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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

JOSEPH RODRIGUEZ, on behalf of
himself and other current and former
aggrieved employees and the State of
California,

Plaintiff,

vs.

CRST EXPEDITED, INC. DBA CRST THE
TRANSPORTATION SOLUTION, INC.
(DEDICATED WEST DIVISION), formerly
known as Gardner Trucking, Inc. and CRST
International, Inc.,

Defendant.

Case No. CIVSB 2027864

Hon. David Cohn
Dept. S26

**LABOR CODE PRIVATE ATTORNEYS
GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE**

1 This Labor Code Private Attorneys General Act (“PAGA”) Settlement Agreement and
2 Release (“Agreement”) is made by and between Plaintiff Joseph Rodriguez (“Plaintiff”), on behalf
3 of himself and as the authorized proxy and agent for the State of California, and Defendant CRST
4 Expedited, Inc. dba CRST The Transportation Solution, Inc. (Dedicated West Division), formerly
5 known as Gardner Trucking, Inc. and CRST International, Inc. (“CRST” or “Defendant”)
6 (collectively, the “Parties”).

7 **1. THE CONDITIONAL NATURE OF THIS AGREEMENT**

8 1.1. This Agreement and all associated exhibit(s) or attachment(s) are made for the
9 purpose of settling the PAGA representative claims, as described herein, in the above-captioned
10 action. This Agreement and the settlement it evidences are made in compromise of disputed claims.
11 Because this action has been settled on a PAGA non-individual representative basis, the “superior
12 court shall review and approve any settlement of any civil action filed pursuant to [Labor Code §§
13 2698 *et seq.*].” Cal. Lab. Code § 2699(1)(2). Accordingly, the Parties enter into this Agreement
14 and associated settlement on a conditional basis. If the Court does not enter the Approval Order
15 and Judgment and/or the Effective Date does not occur, this Agreement shall be deemed null and
16 void *ab initio*, it shall be of no force or effect whatsoever, it shall not be referred to or utilized for
17 any purpose whatsoever, and the Agreement’s negotiation shall remain subject to the provisions of
18 California Evidence Code section 1152 and any analogous rules of evidence that apply.

19 1.2. CRST denies all the allegations asserted in the Complaint and it also denies any
20 claims for relief, including claims for civil penalties, attorneys’ fees, and costs of suit. CRST has
21 agreed to resolve this action through this Agreement, but to the extent this Agreement is not
22 approved or the Effective Date does not occur, CRST does not waive, but rather expressly reserves,
23 all rights to challenge all such claims and allegations in this action upon all procedural and factual
24 grounds, as well as to assert any and all other potential defenses or privileges. Plaintiff and
25 Plaintiff’s Counsel agree that CRST retains and reserves these rights, and agree not to argue or
26 present any argument, and hereby waive any argument, that based on this Agreement, CRST cannot
27 assert any and all potential defenses and privileges if this action were to proceed. Likewise,
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1 Plaintiff has agreed to resolve this action through this Agreement, but to the extent this Agreement
2 is not approved or the Effective Date does not occur, Plaintiff does not waive, but rather expressly
3 reserves, all rights to pursue all such claims and allegations in this action upon all procedural and
4 factual grounds, as well as to challenge any and all potential defenses or privileges CRST has or
5 may assert. CRST and CRST's Counsel agree that Plaintiff retains and reserves these rights, and
6 agree not to argue or present any argument, and hereby waive any argument, that based on this
7 Agreement, Plaintiff cannot assert any and all potential claims and allegations if this action were to
8 proceed.

9 **2. DEFINITIONS**

10 The following terms, when used in this Agreement, shall have the following meanings:

11 2.1. "Action" means the above-captioned action entitled *Joseph Rodriguez, on behalf of*
12 *himself and other current and former aggrieved employees and the State of California v. CRST*
13 *Expedited, Inc. dba CRST The Transportation Solution, Inc. (Dedicated West Division), formerly*
14 *known as Gardner Trucking, Inc. and CRST International, Inc.*, San Bernardino County Superior
15 Court Case No. CIVSB 2027864 (filed December 16, 2020).

16 2.2. "Approval Date" means the date that the Superior Court enters the Approval Order.

17 2.3. "Approval Order" means the Superior Court's Order approving this Labor Code
18 Private Attorneys General Act Settlement Agreement and Release.

19 2.4. "Complaint" means the Complaint filed on December 16, 2020.

20 2.5. "Court" means the San Bernardino County Superior Court.

21 2.6. "CRST's Counsel" means Fisher & Phillips LLP.

22 2.7. "Database" means information in electronic form provided by CRST to the
23 Settlement Administrator (as defined below) that for each PAGA Settlement Employee includes
24 his or her name, last-known address (including street, city, state, and zip), social security number
25 or employee ID, and the total number of Pay Periods Worked by the PAGA Settlement Employee
26 for CRST in California from March 1, 2020 through May 31, 2021.
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1 2.8. “Effective Date” means the latest of: (i) if an appeal is filed, the date the Court of
2 Appeal or the California Supreme Court has rendered a final ruling affirming the trial court’s
3 approval of the Agreement and Judgment without material modification; or (ii) the date that the
4 deadline for seeking appellate review of the trial court’s approval of the Agreement has passed
5 without the filing of a timely appeal or timely request for review.

6 2.9. “Enhancement Payment” means the amount approved by the Court to be paid to the
7 Plaintiff in recognition of his efforts in coming forward as a PAGA Representative and participating
8 in the Action.

9 2.10. “Funding Date” means thirty (30) calendar days after CRST’s Counsel’s receipt of
10 the Approval Order or thirty (30) calendar days after the Effective Date, whichever occurs later,
11 except that CRST will have no obligation to fund the settlement if the Effective Date has not
12 occurred.

13 2.11. “Judgment” means the judgment to be executed and entered by the Court pursuant
14 to this Agreement.

15 2.12. “Maximum Settlement Amount” is the sum of One Hundred Sixty-Five Thousand
16 Dollars and Zero Cents (\$165,000.00), which represents the maximum amount payable by CRST
17 pursuant to this settlement, and which includes the PAGA Payment (as defined below), Plaintiff’s
18 Counsel’s attorneys’ fees (not to exceed 33 and ⅓ percent of the Maximum Settlement Amount)
19 and costs, Settlement Administration Costs, and Enhancement Payment to Plaintiff.

20 2.13. “PAGA” means the California Labor Code Private Attorneys General Act of 2004.
21 Cal. Lab. Code §§ 2698 *et seq.*

22 2.14. “PAGA Payment” means the portion of the Maximum Settlement Amount (after
23 excluding Plaintiff’s Counsel’s attorneys’ fees and costs, Settlement Administration Costs, and the
24 Enhancement Payment to the PAGA Representative) that represents the amount payable in this
25 settlement for PAGA civil penalties, 75% of which will be paid to the LWDA and 25% of which
26 will be paid to the PAGA Settlement Employees. All PAGA Settlement Employees will receive a
27 monetary payment from the PAGA Payment.
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1 2.15. “PAGA Release Period” means the period from March 1, 2020 through May 31,
2 2021.

3 2.16. “PAGA Released Claims” shall mean any and all claims against Releasees that have
4 been or could have been asserted under the PAGA based upon alleged violations of the California
5 Labor Code, the Industrial Welfare Commission Wage Orders (“Wage Orders”), and any other
6 provision of law as alleged in the Complaint and/or the Labor Workforce Development Agency
7 (“LWDA”) Notice Letters sent on Plaintiff’s behalf on September 24, 2020, October 14, 2020, and
8 March 30, 2021 (“Notice Letters”), and that invoke the same primary rights as those placed at issue
9 by the Complaint or by Plaintiff’s Notice Letters to the LWDA, whether based on the California
10 Labor Code Sections 2802, 6400(a), 6401, 6401.7, 6402, 6403, 6404, and 6407 and any other
11 provision of law, as well as all associated claims for penalties, attorneys’ fees, and costs and
12 interest. This release is for claims based on failure to maintain a safe and healthful work
13 environment during the COVID-19 pandemic and failure to reimburse expenses arising from
14 Plaintiff and the PAGA Settlement Employees purchasing personal protective equipment (“PPE”)
15 between March 1, 2020 and May 31, 2021. Plaintiff releases these claims in his representative
16 capacity as a proxy for the LWDA and as a private attorney general “aggrieved employee” acting
17 on behalf of himself and the PAGA Settlement Employees.

18 2.17. “PAGA Representative” means Plaintiff Joseph Rodriguez.

19 2.18. “PAGA Representative Released Claims” means Plaintiff Joseph Rodriguez’s
20 additional release of rights and claims upon the Effective Date in consideration of CRST’s promises
21 and agreements set forth in this Settlement Agreement, as follows: Plaintiff Joseph Rodriguez fully
22 releases the Releasees from any and all PAGA Released Claims and also generally releases and
23 discharges the Releasees from all claims, actions, causes of action, lawsuits, debts, dues, sums of
24 money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, bonuses, controversies,
25 agreements, promises, claims, charges, complaints and demands whatsoever, whether in law or
26 equity, known or unknown, which Plaintiff or his heirs, executors, administrators, successors, and
27 assigns, may now have or hereafter later determine that they have or had upon, or by reason of, any
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1 cause or thing whatsoever relating to any matter, including his employment or termination of
2 employment, so long as they have accrued at any time prior to Plaintiff Joseph Rodriguez's
3 execution of this Agreement, against CRST and/or other Releasees. This includes, but is not limited
4 to, claims arising under the Americans With Disabilities Act, the National Labor Relations Act, the
5 Fair Labor Standards Act ("FLSA"), the Equal Pay Act, the Employee Retirement Income Security
6 Act of 1974, 29 U.S.C. § 1001, *et seq.*, as amended, (including but not limited to, breach of fiduciary
7 duty and equitable claims to be brought under § 1132(a)(3)), the Worker Adjustment and Retraining
8 Notification Act, as amended, Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of
9 1973, the Civil Rights Acts of 1866, 1871 and 1991, including Section 1981 of the Civil Rights
10 Act, the Family and Medical Leave Act, the California Fair Employment and Housing Act, the
11 California Family Rights Act, PAGA, California Business and Professions Code §§ 17200, *et seq.*,
12 the California Labor Code, and/or any other federal, state or local human rights, civil rights, wage-
13 hour, pension or labor law, rule, statute, regulation, constitution or ordinance and/or public policy,
14 contract or tort law, or any claim of retaliation under such laws, or any claim of breach of any
15 contract (whether express, oral, written or implied from any source), or any claim of intentional or
16 negligent infliction of emotional distress, tortious interference with contractual relations, wrongful
17 or abusive or constructive discharge, defamation, prima facie tort, fraud, negligence, loss of
18 consortium, malpractice, breach of duty of care, breach of fiduciary duty, or any action similar
19 thereto against the Releasees, including any claim for attorneys' fees, expenses or costs based upon
20 any conduct from the beginning of time up to and including the Approval Date. This General
21 Release specifically includes any and all claims, demands, obligations and/or causes of action for
22 damages, restitution, penalties, interest, and attorneys' fees and costs relating to or in any way
23 connected with the matters referred to herein, whether or not known or suspected to exist, and
24 whether or not specifically or particularly described herein. Specifically, Plaintiff waives all rights
25 and benefits afforded by California Civil Code Section 1542, which provides:

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27 **A general release does not extend to claims that the creditor or releasing party**
28 **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.

1 Plaintiff does not waive any rights with respect to, or release the Releasees from, any claims
2 for California Workers' Compensation benefits; any claim for unemployment compensation
3 benefits; any claim that cannot be released by private contract; or any claim for breach of this
4 Agreement's terms. Plaintiff's general release of claims will be valid upon the Effective Date.

5 2.19. "PAGA Settlement Employees" shall mean and include all current and former
6 employees who worked for CRST out of its Chino yard during any time between March 1, 2020
7 and May 31, 2021. Through a reasonable and diligent search of its records, CRST has determined
8 that to its knowledge there are 792 PAGA Settlement Employees.

9 2.20. "Plaintiff's Counsel" means Schneider Wallace Cottrell Konecky LLP.

10 2.21. "Releasees" means Defendant CRST Expedited, Inc. dba CRST The Transportation
11 Solution, Inc. (Dedicated West Division), formerly known as Gardner Trucking, Inc. and CRST
12 International, Inc., and its parents, subsidiaries, affiliates, owners, predecessors, successors, and
13 associated organizations, past and present, and each of their respective trustees, directors, officers,
14 agents, joint employers, attorneys, managing agents, employees, contractors, insurers, benefit
15 plans, representatives, assigns, all persons acting by, through, under, or in concert with any of them,
16 and/or all persons acting on behalf of them.

17 2.22. "Settlement Administration Costs" shall mean the amount to be paid to the
18 Settlement Administrator for the cost of administering this settlement, which is currently estimated
19 to be approximately \$9,000.00.

20 2.23. "Settlement Administrator" shall be CPT Group, Inc.

21 **3. RECITALS**

22 3.1. CRST employs Plaintiff as a truck driver in Chino, California.

23 3.2. On September 25, 2020 and October 14, 2020, Plaintiff submitted the PAGA
24 Notices to Cal/OSHA and the LWDA pursuant to Labor Code §2699.3(a)/(c) to exhaust Plaintiff's
25 administrative remedies under the Labor Code Private Attorneys General Act of 2004 ("PAGA"),
26 Cal. Lab. Code §§2698, *et seq.*, and to comply with the PAGA's notice requirement. Cal/OSHA
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1 and the LWDA did not respond to these notices or notify Plaintiff of any intent to investigate the
2 allegations therein.

3 3.3. On December 16, 2020, Plaintiff filed a putative representative action complaint
4 (the "Complaint," as defined in section 2.4, above) against CRST for recovery of civil penalties
5 under the PAGA for CRST's purported violations of Labor Code Sections 6400, 6401, 6407.1,
6 6402, 6403, 6404, and 6407; and California Code of Regulations, title 8, Sections 3203, 3205, 3366,
7 3380, 5141, 5144, 8414 for the alleged failure to maintain a safe and healthful workplace during
8 the COVID-19 pandemic. *See* Compl. at ¶¶ 41-68. The Complaint also referenced failure to provide
9 sufficient PPE. *See, e.g., id.* at ¶¶ 4, 28, 40, 56. On March 30, 2021, Plaintiff filed an additional
10 PAGA Notice notifying the LWDA of his intent to seek penalties for alleged violations of Labor
11 Code section 2802 for failure to reimburse the alleged aggrieved employees for PPE. As with the
12 first two PAGA Notices, the LWDA did not respond to this Notice or notify Plaintiff of any intent
13 to investigate the allegations therein.

14 3.4. Defendant filed its Answer and affirmative defenses on January 4, 2022.

15 3.5. Over the course of this Action, the parties engaged in significant discovery to vet
16 the claims and defenses in this Action. Specifically, Plaintiff served and Defendant responded to
17 forty (40) requests for production of documents and eight (8) specially prepared interrogatories.
18 Defendant produced 1,493 pages of responsive documents, including extensive documentation of
19 its pertinent policies and procedures, among other documents. Defendant also produced a list of
20 allegedly aggrieved employees with applicable pay periods. Additionally, Plaintiff took the
21 deposition of Defendant's Person Most Qualified, Michael Lee Stutzman, on January 20, 2022.

22 3.6. On August 11, 2022, the parties appeared for a mediation before Steven Pearl, a
23 well-regarded neutral with extensive experience in complex employment matters. In connection
24 with that mediation, Defendant produced data that allowed Plaintiff to conduct an exposure
25 analysis. The parties also submitted confidential mediation briefs to Mr. Pearl concerning their
26 analyses of the claims and defenses in this Action. Plaintiff provided photographic documentation
27 of the working conditions at Defendant's Chino, CA facility with the mediation brief.
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1 3.7. While the parties were unable to reach an agreement during the mediation with Mr.
2 Pearl, they continued negotiating over the next several months until they reached the proposed
3 PAGA settlement now before the Court.

4 3.8. CRST had denied and continues to deny all of the allegations in the Complaint and
5 PAGA Notices, and specifically denies that it has violated any section of the Labor Code or
6 committed any misconduct, statutory, or regulatory violation, wrongdoing, or any other actionable
7 conduct of any kind. CRST further denies that this action may be maintained as a representative
8 action on behalf of any employees of CRST.

9 3.9. The Parties understand, acknowledge, and agree that this Agreement constitutes a
10 compromise of the representative PAGA claims and that it is the Parties' desire and intention to
11 reach a final and complete resolution of the representative PAGA claims (on behalf of the State of
12 California) based on the alleged failure to maintain a safe and healthful workplace and to reimburse
13 expenses arising from risks associated with the COVID-19 pandemic between March 1, 2020 and
14 May 31, 2021, which were asserted or that could have been asserted against CRST based on the
15 facts alleged in the Complaint and in the PAGA Notices. The Parties further acknowledge that this
16 Agreement is a compromise of disputed claims and that nothing in this Agreement shall be
17 construed as an admission by CRST of liability.

18 3.10. The Parties believe and agree that this Agreement provides for a fair, adequate, and
19 reasonable resolution of the PAGA representative claims, given the strengths and weaknesses of
20 Plaintiff's claims, CRST's defenses to any liability at all, and the risk that the Court would
21 significantly reduce any penalties that could be awarded under Labor Code section 2699(e)(2). The
22 Parties have arrived at this settlement after extensive, arm's-length negotiations, that took into
23 account all relevant factors, present and potential.

24 3.11. Under California law, the State of California may assess and collect civil penalties
25 from employers for violations of certain provisions of the Labor Code. *See* Cal. Lab. Code §§ 2698
26 *et seq.* Under PAGA, however, if an "aggrieved employee" "give[s] written notice by online filing
27 with the Labor and Workforce Development Agency and by certified mail to the employer of the
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specific provisions of [the Labor Code] alleged to have been violated,” and the State thereafter decides not to investigate, the employee may, “as an alternative” to enforcement by the State, act as a proxy or agent of the state’s labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties “on behalf of himself or herself and other current or former employees.” Cal. Lab. Code §§ 2699(a), 2699.3(a)(1)(A). “[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the Labor and Workforce Development Agency . . . and 25 percent to the aggrieved employees.” Cal. Lab. Code § 2699(i).

4. **OPERATIVE TERMS OF THE PAGA SETTLEMENT**

The Parties to the Action agree as follows:

4.1. **Maximum Settlement Amount.** CRST shall pay a Maximum Settlement Amount of One Hundred Sixty-Five Thousand Dollars and Zero Cents (\$165,000.00) to resolve the representative PAGA claims based on the alleged failure to maintain a safe and healthful workplace and to reimburse expenses arising from risks associated with the COVID-19 pandemic between March 1, 2020 and May 31, 2021, which were asserted or that could have been asserted against CRST based on the facts alleged in the Complaint and in the PAGA Notices. The Maximum Settlement Amount includes the PAGA Payment, Plaintiff’s Counsel’s attorneys’ fees (not to exceed 33 and ⅓ percent of the Maximum Settlement Amount) and costs, costs of settlement administration by a third-party settlement administrator, and an Enhancement Payment of up to \$5,000 to Plaintiff Joseph Rodriguez as the PAGA Representative. Under no circumstances shall CRST be obligated to pay any amount in excess of the Maximum Settlement Amount.

4.2. **Settlement Administrator.**

4.2.1. The Settlement Administrator shall be CPT Group, Inc. The Settlement Administration Costs are estimated to be approximately \$9,000.00. The Settlement Administration Costs shall include: all costs of administering the Settlement, including, but not limited to, all tax document preparation (if any), custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all communications to PAGA Settlement Employees; all costs and fees associated with issuing the

1 individual PAGA Payment and the payment to the State of California LWDA; and all costs and
2 fees associated with issuing IRS Form 1099s (to the extent any are required by applicable law)
3 relating to payments made under the settlement; all costs and fees associated with preparing any
4 tax returns and any other filings required by any governmental taxing authority or agency (to the
5 extent any are required by applicable law); all costs and fees associated with preparing any other
6 notices, reports, or filings to be prepared in the course of administering the settlement, and any
7 other costs and fees incurred and/or charged by the Settlement Administrator in connection with
8 the execution of its duties under this Agreement.

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10 4.2.2. The Settlement Administrator's actions shall be governed by the terms of
11 this Agreement, any Orders from the Court, and any agreement by counsel of record regarding
12 communications with the Settlement Administrator.

13 4.2.3. In the event that either CRST's Counsel or Plaintiff's Counsel takes the
14 position that the Settlement Administrator is not acting in accordance with the terms of the
15 Agreement, such party shall meet and confer first with opposing counsel and/or, if necessary, with
16 the Settlement Administrator or the Court to attempt to resolve the issue.

17 4.3. Calculation of Individual PAGA Payments.

18 4.3.1. Each PAGA Settlement Employee, including Plaintiff, will be entitled to
19 receive an Individual PAGA Payment which shall be calculated as follows:

20 a. Based on its business records, CRST will calculate, and provide to
21 the Settlement Administrator, the number of pay periods in which each PAGA Settlement
22 Employee worked from March 1, 2020 through May 31, 2021 ("Pay Periods Worked"). From that
23 information, the Settlement Administrator will calculate a proportionate settlement share for each
24 PAGA Settlement Employee.

25 b. The aggregate total number of Pay Periods Worked by PAGA
26 Settlement Employees will be deemed the "Total Pay Periods."

27 c. The respective share of the PAGA payment for each PAGA
28 Settlement Employee will be calculated by dividing their Pay Periods Worked by the Total Pay

1 Periods. These calculations will result in each PAGA Settlement Employee's "Pay Period
2 Percentage."

3 d. Each PAGA Settlement Employee will be paid from the 25% of the
4 PAGA Payment allocated to the PAGA Settlement Employees based on their own Pay Period
5 Percentage according to the following formula: *25% of the PAGA Payment x individual employee's*
6 *Pay Period Percentage = Individual PAGA Payment.*

7 4.3.2. Because the Individual PAGA Payment is a payment in compromise and
8 settlement of a claim for alleged civil penalties, the Individual PAGA Payment will be treated as
9 non-wage income with no tax withholdings to be made, and will be reported, if required by
10 applicable tax laws, by the Settlement Administrator on IRS Form 1099s to the respective PAGA
11 Settlement Employee and applicable governmental authorities. The Settlement Administrator will
12 issue an IRS Form 1099 to Plaintiff's Counsel and applicable governmental authorities for the
13 payment of attorneys' fees and costs in the amount approved by the Court. Plaintiff and Plaintiff's
14 Counsel each agree to hold CRST and the Releasees harmless from and against any damage or
15 penalty incurred by CRST as a result of any taxing authority assessing any tax or penalty upon
16 CRST as a consequence of any tax being due and unpaid on each of their portions of the Maximum
17 Settlement Amount.

18 4.4. Enhancement Payment. Subject to Court approval, the Enhancement Payment to
19 Plaintiff Joseph Rodriguez as the PAGA Representative will be paid in an amount not to exceed
20 Five Thousand Dollars and Zero Cents (\$5,000.00) from the Maximum Settlement Amount for the
21 PAGA Representative's service and assistance in this Action. The Enhancement Payment to the
22 PAGA Representative will be in addition to his Individual PAGA Payment. Because the
23 Enhancement Payment represents payment to the PAGA Representative for service in this Action,
24 payroll taxes will not be withheld from the Enhancement Payment. The Settlement Administrator
25 will report the Enhancement Payment on an IRS Form 1099, and any other required tax forms, and
26 will provide the form(s) to the PAGA Representative and to the pertinent taxing authorities as
27 required by law. The PAGA Representative assumes full responsibility for paying all taxes, federal
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1 and state, if any, due as a result of the Enhancement Payment and agrees to indemnify CRST and
2 the Releasees for any such taxes he owes. An award by the Court of less than the requested
3 Enhancement Payment (or no Enhancement Payment at all) shall not be a basis upon which Plaintiff
4 or Plaintiff's Counsel may void this Agreement, and any portion of the requested Enhancement
5 Payment not awarded shall become part of the PAGA Payment.

6 4.5. Releases

7 4.5.1. Upon the Effective Date, the State of California, the PAGA Representative,
8 and each PAGA Settlement Employee shall be deemed to have fully, finally, and forever released
9 the Releasees from the PAGA Released Claims for and during the PAGA Release Period.

10 4.5.2. Upon the Effective Date, the PAGA Representative, Plaintiff Joseph
11 Rodriguez, shall be deemed to have fully, finally, and forever released Releasees from all PAGA
12 Representative Released Claims through the date he executes this Agreement.

13 4.5.3. In addition, the PAGA Representative, Plaintiff Joseph Rodriguez, shall be
14 deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the
15 provisions, rights, and benefits he may otherwise have had relating to the PAGA Representative
16 Released Claims pursuant to California Civil Code Section 1542 which provides as follows:

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

23 4.6. Settlement Payment Procedures.

24 4.6.1. No later than seven (7) calendar days after the parties notify the Settlement
25 Administrator that the Motion for Approval has been filed with the Court, the Settlement
26 Administrator shall send to CRST's counsel electronic wiring instructions for CRST to fund the
27 Maximum Settlement Amount.

28 4.6.2. No later than fourteen (14) calendar days after CRST's Counsel's receipt of
the Approval Order, or seven (7) calendar days after the Effective Date, whichever occurs later,
provided that the Effective Date has occurred, CRST will send the Database to the Settlement

1 Administrator. The Settlement Administrator shall treat the information in the Database as
2 confidential at all times and shall use the information solely to manage the notice and payment
3 process described herein, shall not disclose the information to anyone (including Plaintiff's
4 counsel), except to applicable taxing authorities if required, or pursuant to express written
5 authorization of CRST, the individual in question, or by order of the Court.

6 4.6.3. Within five (5) business days of receipt of the Database, the Settlement
7 Administrator shall provide CRST and Plaintiff's Counsel with proposed settlement payment
8 amounts for each PAGA Settlement Employee, which may be anonymized by the Settlement
9 Administrator.

10 4.6.4. No later than the Funding Date, CRST will wire to the Settlement
11 Administrator a payment in the amount of One Hundred Sixty-Five Thousand Dollars and Zero
12 Cents (\$165,000.00) to fund the PAGA Settlement Fund.

13 4.6.5. Because this is a PAGA settlement and not a class action settlement, and
14 because there is no claims procedure and no ability to "opt out," there will be no prior notice to the
15 PAGA Settlement Employees advising them of the PAGA settlement or any procedure by which
16 the PAGA Settlement Employees must submit claims to receive a settlement payment. Fourteen
17 (14) calendar days following the Settlement Administrator's receipt of the wired settlement funds
18 from CRST, the Settlement Administrator shall mail a Notice (substantially in the form attached
19 hereto as **Exhibit A**) and a settlement check to each PAGA Settlement Employee in the amount of
20 their respective Individual PAGA Payment.

21 4.6.6. Prior to mailing the Notice and settlement check, the Settlement
22 Administrator shall check the addresses provided in the Database using the National Change of
23 Address database and shall update any addresses accordingly. Should any of the Notices be
24 returned as undeliverable, the Settlement Administrator will conduct a search for a more current
25 address (by skip trace or other reasonable method) and re-mail the Notice and settlement check to
26 the more current address, if any.

1 4.6.7. Expiration of Settlement Checks. Individual PAGA Payment checks issued
2 to PAGA Settlement Employees pursuant to this Agreement will expire 180 calendar days from the
3 date they are issued by the Settlement Administrator. After the 180-day period, the Settlement
4 Administrator shall remit any unclaimed funds pursuant to the State of California Unclaimed
5 Property Law in accordance with the then-applicable instructions of the California State Controller.

6 4.7. Attorneys' Fees and Costs. The Settlement Administrator shall pay to Plaintiff's
7 Counsel from the Maximum Settlement Amount the amount of attorneys' fees (not to exceed 33
8 and 1/3 percent of the Maximum Settlement Amount) and costs awarded by the Court. An award
9 by the Court of less than the amount of requested attorneys' fees and/or costs shall not be a basis
10 upon which Plaintiff or Plaintiff's Counsel may void this Agreement, and any amounts of requested
11 fees or costs not awarded shall become part of the PAGA Payment. The Settlement Administrator
12 will issue an IRS Form 1099 to Plaintiff's Counsel as required by IRS regulations. The Settlement
13 Administrator shall pay the amount awarded by the Court to Plaintiff's Counsel no later than
14 fourteen calendar (14) days following the Funding Date. This payment shall satisfy any claims for
15 attorneys' fees and costs that Plaintiff's Counsel may assert in connection with this litigation and
16 settlement. This payment therefore shall cover all past and future fees and costs incurred to
17 prosecute, settle, and administer this action, including obtaining approval of the settlement and
18 securing dismissals required by the settlement. Plaintiff and Plaintiff's Counsel represent that they
19 are not aware of and have no knowledge of any liens filed or placed on this Action by any person.

20 4.8. Non-Reversionary. This settlement is non-reversionary. Any portion(s) of the
21 requested Enhancement Payment to the PAGA Representative or the requested attorneys' fees or
22 costs that the Court does not award shall become part of the PAGA Payment.

23 4.9. Impact of Non-Approval by Court. Should the Court not approve the settlement,
24 the Parties shall meet and confer to make reasonable efforts to address any issues the Court raised
25 in order to obtain the Court's approval, except that CRST will not be required under any
26 circumstances to increase the Maximum Settlement Amount. If the Parties cannot obtain the
27 Court's approval, or if the Effective Date does not occur then the Parties shall be restored to their
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1 litigation positions as of March 22, 2023 (the day the Settlement was reached in principle), and this
2 Agreement shall be deemed null and void, shall be of no force or effect whatsoever, and shall not
3 be referred to or used in this or any other action.

4 4.10. Motion for Approval & Proposed Judgment. The Parties will file a Motion for
5 Approval of the PAGA settlement ("Motion"). Plaintiff's Counsel will prepare the Motion for
6 Approval of this Agreement and will provide CRST's Counsel with five (5) business days to review
7 and provide feedback on the Motion before the Motion is filed. The Motion will include a proposed
8 approval order and proposed judgment that effectuate the releases set forth herein. The Parties
9 agree that they cannot rescind or back out of the Settlement if the Court does not approve the Motion
10 without prejudice; to the contrary, this Settlement shall remain in effect if the Court denies the
11 Motion without prejudice. If the Court denies the Motion without prejudice, the Parties agree to
12 take all necessary steps to seek approval of the Settlement.

13 4.11. No Right to Object or Opt Out. Because this Settlement is not a class action
14 settlement, but rather a PAGA settlement involving claims on behalf of the State of California, no
15 person can (a) object to the settlement after the Court's Approval Order is made, or (b) opt out from
16 being covered by PAGA Released Claims at any time before or after the Approval Order is made.

17 4.12. The Parties agree to work cooperatively to comply with the notice requirements to
18 the LWDA pursuant to Labor Code sections 2699(l)(2) and 2699(l)(3). Plaintiff's counsel will send
19 a copy of this Agreement and the Motion to the LWDA on the same date they file these documents
20 with the Court.

21 4.13. Miscellaneous Provisions.

22 4.13.1. Neither the acceptance nor the performance by CRST of the terms of this
23 Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to be,
24 construed as, or deemed to be, an admission by CRST of the truth of any of the allegations in the
25 Complaint, the appropriateness of the PAGA representative claim or action, the validity of any of
26 the claims that Plaintiff, any PAGA Settlement Employee, and/or the State of California could have
27 asserted. This Settlement does not reflect or suggest any liability or wrongdoing on the part of
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1 CRST. CRST specifically disclaims any liability, culpability, negligence, or wrongdoing. Both of
2 the Parties have entered into this Agreement with the intention to avoid further disputes and
3 litigation with the attendant inconvenience, expenses, and contingencies.

4 4.13.2. The Parties agree to cooperate fully with each other to accomplish and
5 implement this Settlement's terms without delay. Such cooperation shall include, but not be limited
6 to, execution of such other documents and the taking of such other action as may reasonably be
7 necessary to fulfill this Settlement's terms. The Parties to this Settlement shall exercise reasonable
8 efforts, including all efforts contemplated by this Settlement and any other efforts that may become
9 necessary by Court order, or otherwise, to effectuate this Settlement and the terms set forth herein,
10 without delay.

11 4.13.3. Enforcement And The Court's Continuing Jurisdiction: Pursuant to
12 California Code of Civil Procedure section 664.6, the Court shall retain continuing jurisdiction over
13 this Action and over all Parties, to the fullest extent necessary to enforce and effectuate the terms
14 and intent of the Settlement and this Agreement.

15 4.13.4. Neither Plaintiff's Counsel nor any other attorneys acting for, formerly
16 acting for, or purporting to act for, Plaintiff, may recover or seek to recover any amounts for fees,
17 costs, or disbursements from CRST or the Maximum Settlement Amount except as expressly
18 provided herein.

19 4.13.5. Plaintiff represents and warrants that he has the right and exclusive authority
20 to sign this Agreement and that he has carefully read and understands the full contents of this
21 Agreement and is voluntarily entering into this Agreement after having received legal advice from
22 Plaintiff's Counsel with respect to the advisability of making the Settlement provided for herein
23 and the advisability of signing this Agreement.

24 4.13.6. Plaintiff represents and warrants that he has not assigned or transferred or
25 purported to assign or transfer to any person or entity, any claim or portion thereof, or interest
26 therein, which is or may be subject to this Agreement.

1 4.13.7. This Agreement sets forth the entire agreement between the Parties and fully
2 supersedes any and all prior and/or supplemental understandings, whether written or oral, between
3 the Parties concerning the subject matter of this Agreement. Any modification to this Agreement
4 must be in writing and signed by Plaintiff or Plaintiff's Counsel, on the one hand, and by an
5 authorized officer of CRST or by CRST's Counsel, on the other hand. This Agreement may not be
6 changed, altered, or modified, except in writing signed by the Parties or their counsel and approved
7 by the Court.

8 4.13.8. This Agreement shall be binding upon and inure to the benefit of the Parties,
9 and to their respective heirs, trustees, executors, administrators, successors, and assigns.

10 4.13.9. This Agreement shall become effective upon its execution by all of the
11 undersigned and may be executed in counterparts which shall have the same force and effect as if
12 all signatories had signed the same instrument.

13 4.13.10. Paragraph titles or captions contained in the Agreement are inserted
14 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the
15 scope of this Agreement, or any provision thereof.

16 4.13.11. This Agreement shall be construed and interpreted as if the Parties
17 jointly prepared all of its language. No language in this Agreement shall be construed against a
18 Party on the ground that such Party drafted or proposed that language.

19 4.13.12. Except for the purposes of effectuating and enforcing the terms of
20 this Agreement, which include barring claims that are released pursuant to this Agreement, neither
21 this Agreement nor any of its terms nor the settlement itself shall be: (a) construed as, offered, or
22 admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to CRST
23 and/or any of the Releasees, including but not limited to, evidence of a presumption, concession,
24 indication, or admission by any of the Releasees of any liability, fault, wrongdoing, omission,
25 concession, or damage, or (b) disclosed, referred to, or offered in evidence against CRST and/or
26 any of the Releasees in any other civil, criminal, or administrative action or proceeding.
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1 4.13.13. The Parties' rights and obligations under this Agreement shall be
2 construed and enforced in accordance with, and governed by, the laws of the State of California.
3 California law shall govern the interpretation of this Agreement even if a choice of law analysis
4 under state or federal law would dictate that another forum's law be applied.

5 IN WITNESS WHEREOF, this PAGA Settlement Agreement is executed by the Parties
6 and their duly authorized attorneys, as of the day and year set forth below.
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Dated: May __, 2023
05 / 08 / 2023

PLAINTIFF JOSEPH RODRIGUEZ

By 
Plaintiff Joseph Rodriguez

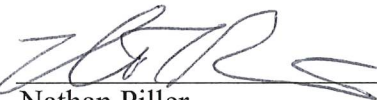
Dated: May __, 2023

CRST EXPEDITED, INC. DBA CRST THE
TRANSPORTATION SOLUTION, INC.
(DEDICATED WEST DIVISION),
FORMERLY KNOWN AS GARDNER
TRUCKING, INC. AND CRST
INTERNATIONAL, INC.

By _____
Name:
Title:

Dated: May 10, 2023

SCHNEIDER WALLACE
COTTRELL KONECKY LLP

By 
Nathan Piller
Attorneys for Plaintiff Joseph Rodriguez

Dated: May __, 2023

FISHER & PHILLIPS LLP

By _____
Kristen Nesbit
Shaun Voigt
Attorneys for Defendant CRST
EXPEDITED, INC. DBA CRST THE
TRANSPORTATION SOLUTION, INC.
(DEDICATED WEST DIVISION),
FORMERLY KNOWN AS GARDNER
TRUCKING, INC. AND CRST
INTERNATIONAL, INC.

1 Dated: June __, 2023

PLAINTIFF JOSEPH RODRIGUEZ

2
3 By _____
4 Plaintiff Joseph Rodriguez

5 Dated: June 6/6, 2023

6 CRST EXPEDITED, INC. DBA CRST THE
7 TRANSPORTATION SOLUTION, INC.
8 (DEDICATED WEST DIVISION),
9 FORMERLY KNOWN AS GARDNER
10 TRUCKING, INC. AND CRST
11 INTERNATIONAL, INC.

12
13 DocuSigned by:
14 LISA STEPHENSON
15 Name: LISA STEPHENSON
16 Title: VP/General Counsel/Secretary

17 Dated: June __, 2023

SCHNEIDER WALLACE
COTTRELL KONECKY LLP

18
19 By _____
20 Nathan Piller
21 Attorneys for Plaintiff Joseph Rodriguez

22 Dated: July 3, 2023

FISHER & PHILLIPS LLP

23 By 
24 Kristen Nesbit
25 Shaun Voigt
26 Attorneys for Defendant CRST
27 EXPEDITED, INC. DBA CRST THE
28 TRANSPORTATION SOLUTION, INC.
(DEDICATED WEST DIVISION),
FORMERLY KNOWN AS GARDNER
TRUCKING, INC. AND CRST
INTERNATIONAL, INC.

Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Settlement Payment From *Rodriguez v. CRST EXPEDITED, INC. DBA CRST THE TRANSPORTATION SOLUTION, INC. (DEDICATED WEST DIVISION), FORMERLY KNOWN AS GARDNER TRUCKING, INC. AND CRST INTERNATIONAL, INC.* Lawsuit

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed is your settlement payment from the settlement of the lawsuit entitled *Rodriguez v. CRST EXPEDITED, INC. DBA CRST THE TRANSPORTATION SOLUTION, INC. (DEDICATED WEST DIVISION), FORMERLY KNOWN AS GARDNER TRUCKING, INC. AND CRST INTERNATIONAL, INC.*, San Bernardino County Superior Court, Case No. CIVSB 2027864.

This lawsuit was filed against CRST pursuant to the California Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The lawsuit was brought on behalf of the State of California and similarly situated “aggrieved employees” of CRST for civil penalties for alleged failure to maintain a safe and healthful workplace and alleged failure to reimburse expenses incurred to purchase Personal Protective Equipment (PPE), arising from risks associated with the COVID-19 pandemic, between March 1, 2020 and May 31, 2021. Under the PAGA statute, penalties are divided between the State and the employees, with seventy-five percent (75%) of the penalties going to the State and the remaining twenty-five percent (25%) being split among the employees.

The PAGA settlement in this case covers the current and former employees who worked for CRST EXPEDITED, INC. DBA CRST THE TRANSPORTATION SOLUTION, INC. (DEDICATED WEST DIVISION), FORMERLY KNOWN AS GARDNER TRUCKING, INC. AND CRST INTERNATIONAL, INC. out of its Chino yard at any time between March 1, 2020 and May 31, 2021. You have been identified as a current or former CRST employee to whom this settlement applies and who is included in this settlement. Enclosed is a check made out to you in the amount of XXXXXX (\$). The check represents your individual share of the settlement for PAGA penalties under the PAGA statute. Your individual share was determined pro-rata, based on your workweeks in comparison to the total workweeks for all covered employees during the applicable time period.

CRST denies that it has done anything wrong or that it owes any penalties. The parties agreed to resolve the case, and as part of that settlement, CRST agreed to pay a certain amount of money categorized as PAGA penalties. As a result of this settlement, the State of California’s and your ability to seek penalties recoverable under the PAGA for the claims that were asserted or could have been asserted in the lawsuit have been released.

Sincerely,
[Administrator]