PAGA Class Member's Individual PAGA Payments by: (a) first, calculating the
20 total number of PAGA Pay Periods worked by all PAGA Class Members; (b) second, dividing the
21 twenty-five percent (25%) of the PAGA Payment to be distributed to PAGA Class Members as set forth
22 in Paragraph 5.3 (i.e. Five Thousand Dollars and Zero Cents (\$5,000.00)) by the total number of PAGA
23 Pay Periods worked by all PAGA Class Members; and (c) third, multiplying the quotient of the
24 calculation in step (b) by each PAGA Class Member's individual number of PAGA Pay Periods. Class
25 Members are not permitted to object to or submit a Request for Exclusion from the settlement of the
26 PAGA Claim.

27 **5.6. Settlement Administration Costs.** Class Counsel shall apply to the Court for
28 approval of an award of Settlement Administration Costs not to exceed Five Thousand Five Hundred

Dollars and Zero Cents (\$5,500.00) in order to compensate the Settlement Administrator in its efforts in administering this settlement in accordance with Section 8 of this Joint Stipulation of Settlement. Defendant shall not oppose any request for Settlement Administration Costs not exceeding Five Thousand Five Hundred Dollars and Zero Cents (\$5,500.00). Any award of Settlement Administration Costs shall be paid from the Final Funding Amount. Any amounts charged by the Settlement Administrator in excess of the awarded by the Court shall be the sole responsibility of Class Counsel. Expenses were not negotiated until a settlement was reached as to all major issues pertaining to the claims of the Class.

5.7. Limitation on Costs and Fees. Except as provided in this Joint Stipulation of Settlement, Defendant shall not be required to pay any other expenses, costs, damages, or fees incurred by Plaintiff, by any Class Member, or by any of their attorneys, experts, advisors, agents, or representatives. Any award of attorneys' fees, costs, and expenses payable hereunder to Class Counsel shall be in complete satisfaction of any and all claims for such attorneys' fees, costs, and expenses, under state or federal law, which Class Representatives, other Class Members, Class Counsel, or any other counsel have or may have against Defendant arising out of or in connection with the Action and this Joint Stipulation of Settlement, including, but not limited to, any claims for attorneys' fees, costs, and expenses involved in litigating the Action and in negotiating and implementing this Joint Stipulation of Settlement, including attorneys' fees, costs, and expenses incurred through and after the final disposition and termination of the Action and including any and all appeals. Defendant shall not be responsible for distributing or apportioning any award of attorneys' fees and expenses among Class Counsel.

6. Time for Distribution. After Defendant funds the Final Funding Amount, as provided in Paragraph 4.1, the distribution of payments shall commence as soon as practicable thereafter, but no more than fifteen (15) calendar days after the Final Funding Date. However, the deadlines for the provision of Individual Settlement Payments to particular Settlement Class Members or PAGA Payments to particular PAGA Class Members may be extended to provide for the resolution of any disputes regarding the validity or amount of any claims.

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1 **7. EMPLOYER TAXES.**

2 **7.1.** The Parties agree that twenty percent (20%) of the Individual Settlement
3 Payments to Settlement Class Members, shall be considered payment of wages and subject to the
4 withholding of all applicable local, state, and federal taxes, including payroll taxes.

5 **7.2.** The Parties further agree that forty percent (40%) of the Individual Settlement
6 Payments to Settlement Class Members shall be considered as the payment of penalties associated with
7 unpaid wages and other claims asserted and forty percent (40%) of the Individual Settlement Payments
8 to Settlement Class Members shall be considered payment of interest, and neither the penalties nor
9 interest portions of the payments to Settlement Class Members shall be subject to any withholdings and
10 shall be reflected on IRS Forms 1099 issued to Settlement Class Members.

11 **7.3.** The Parties further agree that Individual PAGA Payments to PAGA Class
12 Members shall be considered as payment as penalties and shall be treated as such pursuant to Paragraph
13 6.2.

14 **7.4.** Defendant's portion of Employer Taxes shall be paid into the qualified settlement
15 fund in addition to and separate from the Gross Settlement Amount. The Settlement Administrator shall
16 provide Defendant an accounting of the amount of its portion of Employer Taxes seven (7) calendar
17 days after the Final Effective Date. Defendant shall provide its portion of Employer Taxes to Settlement
18 Administrator as part of the Final Funding Amount in addition to the Gross Settlement Amount.

19 **7.5.** The Settlement Administrator shall pay, out of the Final Funding Amount,
20 Defendant's share of Employer Taxes and withholdings on that portion of Individual Settlement
21 Payments to Settlement Class Members that is allocated to wages to the relevant state and federal taxing
22 agencies in accordance with applicable law and regulations on behalf of Defendant. The Settlement
23 Administrator will also be responsible for issuing any required state and federal reporting documents
24 (such as IRS Forms W-2s and 1099s) to Settlement Class Members, Class Counsel, and the Class
25 Representatives on behalf of Defendant.

26 **7.6.** The Settlement Administrator shall withhold appropriate federal, state, and local
27 income taxes and Class Members' share of FICA and Medicare taxes in accordance with the Joint
28 Stipulation of Settlement.

1 **7.7.** The Settlement Administrator shall issue a W-2 and Form 1099, under the terms
2 set forth in this Joint Stipulation of Settlement, to Class Members receiving an Individual Settlement
3 Payment.

4 **7.8.** Any employer contributions and deductions required by any and all applicable
5 federal, state, and local tax regulations shall be paid out of the Final Funding Amount. If such funds are
6 insufficient to cover said Employer Taxes, then the Settlement Administrator shall reduce the Individual
7 Settlement Payments to each member of the Settlement Class on a *pro rata* basis pursuant to Paragraph
8 4.5, such that the Maximum Settlement Amount is not exceeded under any circumstances.

9 **7.9.** For all purposes, Individual Settlement Payments shall be deemed to be paid to
10 Class Members solely in the year in which payment of such Individual Settlement Payments are actually
11 received by the Class Members. It is expressly understood and agreed that the receipt of such Individual
12 Settlement Payments will not entitle any Class Member to additional compensation or benefits under
13 any company bonus, contest, or other compensation, or benefit plan or agreement in place during the
14 Class Period, nor will it entitle any Class Member to any increased retirement, 401K benefits or
15 matching benefits, or deferred compensation benefits. It is the intent of this Joint Stipulation of
16 Settlement that Individual Settlement Payments are the sole payments to be made by Defendant to Class
17 Members, and that Class Members are not entitled to any new or additional compensation or benefits as
18 a result of having received the Individual Settlement Payments.

19 **7.10. Tax Liability.** Defendant makes no representation as to the tax treatment or legal
20 effect of the payments called for hereunder, and Plaintiffs and Class Members are not relying on any
21 statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.
22 Class Members and Class Counsel understand and agree that Class Members shall be responsible for the
23 payment of all taxes and penalties assessed on the payments specified herein, and shall hold the Parties,
24 Class Counsel, and Defendant's Counsel free and harmless from and against any claims resulting from
25 treatment of such payments as non-taxable, including the treatment of such payments as not subject to
26 withholding or deduction for payroll and employment taxes.

27 **7.11. Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR
28 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO

1 THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
2 ACKNOWLEDGES AND AGREES THAT: (1) NO PROVISION OF THIS AGREEMENT, AND NO
3 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
4 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY
5 SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
6 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY
7 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING
8 PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT
9 LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION
10 WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON
11 THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
12 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION
13 OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID
14 ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND
15 (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
16 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S
17 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING)
18 UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
19 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
20 BY THIS AGREEMENT.

21 **8. RELEASE.** In exchange for the consideration set forth in this Joint Stipulation of
22 Settlement, Plaintiffs and the Settlement Class Members agree to Release all claims as set forth in the
23 Action, as set forth below.

24 **8.1. Released Claims by Settlement Class.** Upon Final Approval of this Joint
25 Stipulation of Settlement, each Class Member who has not timely and appropriately opted out of this
26 Joint Stipulation of Settlement by way of submitting a Request for Exclusion (i.e. the Settlement Class),
27 fully releases and discharges Released Parties from all Released Claims within the Released Period. This
28 Release also covers all claims for interest, attorneys’ fees and costs related to the Action. In addition,

any Class Member who has not timely and appropriately opted out of this Joint Stipulation of Settlement in accordance with the Claims Process set forth in Paragraph 8.11 shall be a member of the Settlement Class and forever agrees that he or she shall not institute a claim, nor accept back pay, unpaid wages, liquidated damages, punitive damages, penalties of any nature, attorneys' fees and costs, or any other relief from any other suit, class, collective action, or representative or administrative claim, or other claim of any sort or nature whatsoever against the Released Parties relating to the Released Claims. Notwithstanding, no Class Member is permitted to Request for Exclusion from or object to the settlement of the PAGA Claim and all PAGA Class Members shall be bound by the release of the PAGA Claim regardless of whether the PAGA Class Member timely submits a valid Request for Exclusion from the Settlement Class

8.2. Effective Dates of Release. The Release set forth in paragraph 7.1 shall cover all claims held by the Releasing Parties during the Class Period.

8.3. Released Claims by the Class Representatives. By executing this Joint Stipulation Settlement, and as a condition precedent for receipt of their respective Class Representative Enhancements, Class Representatives hereby fully and finally release and discharge the Released Parties (defined above in Paragraph 7.1) from any and all of the Released Claims (also defined above in Paragraph 7.1) and from any and all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, known or unknown, suspected or unsuspected, that the Class Representatives had, now have, or may hereafter claim to have against the Released Parties arising out of, or relating in any way to, the Class Representatives' hiring by, employment with, separation of employment with, or otherwise relating to the Released Parties ("Class Representatives' Released Claims"), arising or accruing from the beginning of time up through the Effective Date ("Class Representatives' Released Period"). The Class Representatives' Released Claims include all claims under state, federal or local law, whether statutory, common law or administrative law, but are not limited to, claims arising from or dependent on the California Labor Code, the Wage Orders of the California Industrial Welfare Commission, California Business and Professions Code section 17200 *et seq.*, the California Fair Employment and Housing Act (Cal. Gov't Code § 12900 *et seq.*), the California common law of contract and tort, Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e *et seq.*),

the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*), the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1001 *et seq.*), the Fair Labor Standards Act (29 U.S.C. § 201 *et seq.*), and the Portal to Portal Act (29 U.S.C. § 251 *et seq.*). Class Representatives hereby acknowledge that they have read Section 1542 of the Civil Code of the State of California, which provides as follows:

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

Class Representatives further warrant that they understand that Section 1542 gives them the right not to release existing claims of which they are not now aware, unless they voluntarily choose to waive this right. Having been so apprised, Class Representatives hereby voluntarily waive the rights described in Section 1542.

8.4. All Members Of The Settlement Class Are Settling Parties. All Settlement Class Members shall be bound by the terms and conditions of this Joint Stipulation of Settlement, including all orders issued pursuant thereto, and shall be deemed to have waived all unstated objections and opposition to the fairness, reasonableness, and adequacy of this Joint Stipulation of Settlement, and any of its terms.

8.5. Effect of Joint Stipulation of Settlement. If the Joint Stipulation of Settlement is given final approval, it shall operate as a full, complete, and final release of all the Released Claims of the Class Representatives, all the Released Claims of the Settlement Class Members, and all Releasing Parties. Additionally, this Joint Stipulation of Settlement shall operate as a full, complete, and final release of the PAGA Claim of all Class Members employed during the PAGA Period, regardless of whether any such Class Member submitted a timely, valid Request for Exclusion from the Joint Stipulation of Settlement.

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1 **8.6. No Other Liability.** The Joint Stipulation of Settlement shall be in full
2 settlement, compromise, release and discharge of the Released Claims and each of them, and the Class
3 Representatives' Released Claims, and the Released Parties shall have no further or other liability or
4 obligation to any member of the Settlement Class, the Class Representatives, or any other Releasing
5 Party with respect to the Released Claims, except as expressly provided herein.

6 **9. SETTLEMENT ADMINISTRATION**

7 **9.1. Engagement of Settlement Administrator.** The Parties have agreed to retain
8 ILYM Group as the Settlement Administrator to perform the Class Notice and other claims
9 administration functions necessary for the Parties to fulfill their settlement obligations.

10 **(a)** The Settlement Administrator shall perform the customary duties of a
11 Settlement Administrator including, but not limited to, the following:

12 **(i)** Preparing, printing, and disseminating the Information Sheets and
13 Class Notice to Class Members;

14 **(ii)** Promptly furnishing to Class Counsel and Defendant's Counsel
15 copies of all Objections and Requests for Exclusion received;

16 **(iii)** Promptly furnishing to Defendant's Counsel copies and
17 information regarding, and verifying the information contained
18 within, all disputes submitted by Class Members regarding the
19 Class Workweeks stated on their Information Sheets;

20 **(v)** Calculating all Employer Taxes on all Individual Settlement
21 Payments, and, within seven (7) days after the Final Effective
22 Date, informing Defendant's Counsel of the amount of
23 Defendant's share of Employer Taxes to be included in the Final
24 Funding Amount; and

25 **(vi)** Distributing Individual Settlement Payments or Individual PAGA
26 Payments to all Settlement Class Members and PAGA Class
27 Members. Additionally, the Settlement Administrator will handle
28 all tax document preparation and filing, including state and federal

tax forms, if any.

(b) Also, on a weekly basis after the Notice Date, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel with a summary report, including the total number of Class Notices that were returned as undeliverable, and the total number of Workweek Disputes, Requests for Exclusion, and Objections received. The Settlement Administrator shall maintain records of its work, which shall be available for inspection upon request by Defendant's Counsel or Class Counsel.

9.2. Identification of Class Members. Defendant will complete a review of its records to identify the Class Members. Within twenty-one (21) calendar days of the entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with "Class Data List," which shall consist of the following information:

- (a) The names, last known addresses, and social security numbers of each Class Member;
- (b) The total number of Class Workweeks worked by each Class Member during the Class Period;
- (c) The total number of PAGA Pay Periods worked by each PAGA Class Member during the PAGA Period; and
- (d) Such other information that the Settlement Administrator requires to identify Class Members.

Upon its receipt of the Class Data List, and no later than seven (7) days thereafter, the Settlement Administrator shall access the National Change of Address ("NCOA") Database, and update the addresses maintained by Defendant before mailing the Class Notice and Information Sheet.

9.3. Privacy of Class Information. Any production of information to Class Counsel from the Class Data List must be made in redacted form so that only the name and Individual Settlement Payment or Individual PAGA Payment will be provided. Other private information, including address, phone number, social security number, or other identifying information shall not be provided to Class Counsel.

1 **9.4. Modification of Class Data List.** If Defendant, Class Counsel, and the
2 Settlement Administrator determine, based upon further review of available data, that a person
3 previously identified as being a Class Member should not be so included or identify a person who
4 should have been included as a Class Member but was not so included, Defendant and the Settlement
5 Administrator shall promptly delete or add such person as appropriate and notify Class Counsel prior to
6 such deletions or additions (and the reasons therefore). The time periods and methodologies set forth
7 herein reflect Defendant's best current belief as to its ability to make such identifications and it is
8 understood that Defendant, in undertaking the tasks set forth herein, shall use reasonable efforts to
9 identify all Class Members and to determine their last known addresses and social security numbers, as
10 provided above, and to do so within the stated time periods. Other than the obligations set forth in this
11 Joint Stipulation of Settlement, Defendant shall have no additional obligation to identify or locate any
12 Class Member.

13 **9.5. Information Sheets For Persons Identified As Class Members.** On or before
14 the Notice Date (*i.e.*, within forty-five (45) calendar days of the entry of the Preliminary Approval
15 Order), the Settlement Administrator shall send the Class Notice and Information Sheets by bulk first
16 class mail, forwarding requested, to the Class Members at the addresses identified through the process
17 described above. The Information Sheet shall state the total number of Class Workweeks worked during
18 the Class Period to whom it is being sent, and that Defendant shall make available to the Class Member
19 an Individual Settlement Payment as set forth in this Joint Stipulation of Settlement, subject to the
20 limitations set forth herein. The number of Class Workweeks worked by the Class Member shall be
21 determined according to Defendant's records.

22 **9.6. Notice Deemed Effective.** Unless the Settlement Administrator receives a Class
23 Notice returned from the United States Postal Service for reasons discussed below in this Paragraph, that
24 Class Notice shall be deemed mailed and received by the Class Member on the date it was sent. In the
25 event that subsequent to the first mailing of a Class Notice and prior to the Response Deadline, Class
26 Notice is returned to the Settlement Administrator by the United States Postal Service because the
27 address of the recipient is no longer valid or the envelope is marked "Return to Sender," the Settlement
28 Administrator shall undertake another attempt to ascertain the current address of the particular Class

1 Member as provided in Paragraph 8.2 and, if such an address is ascertained, the Settlement
2 Administrator will re-send the Class Notice within three (3) business days of receipt of the returned
3 Class Notice. If no updated address is obtained for that Class Member, the Class Notice shall be sent
4 again to the last known address within three (3) business days of receipt of the returned Class Notice. In
5 either event, the Class Notice shall be deemed received once it is mailed for the second time. In the
6 event that subsequent to the first mailing of a Class Notice and on or after the Response Deadline, that
7 Class Notice is returned to the Settlement Administrator by the United States Postal Service because the
8 address of the recipient is no longer valid or the envelope is marked "Return to Sender," the Settlement
9 Administrator shall be required to take no further action with Class Notice to that Class Member, and
10 Class Notice shall be deemed to have been delivered to that Class Member. In the event that subsequent
11 to the first mailing of a Class Notice and prior to the Response Deadline, or up to fifteen (15) calendar
12 days after the Response Deadline, the Class Notice to that Class Member is returned to the Settlement
13 Administrator by the United States Postal Service with a forwarding address for the recipient, the
14 Settlement Administrator shall re-mail the notice to that address within three (3) business days of receipt
15 of the returned Class Notice, the Class Notice will be deemed mailed and received by that Class Member
16 at that time, and the forwarding address shall be deemed the updated address for that Class Member. In
17 any event, if the Settlement Administrator does not receive notice from the United States Postal Service
18 that Class Notice to a particular Class Member is undeliverable, or should be sent to a forwarding
19 address, at least ten (10) calendar days prior to the deadline for the Settlement Administrator to provide
20 the Declaration of Compliance pursuant to Paragraph 8.13 below, the notice procedures in this
21 Paragraph will be deemed to have been effectuated as to that Class Member and no further action need
22 be taken by the Settlement Administrator with regard to Class Notice to that Class Member, unless
23 directed to by the Court.

24 **9.7. Time to Request Exclusion, or To Object.** Class Members will have until the
25 Response Deadline (*i.e.*, forty-five (45) days after the Notice Date), to submit any Objections or
26 postmark and mail a Request for Exclusion. PAGA Class Members shall not be permitted to submit and
27 Objection or Request from Exclusion from the settlement of the PAGA Claim.

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1 **9.8. Extension For Response Due To Re-Mailing of Class Notice.** In the event the
2 Settlement Administrator must re-mail any Class Notice due to being returned for an invalid address, the
3 Response Deadline shall be extended for those re-mailings to no later than ten (10) calendar days from
4 the date of the re-mailing of the Class Notice. The Settlement Administrator shall include a cover letter
5 with any re-mailing informing the Class Member of the re-mailing of the Class Notice and specify the
6 actual calendar date by which the Class Member must postmark any response, even if postmarked after
7 the original Response Deadline. The new Response Deadline for that Class Member shall be calculated
8 by taking the date of mailing and adding ten (10) calendar days. Compliance with the procedures
9 described in this Paragraph shall constitute due and sufficient notice to Class Members of this Joint
10 Stipulation of Settlement and of the Final Fairness Hearing, and shall satisfy the requirements of due
11 process. Nothing additional shall be required of or done by the Settling Parties, Class Counsel,
12 Defendant's Counsel, or the Settlement Administrator to provide notice of this Joint Stipulation of
13 Settlement and the Final Fairness Hearing, unless the Court orders otherwise.

14 **9.9. Disputes Regarding Class Workweeks.** The Information Sheets shall state each
15 Class Member's number of Class Workweeks for which the Class Member is entitled to recovery. The
16 Information Sheet shall also state that, if the Class Member disagrees with the information set forth
17 thereon regarding the number of Class Workweeks worked during the Class Period, the Class Member
18 must submit to the Settlement Administrator the information that he or she believes is correct, explain
19 the basis for such belief, and submit written documentation to support his or her challenge. Failure to
20 submit written documentation to the Settlement Administrator to support such challenge will cause
21 Defendant's information to be deemed controlling, without the need for a curative letter from the
22 Settlement Administrator.

23 **9.10. Objections to the Settlement.** Any member of the Class may object to the
24 proposed Joint Stipulation of Settlement, or any portion thereof, by mailing a written objection, and
25 supporting papers, if any, to the Settlement Administrator at the address that is set forth in the Class
26 Notice. To be timely, all objections must be postmarked no later than the Response Deadline (*i.e.*, forty-
27 five (45) days after the Notice Date), subject to the extensions stated above. A written objection must
28 contain the objecting person's full name, current address, last four digits of his or her social security

number, and include all objections and the reasons therefore, and include any and all supporting papers (including, without limitation, all briefs, written evidence, and declarations). The objection must also be dated and signed by the Class Member. A Class Member who desires to object but who fails to comply with the objection procedure set forth herein, shall be deemed to have not objected. The Settlement Administrator shall send all objections by .pdf to Defendant's Counsel and Class Counsel. Any objecting Class Member may appear at the Final Fairness Hearing and present his or her objection to the Court orally. Any Class Member who files an objection remains a part of the Settlement Class, eligible to receive monetary compensation from the Settlement. Neither Defendant nor the Class shall be responsible for fees, costs, or expenses related to any Class Members who submit objections to the Joint Stipulation of Settlement or any appeal by an objector arising from the Action for attorneys' fees, costs, or expenses of any kind. Notwithstanding the above, no Class Member shall be permitted to object to the settlement of the PAGA Claim.

9.11. Request For Exclusion. In order for a Class Member to validly and effectively Request for Exclusion from, and opt out of, this Joint Stipulation of Settlement, the Class Member must submit a valid, fully-executed Request for Exclusion to the Settlement Administrator, which must be postmarked no later than the Response Deadline (*i.e.*, forty-five (45) calendar days after the Notice Date), subject to the extensions stated above. In the Request for Exclusion, the Class Member must provide his or her full name, last four digits of the Class Member's social security number, and sign and date the Request for Exclusion to validly and effectively opt out of this Settlement. The written request for explain must state: "I wish to be excluded from the settlement of Rhodes et al v. Coastal Transport Co., Inc." Any Class Member who is validly excluded from this Joint Stipulation of Settlement as provided in this Paragraph shall not receive any payment from this Settlement, unless the Class Member is a PAGA Class Member entitled to a portion of the Individual PAGA Payment, shall have no right to object to this Joint Stipulation of Settlement, and shall not be bound by any Release provided for in this Joint Stipulation of Settlement. Notwithstanding the above, no PAGA Class Member shall be permitted to opt-out of the settlement of the PAGA Claim, and, as a result, any qualifying PAGA Class Member shall receive an Individual PAGA Payment and shall be bound by the release of the PAGA Claim despite the submission of a Request for Exclusion.

1 **9.12. Discharge of Obligations.** Defendant shall fully discharge their obligations under
2 this Joint Stipulation of Settlement once the Final Funding Amount is provided to the Settlement
3 Administrator. The Settlement Administrator shall fully discharge its obligations to those Class
4 Members to whom it will provide payment of an Individual Settlement Payment and/or Individual
5 PAGA Payment through the mailing of a check as set forth in Paragraphs 4.6 and 5.3, above, regardless
6 of whether such checks are actually received or negotiated by Class Members. Any check that is not
7 negotiated within one hundred eighty (180) days of mailing to a Class Member, or that is undeliverable,
8 shall not be re-issued and those funds shall be submitted to the unclaimed property fund, or similar state
9 government fund, of the state in which the Class Member's last known address is located. Any checks
10 that were delivered to a Class Member, but remain uncashed at the time the checks expire as set forth
11 above, will similarly be submitted to the unclaimed property fund, or similar state government fund, of
12 the state in which the Class Member's last known address is located. The Final Funding Amount
13 represents Defendant's complete and total financial obligation with respect to the Joint Stipulation of
14 Settlement and shall be funded to the Settlement Administrator via wire transfer or electronic funds
15 transfer on or before the Final Funding Date. Upon provision of the Final Funding Amount by
16 Defendant to the Settlement Administrator, all of Defendant's obligations under this Joint Stipulation of
17 Settlement shall be deemed complete.

18 **9.13. Settlement Administrator Declaration of Compliance.** No later than fifteen
19 (15) calendar days after the Response Deadline, the Settlement Administrator shall provide Class
20 Counsel and Defendant's Counsel with a declaration attesting to completion of the notice process,
21 including any attempts to obtain updated addresses for, and the re-sending of, any returned Class
22 Notices, including the steps set forth in Paragraphs 8.2 through 8.11 above ("Declaration of
23 Compliance"), which shall be filed with the Court by Class Counsel.

24 **10. APPLICATION FOR PRELIMINARY APPROVAL ORDER.** Class Representatives
25 will file a Motion for Preliminary Approval of the proposed Joint Stipulation of Settlement. In
26 connection with the Motion, the Parties shall apply for a Preliminary Approval Order that contains the
27 following provisions:

28 **(a)** Conditionally certifying the Class, pursuant to Paragraph 2.8;

- 1 (b) Appointing Class Counsel;
- 2 (c) Appointing Plaintiff Rhodes and Plaintiff Buenrostro as Class Representatives;
- 3 (d) Preliminarily approving the Joint Stipulation of Settlement under the legal
- 4 standards relating to the preliminary approval of class action settlements;
- 5 (e) Approving the form of the Class Notice and finding that the proposed method of
- 6 disseminating the Class Notice meets the requirements of California Code of Civil
- 7 Procedure section 382 and due process, and is the best notice practicable under
- 8 the circumstances;
- 9 (f) Preliminarily approving the settlement of the PAGA Claim and the PAGA
- 10 Payment;
- 11 (g) Approving ILYM Group as the Settlement Administrator;
- 12 (h) Establishing the procedures and the deadline by which Class Members may assert
- 13 Objections to or submit Requests for Exclusion from the Joint Stipulation of
- 14 Settlement;
- 15 (i) Directing the mailing of the Class Notice and Information Sheets by first class
- 16 mail to the Class;
- 17 (j) Setting a date for the Final Fairness Hearing;
- 18 (k) Setting a date that is approximately seven (7) days before the date of the Final
- 19 Fairness Hearing by which the Parties must file their respective responses to any
- 20 Objections to the Joint Stipulation of Settlement that were filed by Class Members
- 21 on or before the Response Deadline; and
- 22 (l) Providing that, pending the Court's final determination of whether the proposed
- 23 Joint Stipulation of Settlement will be approved, and in aid of the Court's
- 24 jurisdiction and to prevent a multiplicity of lawsuits, Class Representatives and all
- 25 other Class Members, and anyone acting on their behalf (including, but not
- 26 limited to, attorneys, representatives, and agents of any Class Member), who have
- 27 actual knowledge of this Joint Stipulation of Settlement, are barred and enjoined
- 28 from instituting, commencing, or continuing to prosecute, directly or indirectly, as

an individual or collectively, representatively, derivatively, or on behalf of himself or herself, or in any other capacity of any kind whatsoever, any action in this Court, any other state or federal court, or any arbitration or mediation proceeding or any other similar proceeding, against any Released Party that asserts any claims that are Released Claims that would be released and discharged upon final approval of this Joint Stipulation of Settlement, except as the Court may further order upon application of a Class Member and notice to all Parties, and unless and until any such Class Members have timely and appropriately opted-out of this Joint Stipulation of Settlement.

11. FINAL FAIRNESS HEARING. Class Representatives shall file a Motion for Final Approval of this Settlement in advance of the Final Fairness Hearing, as ordered by the Court in its Preliminary Approval Order. At the Final Fairness Hearing, the Parties shall use their best efforts to urge the Court to grant final approval of the Joint Stipulation of Settlement in its entirety (including any modification made thereto with the consent of the Settling Parties as provided herein), and to enter a Final Approval Order and Judgment as set forth in Paragraphs 11.1 and 11.2.

12. FINAL APPROVAL ORDER AND JUDGMENT. If the Joint Stipulation of Settlement (including any modification made thereto with the consent of the Settling Parties as provided herein) is finally approved by the Court following the Final Fairness Hearing, the Settling Parties hereto shall jointly request that the Court enter a Final Approval Order and Judgment as follows:

12.1. Final Approval Order. The Final Approval Order shall include the following provisions:

- (a)** Finding that the dissemination of the Class Notice in the form and manner ordered by the Court was accomplished as directed, met the requirements of due process, was the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons entitled thereto;
- (b)** Finding that the Class Representatives and Class Counsel herein have fairly and adequately represented and protected the interests of the Class at all times in the Action;

- 1 (c) Finally approving the Joint Stipulation of Settlement as fair, reasonable,
2 and adequate, and directing consummation of the Joint Stipulation of
3 Settlement in accordance with its terms and provisions;
4 (d) Finally approving the settlement of the PAGA Claim; and
5 (e) Entering judgment pursuant to California Rule of Court 3.769 as set forth
6 in Paragraph 11.2.

7 **12.2. Judgment.** The Judgment shall include the following provisions:

- 8 (a) Definition of the Class;
9 (b) Direction to the Settling Parties to implement the terms of the Joint
10 Stipulation of Settlement, including, without limitation, the provisions
11 regarding the payment of the Individual Settlement Payments to each
12 member of the Settlement Class, Individual PAGA Payments to PAGA
13 Class Members, and the portion of the PAGA Payment to the LWDA, as
14 set forth in this Joint Stipulation of Settlement;
15 (c) Entering judgment and permanently barring and enjoining all qualifying
16 Class Members from prosecuting any future PAGA Claim released by this
17 Joint Stipulation of Settlement and permanently barring and enjoining all
18 Settlement Class Members from prosecuting against any of the Released
19 Parties, any individual, class, or collective claims based on any of the
20 Released Claims released herein;
21 (d) Awarding reasonable attorneys' fees, costs, and expenses to Class Counsel
22 and the Settlement Administrator as provided in Paragraphs 5.1 and 5.6,
23 and subject to the limitations set forth in Paragraphs 5.3 and 5.7, or
24 reserving jurisdiction with respect thereto;
25 (e) Awarding enhancements to the Class Representatives as provided in
26 Paragraph 5.2, and subject to the limitations set forth therein, or reserving
27 jurisdiction with respect thereto; and
28

///

(f) Reserving continuing and exclusive jurisdiction over all matters related to the administration and consummation of the terms of this Joint Stipulation of Settlement, over the enforcement, construction and interpretation of this Joint Stipulation of Settlement, over the enforcement, construction, and interpretation of the Judgment, including, but not limited to, the provisions therein enjoining any further litigation of Released Claims, and over Plaintiffs and all Class Members (and their attorneys and law firms) in connection therewith.

13. DEFENDANT'S COMMENT ON SETTLEMENT APPROVAL MOTION PAPERS. Class Representatives will provide Defendant with the opportunity to review and comment upon the drafts of all pleadings to be filed in connection with their Motion for Preliminary Approval and Motion for Final Approval (*e.g.*, notice of motion, memorandum of points and authorities, and declarations) within three (3) days of filing of these respective motions with the Court.

14. FINALITY; EFFECT OF THE JOINT STIPULATION OF SETTLEMENT NOT BEING FINAL.

14.1. Finality. The approval of the Joint Stipulation of Settlement shall be considered final on the Final Effective Date. Except as expressly stated herein, none of the obligations of Defendant pursuant to the Joint Stipulation of Settlement shall become effective until the Joint Stipulation of Settlement becomes final, but Defendant may waive this condition in writing.

14.2. Settlement Not Final. In the event that the Joint Stipulation of Settlement does not become final, or does not become effective for any reason other than the failure of any Party to perform such Party's obligations hereunder (except as to the Joint Stipulation of Settlement not becoming final because of any appeal, which circumstance can be waived by Defendant), then the Joint Stipulation of Settlement shall become null and void and of no further force and effect, and all negotiations, proceedings, and statements relating thereto shall be without prejudice as to the rights of any and all Parties hereto and their respective predecessors and successors, and all Parties and their respective predecessors and successors shall be deemed to have reverted to their respective positions in the Action as of the date and time immediately prior to the execution of this Joint Stipulation of

Settlement, and except as otherwise expressly provided, the effect shall be the same as if the Joint Stipulation of Settlement was terminated pursuant to Paragraphs 14.2 and 14.3.

15. TERMINATION OF SETTLEMENT

15.1. Right of Rescission. In the event that Class Members representing more than an aggregate total of five percent (5%) of the total number of Class Members or who are assigned more than an aggregate total of five percent (5%) of the total number of Class Workweeks, whichever is greater, elect to exclude themselves from this Joint Stipulation of Settlement, Defendant will have the unilateral right to void this Joint Stipulation of Settlement within fourteen (14) calendar days of the Response Deadline.

15.2. Terminating Events. This Joint Stipulation of Settlement shall be void, the class certification order shall be nullified, and the Preliminary Approval Order and the Final Approval Order and Judgment shall be vacated upon application to the Court in the event that: (a) Defendant's Counsel exercises its rights under Paragraph 14.1 (subject to the terms and conditions set forth therein); (b) the Court declines to enter Preliminary Approval of this Joint Stipulation of Settlement or declines to enter the Final Approval Order or Judgment or any part thereof as provided for herein, or the Parties hereto fail to consent to the entry of alternative forms of Judgment, in lieu thereof, or after such consent the Court declines to enter such alternate form of Judgment; (c) any other conditions to the Joint Stipulation of Settlement are not satisfied; (d) the Court disapproves this Joint Stipulation of Settlement, or any term contained in this Joint Stipulation of Settlement, including any amendments hereto, and such disapproval becomes final by reason of its affirmance on appeal or lapse of time or otherwise; or (e) the Court approves this Joint Stipulation of Settlement, including any amendments hereto, but any such Judgment and Final Approval Order is finally reversed on appeal.

15.3. Effect of Termination. Upon any such occurrence set forth above in Paragraph 14.2: (a) this Joint Stipulation of Settlement (with the exception of Paragraphs 13.2 and 15) shall be terminated and become void and of no effect, except for the obligation of the Settling Parties to pay, on an equal basis (except that Defendant will be responsible for the Settlement Administrator's fees if Defendant exercises its right to rescind the Settlement pursuant to Paragraph 14.1), for any and all expenses incurred in connection with the notice and administration of the Joint Stipulation of Settlement

on or before the date on which the Joint Stipulation of Settlement is terminated; (b) any actions taken or to be taken in connection with this Joint Stipulation of Settlement and the Joint Stipulation of Settlement shall become null and void and of no effect; (c) this Joint Stipulation of Settlement and any hearings or proceedings thereunder shall not be referred to or used as evidence for or against any Party or Class Member in this or any other action or proceeding; and (d) all pretrial proceedings, including discovery, shall resume thirty (30) calendar days thereafter as if this Joint Stipulation of Settlement had not been submitted for approval of the Court.

16. NO ADMISSIONS. The Settling Parties understand and agree that this Joint Stipulation of Settlement is the result of a good faith compromise settlement of disputed claims, and Defendant is entering into this Joint Stipulation of Settlement solely to resolve doubtful and disputed matters. No part of this Joint Stipulation of Settlement or any conduct or written or oral statements made in connection with this Joint Stipulation of Settlement, whether or not the Joint Stipulation of Settlement is finally approved or consummated, may be offered as or construed to be an admission or concession of any kind by Defendant or any of the other Released Parties, or anyone else. In particular, but without limiting the generality of the foregoing, nothing about this Joint Stipulation of Settlement shall be offered or construed as an admission that Defendant has failed to pay any Class Member in accordance with its obligations set forth in the California Labor Code or the Fair Labor Standards Act, or of liability in general, or any wrongdoing, impropriety, responsibility, or fault whatsoever on the part of Defendant or any other of the Released Parties, as alleged in the Complaint. Similarly, nothing about this Joint Stipulation of Settlement shall be construed as or deemed to be evidence of, or an admission or concession that, the Class Representatives or any Class Member has suffered any damage. In addition, this Joint Stipulation of Settlement shall not be offered or be admissible in evidence against Defendant or any Released Party, except in any action or proceeding brought by or against Plaintiffs, the Class, Class Members, or Defendant to enforce its terms, or by Defendant in defense of any claims brought by Plaintiffs, the Class Members, or any member of the general public, including any and all individuals who opted out of the Class. The provisions of this Paragraph shall become effective when this Joint Stipulation of Settlement is signed and shall be binding on the Settling Parties and their counsel regardless of whether the Joint Stipulation of Settlement is preliminarily and/or finally approved or

1 terminated for any reason or rendered null and void.

2 **17. EXTENSIONS OF TIME.** Without further order of the Court, the Parties hereto may
3 agree in writing to reasonable extensions of time to carry out any of the provisions of this Joint
4 Stipulation of Settlement.

5 **18. CONSTRUCTION.** This Joint Stipulation of Settlement was entered into after
6 substantial good faith, arms-length negotiations between the Parties' counsel. This Joint Stipulation of
7 Settlement is entered into freely and voluntarily only after each Party had carefully read and reviewed it
8 with counsel, and it reflects the conclusion of each Party that this Joint Stipulation of Settlement and the
9 Judgment and the Releases, waivers, and covenants contemplated hereby are in the best interest of said
10 Party. This Joint Stipulation of Settlement has been entered into without any coercion and under no
11 duress. The Settling Parties acknowledge and agree that all Settling Parties had an equal hand in drafting
12 this Joint Stipulation of Settlement so that it shall not be deemed to have been prepared or drafted by one
13 Party or another. All Settling Parties waive the provisions of California Civil Code section 1654, which
14 provides, in pertinent part, that "the language of a contract should be interpreted most strongly against
15 the Party who causes the uncertainty to exist." Except as expressly provided herein, this Joint Stipulation
16 of Settlement is not intended to confer any rights or remedies upon any person other than the Settling
17 Parties.

18 **19. LIMITED CONFIDENTIALITY.** This Joint Stipulation of Settlement shall remain
19 confidential to the extent permitted by law. The Parties agree not to publicize the Settlement except as
20 required by the operation of law.

21 **20. NO PUBLIC COMMENT.** Class Representatives and Class Counsel agree they will not
22 issue any press releases, publish any information relating to the Settlement on their website, social
23 media, blogs, or articles, or have any communications with the media, other than to direct the media to
24 the public records of the Action on file with the Court or to respond with statements that have been
25 previously agreed upon in writing by the Parties. Class Counsel will take reasonable steps to ensure the
26 Class Representatives are aware of, and will adhere to, the restriction against any media comment on the
27 Joint Stipulation of Settlement and its terms. Further, Class Counsel will not include, reference or use
28 the Joint Stipulation of Settlement for any marketing or promotional purposes, or for attempting to

influence business relationships of Defendant, either before or after the Motion for Preliminary Approval is filed.

21. ENTIRE AGREEMENT. This Joint Stipulation of Settlement (including all Exhibits annexed hereto) and the Individual Settlement Agreements to be executed by Class Representatives set forth the entire agreement of the Settling Parties with respect to its subject matter and supersedes any and all other prior agreements and all negotiations leading up to the execution of this Joint Stipulation of Settlement, whether oral or written, regarding the subjects covered herein. The Settling Parties acknowledge that no representations, inducements, warranties, promises, or statements relating to the subjects covered herein, oral or otherwise, have been made by any of the Settling Parties or by anyone acting on behalf of the Settling Parties that are not embodied or incorporated by reference herein, and further agree that no other agreement, covenant, representation, inducement, promise, or statement relating to the subjects covered herein not set forth in writing in this Joint Stipulation of Settlement, shall be valid or binding.

22. MODIFICATION OR AMENDMENT. This Joint Stipulation of Settlement may not be modified or amended except in a writing signed by all signatories hereto or their successors in interest.

23. DEADLINES FALLING ON WEEKENDS OR HOLIDAYS. To the extent that any deadline set forth in this Joint Stipulation of Settlement falls on a Saturday, Sunday, or legal holiday in the State of California, that deadline shall be continued until the following business day.

24. SUCCESSORS. This Joint Stipulation of Settlement shall be binding upon and inure to the benefit of the Settling Parties hereto (including Class Members) and their respective heirs, executors, administrators, successors, and assigns, and upon any corporation, partnership, or other entity into or with which any Settling Party hereto may merge, combine, or consolidate.

25. SEVERABILITY. In the event that any one or more of the provisions contained in this Joint Stipulation of Settlement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way affect any other provision if Defendant's Counsel and Class Counsel, on behalf of the Settling Parties and the Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this

1 Joint Stipulation of Settlement.

2 **26. COUNTERPARTS.** This Joint Stipulation of Settlement may be executed in
3 counterparts, each of which shall be deemed an original, and all of which together shall constitute one
4 and the same instrument. Facsimile transmission of the signatures of the Parties or their representatives
5 shall be binding on the Parties.

6 **27. WAIVERS.** The waiver by any Party of any breach of this Joint Stipulation of
7 Settlement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent,
8 or contemporaneous, of this Joint Stipulation of Settlement.

9 **28. GOVERNING LAW.** This Joint Stipulation of Settlement shall be governed by and
10 construed, enforced, and administered in accordance with the laws of the State of California, without
11 regard for the law of the State regarding conflicts of laws or choice of law. Any orders or judgments
12 entered by the Court in conjunction with the proceedings relating to or arising out of this Joint
13 Stipulation of Settlement shall be construed and enforced under, and all issues relating to the preclusive
14 effect of such orders or judgments shall be determined by, the California Code of Civil Procedure and
15 the common law of the State of California, relating to the construction, enforcement, and preclusive
16 effect of orders and judgments entered by this Court.

17 **29. CONTINUING JURISDICTION.** Except as otherwise specifically provided for herein,
18 pursuant to California Code of Civil Procedure section 664.6, the Court will have continuing jurisdiction
19 over the Action for the purpose of implementing the Joint Stipulation of Settlement, the Final Approval
20 of the Settlement, entry of Judgment, and post-judgment issues, until all related matters are fully
21 resolved. Except as provided in Paragraph 8.9, any dispute regarding the Parties' obligations pursuant to
22 this Joint Stipulation of Settlement or interpretation of the terms of this Joint Stipulation of Settlement
23 will be presented by written motion to, and be resolved by, the Court.

24 **30. REGULATION.** In the event that any provision in this Joint Stipulation of Settlement
25 shall be affected by any rule, regulation, ordinance, order, directive, or statute by any unit of
26 government, whether state, federal, or local, such rule, regulation, ordinance, order, directive, or statute
27 shall supersede and take precedence over any such provision of this Joint Stipulation of Settlement to the
28 contrary, and in no event shall Defendant be in violation of this Joint Stipulation of Settlement nor shall

1 this Joint Stipulation of Settlement be in any way affected should Defendant take any action or change
2 any of its business practices to comply with such state, federal, or local rules, regulations, ordinances, or
3 statutes currently in force or enacted in the future.

4 **31. HEADINGS.** The headings contained in this Joint Stipulation of Settlement are for
5 convenience and reference purposes only and shall not be given weight in its construction.

6 **32. NOTICES.** Any notices, requests, demands, or other communications required or
7 permitted to be given pursuant to this Joint Stipulation of Settlement, other than Class Notice, shall be in
8 writing and, except as provided elsewhere in this Joint Stipulation of Settlement or in any
9 communication to the Class, shall be delivered personally, via overnight delivery or via postage pre-paid
10 first class mail, as follows: (1) to Class Representatives, the Class, and Class Counsel to the attention of
11 Craig J. Ackermann and Amir Seyedfarshi, 1180 S Beverly Dr., Suite 610, Los Angeles, CA 90035; and
12 (2) to Defendant and Defendant's Counsel to the attention of Paul F. Sorrentino, John P. Nordlund, and
13 Melissa D. Owens of Jackson Lewis P.C., 225 Broadway, Suite 2000, San Diego, California 92101. By
14 written notice given in accordance herewith, each Party may modify or change the addressee or address
15 of any person identified above or pursuant hereto as the person or persons to whom all future notices
16 shall be sent.

17 **33. SIGNATURES OF PARTIES AND COUNSEL FOR THE SETTLING PARTIES.**
18 Parties and counsel for the Settling Parties indicate by signing below their approval of the form of this
19 Joint Stipulation of Settlement (and exhibits thereto), and, in the case of Class Counsel and the Class,
20 their representation and warranty of authority to bind the Class as certified and the Class described
21 herein (subject to the final approval of the Court) and their acceptance of the provisions regarding
22 attorneys' fees.

23 **34. DISPUTES.** All disputes arising out of or related to this Joint Stipulation of Settlement
24 (except disputes as to Claims of Class Members, which are governed by the provisions of Paragraph 8.9)
25 shall be resolved by the Court, as set forth in Paragraph 28 above.

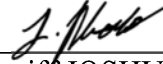
26 **SO STIPULATED.**

27 ///

28 ///

1
2 DATED: 03 / 17 / 2021

By:


Plaintiff JOSHUA D. RHODES

3
4
5 DATED: 03 / 16 / 2021

By:


Plaintiff JUAN A. BUENROSTRO

COASTAL TRANSPORT CO., INC.

6
7
8
9 DATED: _____

By:

Joe A. Morgan
President/COO

10
11
12 ACKERMANN TILAJEF P.C.

13 DATED: 03 / 16 / 2021

By:


Craig Ackermann
Attorney for Plaintiffs
JOSHUA D. RHODES
JUAN A. BUENROSTRO

17
18 EMPLOYMENT RIGHTS LAW GROUP, APC

19 DATED: 03 / 16 / 2021

By:


Amir Seyedarshi
Attorney for Plaintiffs
JOSHUA D. RHODES
JUAN A. BUENROSTRO

22
23 DATED: _____

JACKSON LEWIS P.C.

24
25 By:

Paul F. Sorrentino
John P. Nordlund
Melissa D. Owens
Attorneys for Defendant
COASTAL TRANSPORT CO., INC.

DATED: _____

By: _____

Plaintiff JOSHUA D. RHODES

DATED: _____

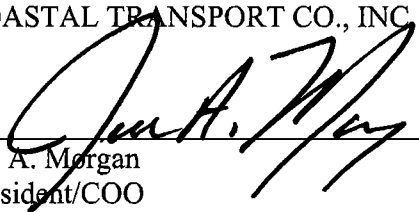
By: _____

Plaintiff JUAN A. BUENROSTRO

COASTAL TRANSPORT CO., INC

DATED: 03/18/2021

By: _____


Joe A. Morgan
President/COO

ACKERMANN TILAJEF P.C.

DATED: _____

By: _____

Craig Ackermann
Attorney for Plaintiffs
JOSHUA D. RHODES
JUAN A. BUENROSTRO

EMPLOYMENT RIGHTS LAW GROUP, APC

DATED: _____

By: _____

Amir Seyedfarshi
Attorney for Plaintiffs
JOSHUA D. RHODES
JUAN A. BUENROSTRO

DATED: March 18, 2021

JACKSON LEWIS P.C.

By: _____


Paul F. Sorrentino
John P. Nordlund
Melissa D. Owens
Attorneys for Defendant
COASTAL TRANSPORT CO., INC.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Rhodes/Buenrostro v. Coastal Transport Co., Inc.,
California Superior Court, County of San Diego, Case No. 37-2021-00011509-CU-OE-CTL

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU ARE OR WERE EMPLOYED BY COASTAL TRANSPORT CO., INC. AS A DRIVER EMPLOYEE IN THE STATE OF CALIFORNIA AT ANY TIME BETWEEN MARCH 2, 2017 AND MARCH 31, 2021, THIS CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Rhodes/Buenrostro v. Coastal Transport Co., Inc.*, California Superior Court, County of San Diego, Case No. Case No. 37-2021-00011509-CU-OE-CTL (the “Action”). The purpose of this Notice of Class Action Settlement (“Notice”) is to briefly describe the Action, and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

A hearing concerning the Settlement will be held before the Honorable [JUDGE] on [FINAL APPROVAL HEARING DATE & TIME] in Courtroom [COURTROOM or VIRTUAL INFO] of the California Superior Court, County of San Diego, located at 330 W. Broadway, San Diego, CA 92101, to determine whether the Settlement is fair, adequate, and reasonable.

AS A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE AND THE SETTLEMENT AGREEMENT FILED WITH THE COURT, UNLESS YOU TIMELY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	If you do nothing, you will be considered part of the Class and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Coastal Transport Co., Inc. (“Coastal”), as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT	If you do not want to participate in this Settlement, you must exclude yourself, in writing, from the Settlement. As a result, you will not receive any benefits as a class member under the Settlement nor will you release any claims against Coastal. However, you may not opt out of the settlement with regard to the settlement of the PAGA claim.
OBJECT	To object to the Settlement, you must write to the Settlement Administrator about why you object to the Settlement. This option is available only if you do not exclude yourself from the Settlement. Nonetheless, you may not object to the settlement of the PAGA claim.

QUESTIONS? CALL 1-XXX-XXX-XXXX

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (the “Class”):

All persons, or each of them, currently or formerly employed by Coastal Transport Co., Inc. (“Coastal”) in the State of California in Driver positions during the time frame of March 2, 2017 through March 31, 2021 (“Class Period”).

According to Coastal’s records, you are a member of the Class (“Class Member”).

What is this Action about?

Plaintiffs Joshua Rhodes and Juan Buenrostro (collectively, “Plaintiffs”) allege the following claims on behalf of themselves and the Class against Coastal: (1) failure to pay minimum wages; (2) failure to provide timely, duty-free meal periods and/or pay meal period premiums; (3) failure to provide timely, duty-free rest periods and/or pay rest period premiums; (4) failure to provide accurate itemized wage statements; (5) waiting time penalties; (6) failure to pay timely wages; (7) failure to reimburse for necessary business expenses; (8) unfair competition violations; and (9) violations of the California Private Attorneys General Act, Labor Code section 2698 *et seq.* (PAGA). Plaintiffs seek declaratory judgments, unpaid wages, premiums for meal and rest period violations, statutory penalties, civil penalties under PAGA, restitution, interest, liquidated damages, attorneys’ fees, and costs.

Coastal denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Coastal contends that its conduct is and has been lawful at all relevant times and that Plaintiffs’ claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiffs and Coastal (the “Parties”), through their attorneys, and is not an admission of liability on the part of Coastal. Both sides agree that, in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate, and reasonable. Plaintiffs also believe this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiffs’ claims or Coastal’s defenses.

Who are the attorneys representing the Settlement Class?

The attorneys representing the Settlement Class in the Action are:

ACKERMANN & TILAJEF P.C.

Craig Ackermann (SBN 229832)
1180 South Beverly Drive, Suite 610
Los Angeles, California 90035
Telephone: (310) 277-0614
Facsimile: (310) 277-0635
cja@ackermanntilajef.com

EMPLOYMENT RIGHTS LAW GROUP, APC

Amir Seyedfarshi (SBN 301656)
1180 South Beverly Dr., Suite 610
Los Angeles, CA 90035
Telephone: (424) 777-0964

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What are the Settlement terms?

Subject to final Court approval, Coastal will pay \$275,000.00 (the “Maximum Settlement Amount”) for: (a) Individual Settlement Payments to Settlement Class Members; (b) the Court-approved Class Representative Enhancements to Plaintiffs; (c) the Court-approved attorneys’ fees and costs to Class Counsel; (d) the costs of administering the Settlement; and (e) payment to the California Labor and Workforce Development Agency (“LWDA”) and eligible Class Members for PAGA penalties.

Individual Settlement Payments. After deduction from the Maximum Settlement Amount for attorneys’ fees and costs, the costs of administering the Settlement, the Class Representative Enhancements to Plaintiffs, Settlement Class Members’ portions of Employer Taxes, and PAGA Payments, there will be a Net Settlement Amount. From this Net Settlement Amount, Coastal, through the Settlement Administrator, will make Individual Settlement Payments to each Class Member who does not request to be excluded from the Settlement (“Settlement Class Members”).

The Net Settlement Amount shall be divided among all Settlement Class Members on a pro rata basis by dividing the Net Settlement Amount by the total number of Workweeks for all weeks worked by Settlement Class Members during the Class Period, resulting in the Workweek Value; and then multiplying the Workweek Value with the number of Workweeks worked by each Settlement Class Member. The Individual Settlement Payment will be reduced by any required legal deductions for each Settlement Class Member.

If Individual Settlement Payment checks remain uncashed after 180 days from issuance, the uncashed check shall be rendered void and the Settlement Administrator will pay over the amount represented by the check to the State of California Unclaimed Property Fund, with the identity of the Class Member to whom the funds belong.

For tax reporting purposes, all Individual Settlement Payments to Settlement Class Members shall be allocated 20% as wages, 40% as penalties, and 40% as interest. The wage portion of the Individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payments. The Settlement Administrator shall issue IRS Form W-2 for the wage portion and IRS Form 1099 for non-wage portion of Individual Settlement Payments. Any Individual PAGA Payments to eligible Class Members shall be considered 100% penalties and shall be reported on an IRS Form 1099.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Settlement Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Class Counsel Attorneys’ Fees and Costs, Class Representative Enhancements, Settlement Administration Costs, and Payment to the LWDA. Class Counsel will ask the Court to award attorneys’ fees up to \$91,667.00 (one-third (1/3) of the Maximum Settlement Amount) and reimbursement of reasonable costs incurred in the Action not to exceed \$15,000. In addition, Class Counsel will ask the Court to authorize Class Representative Enhancement payments of up to \$12,000.00 for Plaintiff Rhodes and \$10,000.00 for Plaintiff Buenrostro given their efforts in

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prosecuting the case on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed \$5,500.00. A payment in the amount of \$15,000.00 will also be made to the LWDA for PAGA penalties.

What claims are being released by the proposed Settlement?

Upon the Effective Date, which is the day that the Court's final approval order approving the proposed Settlement is no longer subject to appeal, Plaintiffs and each Settlement Class Member who has not timely and appropriately opted out, shall be deemed to have fully released and discharged Coastal and all of its former, present, and future parent companies, subsidiaries, divisions, concepts, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, predecessors, successors, and assigns, and any individual or entity that could be liable to any Class Member ("Released Parties") from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, liquidated damages, punitive damages, penalties, action, or causes of action of any nature under state, federal, or local law, whether statutory, common law, or administrative law, or any claims arising out of or related to allegations set forth in Plaintiffs' LWDA Letter and the Complaint in the Action, including: (1) Failure To Pay Minimum Wages (Labor Code §§ 1194, 1194.2; IWC Wage Order 9-2001); (2) Failure To Provide Timely, Duty-Free Meal Periods And/Or Pay Meal Period Premiums (Labor Code §§ 226.7, 510; IWC Wage Order 9-2001); (3) Failure To Provide Timely, Duty-Free Rest Periods And/Or Pay Rest Period Premiums (Labor Code § 226.7; IWC Wage Order 9-2001); (4) Failure To Provide Accurate Itemized Wage Statements (Labor Code § 226); (5) Waiting Time Penalties (Labor Code § 201 – 203); (6) Failure To Pay Timely Wages (Labor Code §§ 204, 210); (7) Failure To Reimburse For Necessary Business Expenses (Labor Code § 2802); (8) UCL Violations (Business & Professions Code §§ 17200-17204); (9) PAGA And Other Penalties (Labor Code §§ 2698 – 2699.5). The released claims do not include any claims for workers compensation, unemployment, or disability benefits of any nature, nor do they include any claims, actions, or causes of action that may be possessed by Settlement Class Members under state or federal anti-discrimination statutes, including, without limitation, the California Fair Employment and Housing Act, California Government Code § 12940 et seq.; the Unruh Civil Rights Act, California Civil Code § 51 et seq.; the California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000 et seq.; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 et seq.; the Fair Credit Reporting Act, the Investigative Consumer Reporting Agencies Act (ICRAA), and/or the Consumer Credit Reporting Agencies Act (CCRAA).

What are my options in this matter?

You have two (2) options under this Settlement, which are further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, Class Counsel will represent you at no cost. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that the Court enters in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment under the proposed Settlement, **you do not need to take any**

QUESTIONS? CALL 1-XXX-XXX-XXXX

action. By remaining in the Class, you consent to the release of the Released Claims as described above.

Any amount paid to Settlement Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Coastal, unless otherwise required by law.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate in any way, you may object to it. To object, you must submit a timely written brief or statement of objection (“Objection”) to the Settlement Administrator at *Rhodes/Buenrostro v. Coastal Transport Co., Inc.*, [Claims Administrator Address]. In order to be timely and valid, you must submit your Objection via mail individually in a stamped envelope postmarked on or before [RESPONSE DEADLINE DATE – i.e., 45 days after the Notice Date] with the following information: (1) your full name; (2) your current address; (3) last four digits of your social security number; (4) all objections and the reasons therefore; (5) any and all supporting papers (including, without limitation, all briefs, written evidence, and declarations); (6) the date; and (7) your signature. You can also hire an attorney at your own expense to represent you in your objection. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.**

If you do not timely object in the manner described above (as evidenced by the postmark) the Court may determine that you have waived any objections and may foreclose you from making any objection (whether by appeal or otherwise) to the proposed Settlement. Unless you clearly state that you do not wish to be contacted, Class Counsel may contact you to resolve any uncertainties about the validity of your Objection. Subject to review by Class Counsel, Defendant’s Counsel, and the Court, the Settlement Administrator shall determine whether an Objection is in writing and whether the writing lacks any of the foregoing seven (7) enumerated items, which may render the objection null and void. Additionally, you may not object to the settlement of the PAGA claim.

OPTION B. If You Do Not Want to Be Bound By the Settlement. If you do not want to be part of the proposed Settlement, you must submit a timely and valid written Request for Exclusion to the Settlement Administrator at: Settlement Administrator, *Rhodes/Buenrostro v. Coastal Transport Co., Inc.*, [Claims Administrator Address]. In order to be timely and valid, you must submit your Requests for Exclusion via mail individually in a stamped envelope postmarked on or before [RESPONSE DEADLINE DATE – i.e., 45 days after the Notice Date] with the following information: (1) your full name; (2) last four digits of your social security number; (3) the date; (4) your signature; and (5) **a written statement, stating: “I wish to be excluded from the settlement of Rhodes et al v. Coastal Transport Co., Inc.”.** If you submit a timely and valid written Request for Exclusion, you will have no further role in the Action, and you will not be entitled to any benefit as a result of the Action and Settlement, will not be bound by the release, and will not be entitled to or permitted to assert an objection to the Settlement. However, Class Members are prohibited from opting out of the settlement with respect to claims asserted under PAGA and any qualifying PAGA Class Member shall receive an Individual PAGA Payment and shall be bound by the release of the PAGA Claim despite the submission of a Request for Exclusion.

QUESTIONS? CALL 1-XXX-XXX-XXXX

If you do not submit a timely and valid written Request for Exclusion (as evidenced by the postmark), your Request for Exclusion will be rejected, you will be deemed a Settlement Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. Unless you clearly state that you do not wish to be contacted, Class Counsel may contact you to resolve any uncertainties about the validity of your Request for Exclusion. Subject to review by Class Counsel, Defendant's Counsel and the Court, the Settlement Administrator shall determine whether a Request for Exclusion is in writing and whether the writing lacks any of the foregoing five (5) enumerated items, which will render the request null and void.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness, and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the Class Representative Enhancement to Plaintiffs, the settlement administration costs, and the payment to the LWDA for PAGA penalties on [FINAL APPROVAL HEARING DATE & TIME] in Courtroom [COURTROOM or VIRTUAL INFO] of the California Superior Court, County of San Diego, located at 330 W. Broadway, San Diego, CA 92101. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class Action Settlement. The Joint Stipulation of Class Action Settlement and all other records relating to the Action are available for inspection and/or copying at the Records Department of the California Superior Court, County of San Diego. You may also request a copy of the Joint Stipulation of Class Action Settlement from Class Counsel, or contact Class Counsel with any questions, at the addresses and telephone numbers listed above.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

QUESTIONS? CALL 1-XXX-XXX-XXXX

EXHIBIT B

INFORMATION SHEET

Rhodes/Buenrostro v. Coastal Transport Co., Inc.,

California Superior Court, County of San Diego, Case No. 37-2021-00011509-CU-OE-CTL

Calculation of Settlement Payments: Each Settlement Class Member's share of the \$275,000.00 Maximum Settlement Amount shall be based upon his or her "Individual Settlement Payment," the total amount received by each respective Settlement Class Member who is currently or was formerly employed by Coastal Transport Co., Inc. ("Coastal") in the State of California in Driver positions during the time frame of March 2, 2017 through March 31, 2021 ("Class Period").

Coastal shall provide the Settlement Administrator with the dates worked by each individual Settlement Class Member during the Class Period in California and Settlement Administrator shall determine the amount to be paid per Workweek. Coastal shall also provide the Settlement Administrator with the number of Workweeks worked by each individual Settlement Class Member. The formula for determining each Settlement Class Member's Individual Settlement Payment shall be calculated as follows:

The Settlement Administrator shall determine a Settlement Class Member's Individual Settlement Payment by: (1) dividing the Net Settlement Amount by the total number of Workweeks for all weeks worked by Settlement Class Members during the Class Period, resulting in the "Workweek Value"; and (2) multiplying the Workweek Value with the number of Workweeks worked by each Settlement Class Member. Partial workweeks will be rounded up to the nearest full workweek. The Individual Settlement Payment will be reduced by any required legal deductions for each Settlement Class Member. These calculations will yield the amount of the Settlement Class Member's Individual Settlement Payment.

Your Individual Gross Wages and Estimated Individual Settlement Payment: According to Coastal's records, you worked a total of <<Total Workweeks>> Workweeks during the Class Period. Based on the Workweek Value of <<\$X.XX.00>>, **your estimated Individual Settlement Payment is <<Estimated Settlement Payment>> before all required legal deductions.** Please note that the foregoing amount is only an estimate; your actual payment may be greater or smaller than the amount reported above.

Procedure for Disputing Information: If you disagree with the amount of Workweeks you worked stated above, you must send a letter to the Settlement Administrator stating the reasons why you dispute the amount of Workweeks you worked and provide any supporting documentation that you have (e.g., any paystubs). The information you provide should include the estimated amount of Workweeks you claim you performed work for Coastal from March 2, 2017 through March 31, 2021.

Any disputes and supporting documentation must be mailed to the Settlement Administrator at the address listed below by First Class U.S. Mail, postmarked no later than [RESPONSE DEADLINE].

Rhodes/Buenrostro v. Coastal Transport Co., Inc.

[Settlement Administrator

Address]

[City, State Zip, Telephone Number]

If you dispute the amount of Workweeks you performed work for Coastal stated above, Coastal's records will be presumed determinative unless you are able to provide documentation to the Settlement Administrator that establishes otherwise. The Settlement Administrator will evaluate the evidence you submit and will make the final decision as to the Individual Settlement Payment that should be payable to you. Such a determination will be final and binding.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

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03 / 17 / 2021
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