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14 *Universal Truckload, Inc.; and*
Universal Logistics Holdings, Inc.

15
16 SUPERIOR COURT OF THE STATE OF CALIFORNIA
17 COUNTY OF SAN BERNARDINO

18 JAMES MACK, individually, and on behalf of
19 all others similarly situated,

20 Plaintiff,

21 vs.

22 UNIVERSAL TRUCKLOAD, LLC, a
limited liability company;
23 UNIVERSAL TRUCKLOAD, INC., a
Delaware corporation; UNIVERSAL
24 LOGISTICS HOLDINGS, INC., a Michigan
corporation; and DOES 1 through 10,
25 inclusive,

26 Defendants.
27
28

Case No.: CIVSB2028524

[Hon. David Cohn]

**JOINT STIPULATION OF CLASS ACTION
SETTLEMENT**

Complaint filed: December 22, 2020
Trial date: Not set

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This Joint Stipulation of Class Action Settlement (“Joint Stipulation of Settlement” or
3 “Settlement” or “Agreement”) is made and entered into by and between Plaintiff James Mack,
4 individually, and on behalf of all others similarly situated, (“Plaintiff” or “Class Representative”), and
5 Defendants Universal Truckload, LLC; Universal Truckload, Inc.; and Universal Logistics Holdings,
6 Inc. (“Defendants”). Plaintiff and Defendants are collectively referred to herein as “the Parties.”

7 THE PARTIES STIPULATE AND AGREE as follows:

8 **DEFINITIONS**

9 1. For purposes of this Settlement, “Complaint” refers to the operative complaint at the time
10 the Court grants Preliminary Approval of this Settlement.

11 2. For purposes of this Settlement, this matter, entitled *Mack v. Universal Truckload, LLC*,
12 *et al.*, Case No. CIVSB2028524, is referred to herein as the “Action.”

13 3. For purposes of this Settlement, the “Class Period” is December 22, 2016 through July 1,
14 2021.

15 4. For purposes of this Settlement, the “Class” or “Class Members” consist of: All
16 individuals who were residents of California, who signed contracts with Defendants, who worked as truck
17 drivers for Defendants in California in service of those contracts, and who incurred business expenses that
18 were not reimbursed at any time within the Class Period. “Settlement Class Members” are those Class
19 Members who do not submit timely exclusion requests to the Settlement Administrator.

20 5. For purposes of this Settlement, “Class Counsel” means MOON & YANG, APC.

21 6. For purposes of this Settlement, “Covered Workweeks” means the number of weeks a
22 Class Member drove for Defendants in California during the Class Period. Defendants’ best estimate is
23 that the Class Members worked approximately 1,673 workweeks.

24 7. For purposes of this Settlement, “Response Deadline” means the date sixty (60) days after
25 the Settlement Administrator initially mails the Notice to Settlement Class Members and the last date on
26 which Settlement Class Members may submit a request for exclusion or written objection to the
27 Settlement. In the case of a re-mailed Notice, the Response Deadline will be the later of 60 calendar days
28 after initial mailing or 14 calendar days from re-mailing. The Response Deadline may be extended only as

1 expressly described herein.

2 8. For purposes of the Settlement, “Defendants’ Counsel” means Ogletree, Deakins, Nash,
3 Smoak & Stewart, P.C.

4 9. For purposes of this Settlement, “PAGA Allocation” means the amount that the Parties
5 have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) in connection with the
6 Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). The
7 Parties have agreed that the PAGA Allocation will be \$25,000 from the Gross Settlement Amount.
8 Pursuant to PAGA, Seventy Five Percent (75%), or \$18,750, of the PAGA Penalty Payment will be paid
9 to the LWDA (“PAGA Penalty Payment”), and Twenty Five Percent (25%), or \$6,250 of the LWDA
10 Payment will be included in the Net Settlement Amount for PAGA Employees (“PAGA Settlement
11 Payment”).

12 10. For purposes of this Settlement, “PAGA Period” means the period between January 25,
13 2020 through July 1, 2021.

14 11. For purposes of this Settlement, “PAGA Employee” means all Class Members that worked
15 during the PAGA Period. It is stipulated by the Parties that, for purposes of this Settlement, all PAGA
16 Employees are “aggrieved employees” as defined pursuant to PAGA.

17 12. For purposes of this Settlement, “PAGA Pay Periods” means the number of pay periods
18 each PAGA Employee worked during the PAGA Period.

19 13. For purposes of this Settlement, “PAGA Representative” means Plaintiff.

20 14. For purposes of this Settlement, “Released PAGA Claims” means all claims asserted
21 through California Labor Code §§ 2698, *et seq.*, that arise out of or are related to the Released Claims set
22 forth below, and are subject to assertion through PAGA.

23 15. For purposes of this Settlement, “Released PAGA Claims Period” means the period
24 between January 25, 2020 through July 1, 2021.

25 16. For purposes of this Settlement, “Settlement Payments” means all of the payments to
26 Settlement Class Members (the “Settlement Class Payments”) and all of the payments to PAGA
27 Employees (the “PAGA Settlement Payment”).
28

1 **STIPULATED BACKGROUND**

2 17. On December 22, 2020, Plaintiff James Mack filed a putative Class Action alleging the
3 following labelled causes of action: (1) Failure to Indemnify Necessary Business Expenses [Cal. Lab.
4 Code § 2802] and (2) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, *et seq.*]. (The
5 “Action.”) In the Complaint, Plaintiff sought to represent all individuals who signed contracts with
6 Defendants, who worked as truck drivers for Defendants in California in service of those contracts, and
7 who incurred business expenses that were not reimbursed at any time during the period beginning four
8 years before the filing of the initial complaint and ending when Notice to the Class is sent.

9 18. Plaintiff satisfied the administrative exhaustion requirement that is a prerequisite to filing a
10 claim for Civil Penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699,
11 *et seq.*] (“PAGA”). On January 25, 2021, Plaintiff filed a First Amended Complaint adding a single cause
12 of action for Civil Penalties Under PAGA.

13 19. Solely for purposes of settling this case, the Parties and their respective counsel stipulate
14 and agree that the requisites for establishing class certification with respect to the Class Members have
15 been met and are met. More specifically, the Parties stipulate and agree that:

- 16 (a) The Class is ascertainable and so numerous as to make it impracticable to join all
17 Class Members.
- 18 (b) There are common questions of law and fact including, but not limited to, the
19 following:
- 20 1) Whether or not Plaintiff and the Class Members were misclassified as
21 independent contractors;
- 22 2) Whether or not Defendants failed to reimburse necessary business
23 expenses; and,
- 24 3) Whether or not Defendants engaged in unlawful or unfair business
25 practices affecting the Class in violation of California Business and
26 Professions Code §§ 17200-17208.
- 27 (c) Plaintiff’s claims are typical of the claims of the Class Members.
- 28 (d) Plaintiff and Class Counsel will fairly and adequately protect the interests of the

1 Class.

2 (e) The prosecution of separate actions by individual members of the Class would
3 create the risk of inconsistent or varying adjudications, which would establish
4 incompatible standards of conduct.

5 (f) With respect to the Class, questions of law and fact common to the members of the
6 Class predominate over any questions affecting any individual member in such
7 Class, and that a class action is superior to other available means for the fair and
8 efficient adjudication of the controversy.

9 20. Should, for whatever reason, the Settlement not become effective, the fact that the Parties
10 were willing to stipulate to certification as part of the Settlement shall have no bearing on, and shall not be
11 admissible in connection with, the issue of whether the Class Members and/or the Class Claims should be
12 certified in a non-Settlement context in this Action or in any other lawsuit. Defendants expressly reserve
13 their right to oppose claim or class certification in this or any other action should this Settlement not
14 become effective.

15 21. Defendants expressly deny any liability or wrongdoing of any kind whatsoever associated
16 with the claims alleged in the Complaint, and Defendants further deny that, for any purpose other than
17 settling this lawsuit, the action is appropriate for class or representative treatment. With respect to
18 Plaintiff's claims, Defendants contend, among other things, that Plaintiff and the Class Members were not
19 employees, and that they did not incur necessary business expenses. Defendants contend, among other
20 things, that they have complied at all times with the California Labor Code and the applicable Wage
21 Orders of the Industrial Welfare Commission. Furthermore, with respect to all claims, Defendants contend
22 that they have complied at all times with the California Business and Professions Code.

23 22. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge
24 all disputes and claims arising from or related to the Complaint.

25 23. Class Counsel has conducted a thorough investigation into the facts of this Action,
26 including an extensive review of relevant documents, and has diligently pursued an investigation of the
27 claims of the Class against Defendants. Based on its own independent investigation and evaluation, Class
28 Counsel is of the opinion that the Settlement with Defendants for the consideration and on the terms set

1 forth in this Joint Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the
2 Class in light of all known facts and circumstances, including the risk of significant delay, the risk the
3 Class will not be certified by the Court, defenses asserted by Defendants, and numerous potential appellate
4 issues. Defendants and Defendants' Counsel also agree that the Settlement is fair and in the best interest
5 of the Class.

6 24. The Parties agree to cooperate and take all steps necessary and appropriate to obtain
7 preliminary and final approval of this Settlement.

8 25. The Parties agree to stay all proceedings in the Action, except such proceedings necessary
9 to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the
10 Court.

11 **PRIMARY TERMS OF SETTLEMENT**

12 26. NOW THEREFORE, in consideration of the mutual covenants, promises and agreements
13 set forth herein, the Parties agree, subject to the Court's approval, as follows:

14 (a) It is agreed by and among the Class and Defendants that this case and any claims,
15 damages, or causes of action arising out of the disputes which are the subject of
16 this case, be settled and compromised as between the Class and Defendants,
17 subject to the terms and conditions set forth in this Settlement and the approval of
18 the Court.

19 (b) Effective Date: The terms of settlement embodied in this Settlement shall become
20 effective when all of the following events have occurred: (i) this Joint Stipulation
21 of Settlement has been executed by all Parties and their respective counsel; (ii) the
22 Court has given preliminary approval to the Settlement; (iii) the Notice has been
23 given to the class, providing them with an opportunity to dispute information
24 contained in the Notice, to opt out of the Settlement, or to object to the Settlement;
25 (iv) the Court has held a final approval hearing and entered a final order and
26 judgment certifying the Class and approving this Settlement; and (v) the later of the
27 following events: (a) the date final approval is granted if there are no objections to
28 the settlement; (b) sixty-five (65) days following notice of entry of the Court's final

1 order approving the Settlement if there are any objections by any Class Member; or
2 (c) if any appeal, writ or other appellate proceeding opposing this Settlement has
3 been filed within sixty-five (65) days following notice of entry of the Court's final
4 order approving the Settlement, then twenty (20) days after when any appeal, writ
5 or other appellate proceeding opposing the Settlement has been resolved finally
6 and conclusively with no right to pursue further remedies or relief. In this regard, it
7 is the intention of the Parties that the Settlement shall not become effective until the
8 Court's order approving the Settlement is completely final, and there is no further
9 recourse by an appellant or objector who seeks to contest the Settlement.

10 (c) Gross Settlement Amount: Defendants' maximum total payment under the
11 Settlement, including all attorney's fees and costs, the Service Payment to the
12 named Plaintiff, the costs of settlement administration, the PAGA Allocation, and
13 any other payments provided by this Settlement, is \$500,000.00 ("Gross Settlement
14 Amount"), subject to the Escalator Clause and except that, to the extent that any
15 portions of the Class Members' Settlement Payments constitute wages, Defendants
16 will be separately responsible for any employer payroll taxes required by law,
17 including the employer FICA, FUTA, and SDI contributions.

18 (d) Escalator Clause: If it is later determined that the number of Covered Workweeks
19 is more than 10% greater than the original estimates of 1,673 workweeks *or* 52
20 class members (i.e. 1,841 or more Covered Workweeks *or* 58 class members), the
21 Gross Settlement Amount shall be increased by the percentage that the actual
22 number of class members or workweeks exceeds the original estimates beyond
23 10% (the "Escalator Clause"). The Gross Settlement Amount will not be reduced
24 for any reason.

25 (e) Non-reversionary Settlement: No portion of the Gross Settlement Amount will
26 revert to Defendants.

27 (f) No Claims Required: Class Members will not be required to submit a claim to
28 receive their Settlement payment.

- 1 (g) Net Settlement Amount: The Net Settlement Amount shall be calculated by
2 deducting from the Gross Settlement Amount (\$500,000.00) the following sums,
3 subject to approval by the Court: (1) attorney's fees (not to exceed 33 1/3% of the
4 Gross Settlement Amount, or \$175,000.00); (2) reasonable litigation costs (not to
5 exceed \$15,000.00); (3) the Service Payment (not to exceed \$5,000.00); (4) the
6 PAGA Penalty Payment in the amount of \$18,750.00 (which is 75% of the
7 \$25,000.00 PAGA Allocation); and (5) costs of settlement administration
8 (estimated not to exceed \$5,000). Settlement Payments to the Class Members will
9 be calculated by the Settlement Administrator and paid out of the Net Settlement
10 Amount as set forth below.
- 11 (h) Payroll Taxes and Required Withholdings: To the extent that any portions of the
12 Settlement Class Members' Settlement Payments constitute wages, Defendants
13 will be separately responsible for any **employer** payroll taxes required by law,
14 including the employer FICA, FUTA, and SDI contributions. Except for any
15 employer payroll taxes, it is understood and agreed that Defendants' maximum
16 total liability under this Settlement shall not exceed the Gross Settlement Amount.
17 The Settlement Administrator will calculate and submit the Defendants' employer
18 share of payroll taxes after advising Defendants of the total amount owed, in
19 aggregate, as employer-side payroll taxes and receiving a lump sum payment from
20 Defendants in that amount when the Gross Settlement Amount is delivered to the
21 Settlement Administrator.
- 22 (i) Settlement Class Payments (Excludes PAGA Payments): Settlement Class
23 Payments will be paid out of the Net Settlement Amount. Each Settlement Class
24 Member will be paid a pro-rata share of the Net Settlement Amount (less the
25 PAGA Settlement Payments), as calculated by the Settlement Administrator. The
26 pro-rata share will be determined by comparing the individual Settlement Class
27 Member's Covered Workweeks worked during the Class Period in California to
28 the total Covered Workweeks of all the Settlement Class Members during the

1 Class Period as follows: [Workweeks worked by a Settlement Class Member] ÷
2 [Sum of all Covered Workweeks worked by all Settlement Class Members] × [Net
3 Settlement Amount – all PAGA Settlement Payments] = individual Settlement
4 Payment for a Settlement Class Member. Settlement Class Payments in the
5 appropriate amounts will be distributed by the Settlement Administrator by mail to
6 the Settlement Class Members. Un-cashed, unclaimed or abandoned checks, shall
7 be transmitted to the California Controller's Office, as set forth below.

8 (j) PAGA Payments: PAGA Settlement Payments will be paid out of the Net
9 Settlement Amount. Each PAGA Employee will be paid a pro-rata share of the
10 PAGA Employees' PAGA Settlement Payment, as calculated by the Settlement
11 Administrator. Class Members will not be permitted to exclude themselves from
12 this portion of the Settlement. The pro-rata share will be determined by comparing
13 the individual PAGA Employees' PAGA Pay Periods during the PAGA Period to
14 the total PAGA Pay Periods of all the PAGA Employees during the PAGA Period
15 as follows: [PAGA Pay Periods worked by a PAGA Employee] ÷ [Sum of all
16 PAGA Pay Periods worked by all PAGA Employees] × [PAGA Settlement
17 Payment] = individual PAGA Employee's portion of the PAGA Settlement
18 Payment. PAGA Settlement Payments to PAGA Employees in the appropriate
19 amounts will be distributed by the Settlement Administrator by mail to the PAGA
20 Employees at the same time Settlement Class Payments issue to the Settlement
21 Class. Un-cashed, unclaimed or abandoned checks, shall be transmitted to the
22 California Controller's Office, as set forth below. The LWDA's PAGA Penalty
23 Payment will issue to the LWDA at the same time Settlement Payments issue to
24 the Settlement Class.

25 (k) Allocation of Settlement Payments: The Parties have agreed that Settlement Class
26 Payments will be allocated as follows: 10% to wages and 90% to penalties and
27 interest. The PAGA Settlement Payment shares to PAGA Employees will be
28 entirely allocated to penalties. Appropriate federal, state and local withholding

1 taxes will be taken out of the wage allocations, and each Class Member will
2 receive an IRS Form W-2 with respect to this portion of the Settlement Payment.
3 The employer's share of payroll taxes and other required withholdings will be paid
4 as set forth above, including but not limited to the Defendants' FICA and FUTA
5 contributions, based on the payment of claims to the Class Members. IRS Forms
6 1099 will be issued to each Class Member reflecting the payments for penalties and
7 interest. Class Members are responsible to pay appropriate taxes due on the
8 Settlement Payments they receive. To the extent required by law, IRS Forms 1099
9 and W-2 will be issued to each Class Member with respect to such payments.

10 (l) Settlement Payments Do Not Give Rise to Additional Benefits: All Settlement
11 Payments to individual Class Members shall be deemed to be paid to such Class
12 Member solely in the year in which such payments actually are received by the
13 Class Member. It is expressly understood and agreed that the receipt of such
14 Settlement Payments will not entitle any Class Member to additional compensation
15 or benefits under any company bonus, contest or other compensation or benefit
16 plan or agreement in place during the period covered by the Settlement, nor will it
17 entitle any Class Member to any increased retirement, 401(k) benefits or matching
18 benefits or deferred compensation benefits. It is the intent that the Settlement
19 Payments provided for in this Settlement are the sole payments to be made by
20 Defendants to the Class Members, and that the Class Members are not entitled to
21 any new or additional compensation or benefits as a result of having received the
22 Settlement Payments (notwithstanding any contrary language or agreement in any
23 benefit or compensation plan document that might have been in effect during the
24 period covered by this Settlement).

25 (m) Attorney's Fees and Costs: Subject to approval by the Court, Defendants will not
26 object to Class Counsel's application for attorney's fees not to exceed 35% of the
27 Gross Settlement Amount (\$175,000.00) and reimbursement of litigation costs and
28 expenses not to exceed \$15,000.00. The difference between the amounts requested

1 as attorneys' fees and costs and the actual amounts awarded will be distributed to
2 the class as Settlement Payments.

- 3 (n) Service Payment: Subject to Court approval, and in exchange for a general release,
4 Defendants will not object to Class Counsel's application for an additional
5 payment of up to \$5,000.00 to Plaintiff for service as a Class Representative
6 ("Service Payment"). It is understood that the Service Payment is in addition to the
7 individual Settlement Payment to which Plaintiff is entitled to along with the other
8 Class Members. In exchange, Plaintiff has agreed to release all claims, whether
9 known or unknown, under federal law or state law against the Releasees, to the
10 extent permitted by law, through the Class Period ("Plaintiff's Released
11 Claims"). Plaintiff understands that this release includes unknown claims and
12 that they are, as a result, waiving all rights and benefits afforded by Section
13 1542 of the California Civil Code, which provides:

14 **A general release does not extend to claims that the creditor**
15 **or releasing party does not know or suspect to exist in his or**
16 **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.

17 Specifically excluded from Plaintiff's Released Claims are any claims for workers'
18 compensation benefits. The Service Payment will issue at the same time all
19 Settlement Payments are mailed to the Settlement Class. The difference between
20 the amounts requested as a service payment and the actual amounts awarded will
21 be distributed to the class as Settlement Payments.

- 22 (o) Defendants or the Settlement Administrator will issue an IRS Form 1099 for the
23 Service Payment to the Plaintiff. The Plaintiff will be individually responsible for
24 correctly characterizing this compensation on personal income tax returns for tax
25 purposes and for paying any taxes on the amounts received. Should the Court
26 approve a Service Payment in an amount less than that set forth above, the
27 difference between the lesser amount(s) approved by the Court and the Service
28

1 Payment amount(s) set forth above shall be added to the Net Settlement Amount.
2 Plaintiff agrees not to opt out or object to the Service Payment as the Class
3 Representative.

4 (p) Settlement Administrator: The Settlement Administrator will be ILYM Group,
5 Inc., or such Settlement Administrator as may be mutually agreeable to the Parties
6 and approved by the Court. Settlement Administration Costs are estimated not to
7 exceed \$5,000. The costs of the Settlement Administrator for work done shall be
8 paid regardless of the outcome of this Settlement.

9 (q) Funding of Settlement Account: Defendants agree to make payments required
10 under this settlement within 14 calendar days of the Effective Date.

11 (r) Mailing of Settlement Payments: The Settlement Administrator shall cause the
12 Settlement Payments to be mailed to the Class Members within 14 calendar days
13 after the final funds are deposited with the administrator.

14 (s) Notice of Settlement: Each Class Member will be mailed a notice setting forth the
15 material terms of the proposed Settlement, along with instructions about how to
16 object or request exclusion from the proposed class action Settlement ("Notice").
17 For each Class Member, there will be pre-printed information on the mailed
18 Notice, based on Defendants' records, stating the Class Member's Covered
19 Workweeks during the Class Period and the estimated total Settlement Payment
20 under the Settlement, including the Settlement Class Payment and the PAGA
21 Settlement Payment that will be distributed irrespective of any exclusion request.
22 The pre-printed information based on Defendants' records shall be presumed to be
23 correct. A Class Member may dispute the pre-printed information on the Notice as
24 to his or her Covered Workweeks during the Class Period. Class Members must
25 submit any dispute regarding the information on the Notice as to his or her
26 Covered Workweeks within the Response Deadline. Unless a disputing Class
27 Member submits documentary evidence in support of his or her dispute, the
28 records of the Defendants will be determinative, subject to review by the Court.

- 1 (t) Settlement Notice Language: The Notice will issue in English and Spanish.
- 2 (u) Class Members Cannot Exclude Themselves from the Released PAGA Claims:
- 3 Class Members submitting a Request for Exclusion will nevertheless receive their
- 4 pro-rata share of the PAGA Settlement Payment. If the Court approves the
- 5 compromise of the PAGA Claim, all Class Members are bound by the Court's
- 6 resolution of that Claim. Plaintiff shall serve a notice of settlement on the
- 7 California Labor and Workforce Development Agency at or before the time
- 8 Plaintiff file the motion for preliminary approval.
- 9 (v) Resolution of Workweek Disputes: If a Class Member disputes the accuracy of
- 10 Defendants' records used to calculate Covered Workweeks, and the Parties'
- 11 counsel cannot resolve the dispute informally, the matter will be referred to the
- 12 Settlement Administrator. The Settlement Administrator will review Defendants'
- 13 records and any information or documents submitted by the Class Member and
- 14 issue a decision regarding the dispute. The Court reviewing this Settlement shall
- 15 have the authority to review and make a final decision regarding any Class
- 16 Member dispute. The Class Member must submit information or documents
- 17 supporting his or her position to the Settlement Administrator prior to the
- 18 expiration of the Response Deadline. Information or documents submitted after
- 19 the expiration of the Response Deadline will not be considered by the Settlement
- 20 Administrator, unless otherwise agreed to by the Parties.
- 21 (w) Right of Class Member to Request Exclusion from the Settlement: Any Class
- 22 Member may request to be excluded from the Class by mailing a "Request for
- 23 Exclusion" from the Settlement within the Response Deadline, stating, as follows
- 24 or in substantially similar terms:
- 25 "I WISH TO BE EXCLUDED FROM THE CLASS IN THE
- 26 *MACK V. UNIVERSAL TRUCKLOAD, LLC, ET AL*, CLASS
- 27 ACTION LAWSUIT, SAN BERNARDINO COUNTY
- 28 SUPERIOR COURT CASE NO. 19STCV37268. I
- UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM
- THE CLASS, I WILL NOT RECEIVE ANY MONEY FROM
- THE SETTLEMENT OTHER THAN MY SHARE OF THE

PAGA PAYMENT.”

Any Request for Exclusion must include the name, address, telephone number, last four digits of the Class Member’s Social Security Number, and the signature of the Class Member requesting exclusion. Any such request must be made in accordance with the terms of the Notice, and the Notice will advise Class Members of these requirements. Any Class Member who timely requests exclusion in compliance with these requirements (i) shall not have any rights under this Settlement other than a right to receive a pro-rata share of the portion of the PAGA payment allocated to the Class Members if the Class Member is also PAGA Employee; (ii) shall not be entitled to receive any Settlement Payments under this Settlement other than as stated in (i) in this paragraph; and (iii) shall not be bound by this Settlement or the Court’s Order and Final Judgment other than as it applies to the PAGA Claim. Exclusion requests may also be made by fax or email.

- (x) Right of Settlement Class Member to Object to The Settlement: Any Class Member may object to the Settlement. To object, the Class Member may (1) appear in person at the Final Approval Hearing to explain any objection, (2) have an attorney object for the Class Member, or (3) submit a simple written brief or statement of objection to the Settlement Administrator. If any Class Member chooses to submit a written objection, the written objection could be submitted via fax or email, and should contain sufficient information to confirm the identity of the objector and the basis of the objection, including (1) the full name of the Settlement Class Member; (2) the signature of the Settlement Class Member; (3) the grounds for the objection; and (4) be postmarked within the Response Deadline to permit adequate time for processing and review by the Parties of the written statement or objection. Class Counsel shall ensure that any written objections are transmitted to the Court for the Court’s review (either by Class Counsel or as an attachment to declaration from the Settlement Administrator). A Class Member who does not object prior to or at the Final Approval Hearing, will be deemed to

1 have waived any objections and will be foreclosed from making any objections
2 (whether at the Final Approval Hearing, by appeal, or otherwise) to the Settlement.

3 **THE SETTLEMENT ADMINISTRATOR'S PRIMARY DUTIES**

4 27. Subject to the Court's approval, and subject to reconsideration by the Parties after a
5 competitive bidding process, the Parties have agreed to the appointment of ILYM Group, Inc. to perform
6 the customary duties of Settlement Administrator. The Settlement Administrator will mail the Notice,
7 both in English and Spanish, to the Class Members.

8 28. The Settlement Administrator will independently review the Covered Workweeks
9 attributed to each Class Member and will calculate the estimated amounts due to each Class Member and
10 the actual amounts due to each Settlement Class Member in accordance with this Settlement. The
11 Settlement Administrator shall report, in summary or narrative form, the substance of its findings. The
12 Settlement Administrator shall be granted reasonable access to Defendants' records in order to perform its
13 duties.

14 29. In accordance with the terms of this Settlement, and upon receipt of Gross Settlement
15 Amount from Defendants, the Settlement Administrator will issue and send out the Settlement Payment
16 checks to the Class Members. Tax treatment of the Settlement Payments will be as set forth herein, and in
17 accordance with state and federal tax laws. All disputes relating to the Settlement Administrator's
18 performance of its duties shall be referred to the Court, if necessary, which will have continuing
19 jurisdiction over the terms and conditions of this Settlement until all payments and obligations
20 contemplated by this Settlement have been fully carried out.

21 30. The Settlement Administrator will mail the final judgment approving the Settlement along
22 with the settlement payments.

23 **ATTORNEY'S FEES AND COSTS**

24 31. In consideration for resolving this matter and in exchange for the release of all claims by
25 the Class Members, including Plaintiff, and subject to approval by the Court, Defendants will not object to
26 Class Counsel's application for attorney's fees not to exceed 35% of the Gross Settlement Amount
27 (\$175,000.00 of \$500,000.00) and litigation costs not to exceed \$15,000.00. The amounts set forth above
28 will cover all work performed and all fees and costs incurred to date, and all work to be performed and all

1 fees and costs to be incurred in connection with the approval by the Court of this Settlement and
2 administration of the Settlement. Should Class Counsel request a lesser amount and/or the Court approve
3 a lesser amount(s) of attorney's fees and/or attorneys' costs, the difference between the lesser amount(s)
4 and the maximum amount set forth above shall be added to the Net Settlement Amount. Attorneys' fees
5 and costs approved by the Court shall be paid to Class Counsel within 14 calendar days after the funds are
6 deposited with the administrator. In the event that the Court awards less than 25% of the Gross Settlement
7 Amount for attorney's fees, Class Counsel shall retain the right to appeal that portion of any Final
8 Approval Order and Judgment.

9 THE NOTICE PROCESS

10 32. A Notice in approximately the form attached hereto as Exhibit "A," and as approved by the
11 Court, shall be sent by the Settlement Administrator to the Class Members by first class mail. The Notice
12 shall be translated into Spanish so that Spanish and English language versions of the Notice are included in
13 the mailing. Any returned envelopes from this mailing with forwarding addresses will be utilized by the
14 Settlement Administrator to forward the Notices to the Class.

15 (a) Within 7 calendar days from the date of preliminary approval of this Settlement by
16 the Court, Defendants shall provide to the Settlement Administrator a class
17 database containing the following information for each Class Member: (1) name;
18 (2) last known address; (3) social security number; and (5) dates of employment at
19 Defendants' locations in California. This database shall be based on Defendants'
20 payroll and other business records and shall be provided in a format acceptable to
21 the Settlement Administrator. Defendants agree to consult with the Settlement
22 Administrator prior to the production date to ensure that the format will be
23 acceptable to the Settlement Administrator. The Settlement Administrator will run
24 a check of the Class Members' addresses against those on file with the U.S. Postal
25 Service's National Change of Address List. Absent mutual written agreement of
26 counsel for the Parties or Court order, the Settlement Administrator will keep this
27 database confidential and secure and use it only for the purposes described herein,
28 and will return this database to Defendants upon final approval of the settlement or

1 destroy electronic records containing the database after the Settlement is final and
2 all payments are distributed as required under this Agreement.

3 (b) Within 14 calendar days after the Class database is provided to the Settlement
4 Administrator, the Settlement Administrator will mail the Notices to the Class
5 Members by First Class United States mail.

6 (c) Notices returned to the Settlement Administrator as non-deliverable on or before
7 the initial Response Deadline shall be resent to the forwarding address, if any, on
8 the returned envelope. A returned Notice will be forwarded by the Settlement
9 Administrator any time that a forwarding address is provided with the returned
10 mail. If there is no forwarding address, the Settlement Administrator will do a
11 computer search for a new address using the Class Member's social security
12 number or other information. In any instance where a Notice is re-mailed, the
13 Settlement Administrator must complete re-mailing within three business days, that
14 Class Member will have to respond by the original response deadline or 14
15 calendar days after re-mailing, whichever is later. A letter prepared by the
16 Settlement Administrator will be included in the re-mailed Notice in that instance,
17 stating the extended response deadline. Upon completion of these steps by the
18 Settlement Administrator, Defendants and the Settlement Administrator shall be
19 deemed to have satisfied their obligations to provide the Notice to the affected
20 Class Member. The affected Class Member shall remain a member of the
21 Settlement Class and shall be bound by all the terms of the Settlement and the
22 Court's Order and Final Judgment.

23 (d) Class Counsel shall provide to the Court, at least five calendar days prior to the
24 final approval hearing, or such other date as set by the Court, a declaration by the
25 Settlement Administrator of due diligence and confirming mailing of the Notices.

26 **DISPOSITION OF SETTLEMENT PAYMENTS AND UNCASHED CHECKS**

27 33. As set forth above, each Class Member will have until the expiration of the applicable
28 Response Deadline to submit to the Settlement Administrator any challenge or dispute to the Class

1 Member's Covered Workweek information on the Notice. No disputes will be honored if they are
2 submitted after the Response Deadline, unless the Parties mutually agree to accept the untimely dispute.
3 Disputes can be communicated via fax or email. Each Class Member is responsible to maintain a copy of
4 any documents sent to the Settlement Administrator and a record of proof of mailing.

5 34. The Settlement Administrator shall cause the Settlement Payments to be mailed to the
6 Settlement Class Members and PAGA Employees as provided herein. Prior to mailing the Settlement
7 Payment checks, the Settlement Administrator shall check for updated addresses for all recipients, and in
8 the event that any check is returned as undeliverable, the check must be re-mailed within three business
9 days. The check will be re-mailed to the forwarding address, if any, on the returned envelope. If there is no
10 forwarding address, the Settlement Administrator will do a computer search for a new address using the
11 Class Member's social security number or other information. Settlement Class Payments and PAGA
12 Payments may be combined into one check. Settlement Payment checks shall remain valid and negotiable
13 for 180 calendar days from the date of their issuance. Settlement Payment checks shall state the expiration
14 date of the checks. Settlement Payment checks will automatically be cancelled by the Settlement
15 Administrator if they are not cashed by the Class Member within that time, and the Class Member's
16 relevant claims will remain released by the Settlement. Settlement Payment checks which have expired
17 will not be reissued.

18 35. Funds from un-cashed or abandoned Settlement Payment checks, based on a 180-day void
19 date, shall be transmitted to the California State Controller's Office for Unclaimed Property in the name of
20 each Class Member who failed to cash their Settlement Payment check prior to the void date.

21 36. Upon completion of its calculation of Settlement Payments, the Settlement Administrator
22 shall provide Class Counsel and Defendants' Counsel with a report listing the amounts of all payments to
23 be made to Class Members (to be identified anonymously by employee number or other identifier). A
24 Declaration attesting to completion of all payment obligations will be provided to Class Counsel and
25 Defendants' Counsel and filed with the Court by Class Counsel.

26 **RELEASE BY THE CLASS**

27 37. Upon the final approval by the Court of this Settlement and payment of all funds due under
28 this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class

1 Representative, the Class and each Class Member who has not submitted a valid and timely request for
2 exclusion as to claims other than the PAGA claim, will release claims as follows:

3 (a) **Identity of Released Parties.** The released parties are Defendants, and each of
4 their former and present direct and/or indirect owners, dba's, parents, subsidiaries,
5 successors and predecessors, and current and former employees, attorneys, officers,
6 directors, shareholders, owners, and trustees (collectively "Releasees").

7 (b) **Date Release Becomes Active.** The Released Claims will be released upon the
8 Settlement's Effective Date and payment by Defendants of all funds due under the
9 settlement. Class Members will not release the Released Claims or Released
10 PAGA Claims until the Effective Date and payment by Defendants of all funds due
11 under the settlement.

12 (c) **Claims Released by Settlement Class Members.** Each and every Class Member,
13 on behalf of himself or herself and his or her heirs and assigns, unless he or she has
14 submitted a timely and valid Request for Exclusion (which will not effectuate an
15 opt-out from the release of Released PAGA Claims), hereby releases Releasees
16 from the following claims for the entire Class Period:

- 17 1) any and all claims stated in the Action, or that could have been stated based
18 on the facts alleged in the Action, including but not limited failure to
19 indemnify necessary business expenses and the related provisions of the
20 Labor Code including but limited to Labor Code § 2802, and derivative
21 claims under California Business & Professions Code §§ 17200 et seq.
22 ("Released Claims");
- 23 2) in addition, as to *all* Class Members employed during the Released PAGA
24 Claims Period, whether requesting exclusion from the Settlement or not,
25 claims arising under the Private Attorneys General Act of 2004, Labor
26 Code § 2698 et seq., to the extent asserted in Plaintiff's administrative
27 exhaustion letter submitted to the LWDA and any Complaint in this matter
28 (i.e., the Released PAGA Claims).

1 **DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL**

2 38. The Parties shall submit this Joint Stipulation of Class Action Settlement to the Court in
3 support of Plaintiff's unopposed motion for preliminary approval for determination by the Court as to its
4 fairness, adequacy, and reasonableness. Upon execution of this Joint Stipulation of Class Action
5 Settlement, the Parties shall apply to the Court for the entry of an order:

- 6 (a) Scheduling a final approval and fairness hearing on the question of whether the
7 proposed Settlement, including payment of attorney's fees and costs, and the Class
8 Representative's service payment, should be finally approved as fair, reasonable,
9 and adequate as to the members of the Class;
- 10 (b) Certifying a Class;
- 11 (c) Approving as to form and content the proposed Notice;
- 12 (d) Directing the mailing of the Notice;
- 13 (e) Preliminarily approving the Settlement subject only to the objections of Class
14 Members and final review by the Court;
- 15 (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the
16 proposed Class Members; and,
- 17 (g) Appointing ILYM Group, Inc. as the Settlement Administrator, and order the
18 Settlement Administrator to issue Notices as outlined above.

19 **DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL**

20 39. In conjunction with the hearing of a motion for final approval by the Court of the
21 Settlement provided for in this Joint Stipulation of Settlement, Class Counsel will submit to the Court a
22 proposed final order and judgment containing provisions sufficient to accomplish the following:

- 23 (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and
24 adequate, and directing consummation of its terms and provisions;
- 25 (b) Approving Class Counsel's application for an award of attorney's fees and costs;
- 26 (c) Approving the Service Payment to the Class Representative;
- 27 (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting
28 duties under the Settlement.

- 1 (e) Adjudging Plaintiff and Class Counsel may adequately represent the Final
2 Settlement Class for the purpose of entering into and implementing the Agreement;
3 and
4 (f) Entering a final judgment in the action.

5 **NULLIFICATION AND TERMINATION**

6 40. This Settlement will be null and void if any of the following occur: (a) the Court should for
7 any reason fail to certify a class for settlement purposes; (b) the Court should for any reason fail to
8 preliminarily or finally approve of this Settlement in the form agreed to by the Parties, other than
9 adjustments made to the attorney's fees and costs or granting of Service Payments; (c) the Court should for
10 any reason fail to enter the final judgment; (d) the final judgment is reversed, modified, or declared or
11 rendered void; (e) the Settlement does not become final for any other reason; or (f) if ten-percent (10%) or
12 more of the Class members opt-out of the settlement, Defendants may, at their sole discretion, elect to
13 revoke the settlement and their stipulation to Class Certification.

14 **PARTIES' AUTHORITY**

15 41. The signatories hereto hereby represent that they are fully authorized to enter into this
16 Settlement and bind the Parties hereto to the terms and conditions thereof.

17 **MUTUAL FULL COOPERATION**

18 42. The Parties agree to fully cooperate with each other to accomplish the terms of this
19 Settlement including, but not limited to, execution of such documents and taking such other action as
20 reasonably may be necessary to implement the terms of this Settlement. The Parties to this Settlement
21 shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that
22 may become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set
23 forth herein. As soon as practicable after execution of this Settlement, Class Counsel shall, with the
24 assistance and cooperation of Defendants and Defendants' Counsel, take all necessary steps to secure the
25 Court's preliminary and final approval of this Settlement.

26 **NO PRIOR ASSIGNMENTS**

27 43. The Parties and their respective counsel represent, covenant, and warrant that they have not
28 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to

1 any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein
2 released and discharged except as set forth herein.

3 **NO ADMISSION OF LIABILITY**

4 44. Nothing contained herein, nor the consummation of this Settlement, is to be construed or
5 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants.
6 Defendants deny all the claims and contentions alleged by the Plaintiff in this case. The Defendants have
7 entered into this Settlement solely with the intention to avoid further disputes and litigation with the
8 attendant inconvenience and expenses.

9 **ENFORCEMENT ACTIONS**

10 45. In the event that one or more of the Parties to this Settlement institutes any legal action or
11 other proceeding against any other party or parties to enforce the provisions of this Settlement or to declare
12 rights and/or obligations under this Settlement, the successful party or parties shall be entitled to recover
13 from the unsuccessful party or parties reasonable attorney's fees and costs, including expert witness fees
14 incurred in connection with any enforcement actions.

15 **NOTICES**

16 46. Unless otherwise specifically provided herein, all notices, demands or other
17 communications given hereunder shall be in writing and shall be deemed to have been duly given as of the
18 third business day after mailing by United States registered or certified mail, return receipt requested,
19 addressed as follows:

20 **Class Counsel:**

21 Kane Moon
22 Allen Feghali
23 Enzo Nabiev
24 **MOON & YANG, APC**
25 1055 W. Seventh St., Suite 1880
26 Los Angeles, California 90017
27 Telephone: (213) 232-3128
28 Facsimile: (213) 232-3125
kane.moon@moonyanglaw.com
allen.feghali@moonyanglaw.com
enzo.nabiev@mooyanglaw.com

Counsel for Defendants:

Christian Keeney
christian.keeney@ogletree.com
Sarah Christenson
sarah.christenson@ogletree.com
OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.
Park Tower, Fifteenth Floor
695 Town Center Drive
Costa Mesa, CA 92626
Telephone: 714-800-7900
Facsimile: 714-754-1298

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1 their respective heirs, trustees, executors, administrators, successors and assigns.

2 **CLASS COUNSEL SIGNATORIES**

3 54. It is agreed that because the members of the Class are so numerous, it is impossible or
4 impractical to have each member of the Class execute this Settlement. The Notice will advise all Class
5 Members of the binding nature of the Released Claims and Released PAGA Claims, and the release shall
6 have the same force and effect as if this Settlement were executed by each member of the Class.

7 **COUNTERPARTS**

8 55. This Settlement may be executed in counterparts and by electronic or facsimile signatures,
9 and when each party has signed and delivered at least one such counterpart, each counterpart shall be
10 deemed an original, and, when taken together with other signed counterparts, shall constitute one
11 Settlement, which shall be binding upon and effective as to all Parties.

12 **CONFIDENTIALITY & PUBLIC COMMENT**

13 56. The Class Representative and Class Counsel agree they will not make any disparaging
14 comments about Defendants relating to this Settlement of this class action or disclose the negotiations of
15 the Settlement. The Class Representative and Class Counsel shall only disclose matters of public record
16 other than to Class Members, who may receive information about the Settlement that is not in the public
17 record after the Court has preliminarily approved the Settlement. Other than as to Class Members or as
18 expressly allowed below, the Parties and attorneys will keep the settlement confidential until the filing of
19 the motion for preliminary approval of the class settlement. Thereafter, the Parties agree to make no
20 comments to the media or otherwise publicize the terms of the Settlement, other than in court filings. To
21 the extent counsel for either Party wish to advertise this settlement, such advertising will be limited to a
22 statement that a matter was settled between a putative class and a "intermodal transportation business."
23 Any communication about the Settlement to Class Members prior to the Court-approved mailing will be
24 limited to (1) a statement that a settlement has been reached, (2) a statement of any of the details that
25 would necessarily be included in any Court-approved Notice if a Class Member requests details about the
26 proposed Settlement, and (3) a warning that the terms of the proposed Settlement have not yet been
27 approved by the Court. Prior to preliminary approval, the Class Representative is prohibited from
28 discussing the terms or the fact of the settlement with third parties other than (1) a spouse, (2) accountants

1 or lawyers as necessary for tax purposes, or (3) Class Members. At all times, the Class Representative is
2 prohibited from communicating about the terms or the fact of the settlement on any form of social media
3 ("Social Media Bar"). In the event of a proven breach of the Social Media Bar, the violating Plaintiff shall
4 forfeit one-half of the class representative enhancement payment, as a form of liquidated damages. Class
5 Counsel will take all steps necessary to ensure the Class Representative is aware of, and will adhere to, the
6 restrictions against any public disclosure of the Settlement. Class Counsel will not include or use the
7 settlement for any marketing or promotional purposes other than as expressly allowed above.

8 **FINAL JUDGMENT**

9 57. The Parties agree that, upon final approval of the Settlement, final judgment of this Action
10 will be made and entered in its entirety. The final judgment may be included in the Order granting Final
11 Approval of the Settlement.

12 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
13 Stipulation of Class Action Settlement between Plaintiff and Defendants as set forth below:

14 IT IS SO STIPULATED.

15 **Plaintiff & Class Representative:**

16 Dated:

By: _____
James Mack

17
18 **Plaintiffs' Counsel:**

19 Dated:

MOON & YANG, APC

20
21 By: _____
Kane Moon
Allen Feghali
Enzo Nabiev
Attorneys for Plaintiff

22
23 **Defendants:**

24 Dated: May 14, 2021

UNIVERSAL TRUCKLOAD, LLC

25
26 By: Mark Limback
27 Print Name
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Mark Limback
Signature
President
Title

UNIVERSAL TRUCKLOAD, INC.

By: Mark Limback
Print Name
Mark Limback
Signature
President
Title

UNIVERSAL LOGISTICS HOLDINGS, INC.

By: Tim Phillips
Print Name
Tim Phillips
Signature
CEO
Title

Defendants' Counsel:

Dated: May 17, 2021

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

By: [Signature]
Christian Keeney
Sarah Christenson
Attorneys for Defendants

47092722.1

or lawyers as necessary for tax purposes, or (3) Class Members. At all times, the Class Representative is prohibited from communicating about the terms or the fact of the settlement on any form of social media ("Social Media Bar"). In the event of a proven breach of the Social Media Bar, the violating Plaintiff shall forfeit one-half of the class representative enhancement payment, as a form of liquidated damages. Class Counsel will take all steps necessary to ensure the Class Representative is aware of, and will adhere to, the restrictions against any public disclosure of the Settlement. Class Counsel will not include or use the settlement for any marketing or promotional purposes other than as expressly allowed above.

FINAL JUDGMENT

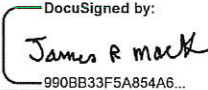
57. The Parties agree that, upon final approval of the Settlement, final judgment of this Action will be made and entered in its entirety. The final judgment may be included in the Order granting Final Approval of the Settlement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action Settlement between Plaintiff and Defendants as set forth below:

IT IS SO STIPULATED.

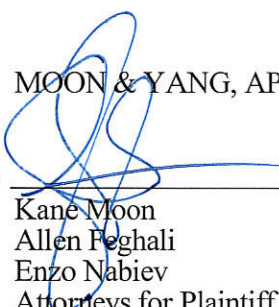
Plaintiff & Class Representative:

Dated: 5/11/2021

By: 
James Mack

Plaintiffs' Counsel:

Dated: May 17, 2021

MOON & YANG, APC
By: 
Kane Moon
Allen Peghali
Enzo Nabiev
Attorneys for Plaintiff

Defendants:

Dated: UNIVERSAL TRUCKLOAD, LLC

By: _____
Print Name

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Mack v. Universal Truckload, LLC, et al.
San Bernardino Superior Court Case No. CIVSB2028524

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

IF YOU HAVE CONTRACTED WITH UNIVERSAL TRUCKLOAD, LLC, UNIVERSAL TRUCKLOAD, INC., OR UNIVERSAL LOGISTICS HOLDINGS, INC. (“DEFENDANT”) TO PERFORM TRUCK DRIVING SERVICES IN CALIFORNIA AT ANY TIME BETWEEN DECEMBER 22, 2016 AND JULY 1, 2021, THIS PROPOSED 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 *Mack v. Universal Truckload, LLC, et al.*, San Bernardino Superior Court Case No. CIVSB2028524 (the “Action”). The purpose of this Notice of Proposed 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 final approval of the proposed Settlement will be held before the Hon. David Cohn on <<**FA Date and Time**>> in Department S-26 of the San Bernardino Superior Court, Spring Street Courthouse, 247 West 3rd Street, San Bernardino, CA 92415, 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 Defendants for the Released Claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS DEADLINE TO EXCLUDE YOURSELF: << RESPONSE DATE >>	You have the option to pursue separate legal action against Defendants about the claims in the Action. If you choose to do so, you must exclude yourself, in writing, from the Settlement by submitting a written Request to be Excluded. As a result, you will not receive any benefits under the Settlement. Except that, even if you request exclusion, you will receive payment for PAGA Penalties, and you will release PAGA claims as discussed below.
OBJECT TO THE SETTLEMENT DEADLINE TO SUBMIT WRITTEN OBJECTIONS: << RESPONSE DATE >>	To object to the Settlement, you may mail a written explanation of why you do not agree with the Settlement to the Settlement Administrator, appear at the final approval hearing, or hire an attorney at your expense to object for you. This option is available only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit a Request to be Excluded if you wish to object. Written objections must be submitted by << RESPONSE DATE >>. You may arrange to appear at the hearing telephonically via CourtCall (https://www.courtcall.com/)

Who is affected by this proposed Settlement?

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

All individuals who were residents of California, who signed contracts with Defendants, who worked as truck drivers for Defendants in California in service of those contracts, and who incurred business expenses that were

not reimbursed at any time within the Class Period (the “Class Period” is December 22, 2016 through July 1, 2021).

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

What is this case about?

In the Action, Plaintiff James Mack (“Plaintiff”) alleges on behalf of himself and the Class allege that Defendants: (1) failed to indemnify necessary business expenses; (2) violated California’s Unfair Competition Law, California Business and Professions Code section 17200 et seq.; and (3) violated provisions of the Labor Code giving rise to civil penalty liability under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.]. Plaintiff seeks reimbursement for necessary business expenses, actual damages, declaratory relief, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys’ fees, and costs.

Defendants deny all liability and are confident that they have strong legal and factual defenses to these claims, but they recognize the risks, distractions, and costs associated with litigation. Defendants contend that their conduct is and has been lawful at all times relevant and that Plaintiff’s 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 Plaintiff and Defendants (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendants. Both sides agree that this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiff’s claims or Defendants’ defenses.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Kane Moon
Allen Feghali
Enzo Nabiev
MOON & YANG, APC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125
kane.moon@moonyanglaw.com
allen.feghali@moonyanglaw.com
enzo.nabiev@moonyanglaw.com

Defendants’ Counsel

Christian Keeney
christian.keeney@ogletree.com
Sarah Christenson
sarah.christenson@ogletree.com
OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.
Park Tower, Fifteenth Floor
695 Town Center Drive
Costa Mesa, CA 92626
Telephone: 714-800-7900
Facsimile: 714-754-1298

What are the Settlement terms?

Subject to final Court approval, Defendants will pay \$500,000 (the “Gross Settlement Amount”) for: (a) individual Settlement Payments to Settlement Class Members; (b) the Court-approved Class Representative Service Payment to Plaintiff (\$5,000); (c) the Court-approved attorneys’ fees and costs to Class Counsel (\$175,000.00 in fees and up to \$15,000 in costs to be requested); (d) payment to the Labor and Workforce Development Agency (“LWDA”) for alleged PAGA penalties (\$18,750 of a total of \$25,000 allocated to PAGA penalties); and (e) payment to the Settlement Administrator for settlement administration services (up to an estimated maximum of \$5,000).

Individual Settlement Payments. After deduction from the Gross Settlement Amount for attorneys’ fees and costs, the Class Representative Service Payment to Plaintiff, the payment to the LWDA, and settlement administration costs, there will be a Net Settlement Amount. From this Net Settlement Amount, Defendants will make an individual Settlement Payment 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 based upon the total number of workweeks worked by each respective Settlement Class Member as a non-exempt hourly employee in the State of California during the Class Period. Your estimated individual Settlement Payment is listed below.

Your estimated minimum settlement payment is <<Estimated Payment>> and your covered Work Weeks worked during the relevant period between December 22, 2016 and July 1, 2021 are <<Work Weeks>>. To the extent you dispute the number of Work Weeks, you must make your dispute (“Work Week Dispute”) in writing and send it to the Settlement Administrator via fax or mail. Your Work Week Dispute must be postmarked or faxed no later than <<+60 days from date of mailing>> (the “Response Deadline”) to:

ILYM Group, Inc., <<Mailing Address>>

Your Work Week Dispute must be in writing and contain: (a) your full name, signature, address, telephone number, and the last four digits of your Social Security number; (b) the number of Work Weeks you contend is correct; and (c) any evidence supporting your contention. Defendants’ records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator will resolve and decide all Work Week Disputes, and its’ decisions will be reviewable by the Court during the Final Approval Hearing. **REMINDER:** If you believe your estimated individual Settlement Amount is incorrect because your Work Weeks (the number of total weeks you worked within the Class Period only) are wrong, the deadline to dispute the workweeks reported for you is <<RESPONSE DATE>>.

For tax reporting purposes, the payments to Settlement Class Members will be allocated 10% as wages and 90% as penalties and interest, excluding the \$7,500 in PAGA Settlement Payments, which will be allocated as 100% penalties. 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 employee-side payroll taxes from the wage portion of the individual Settlement Payments. The portion of the Settlement Payments allocated to penalties and interest shall be classified as other miscellaneous income and reported on IRS Form 1099-MISC. Any taxes owed on that other miscellaneous income will be the responsibility of Settlement Class Members receiving those payments. The employer’s share of any payroll taxes will be separately paid by Defendants.

All checks for individual Settlement Payments paid to Settlement Class Members shall advise that the checks will remain valid and negotiable for one hundred eighty (180) days from the date of the checks’ issuance and shall thereafter automatically be void if not cashed by a participating Class Member within that time. Any individual Settlement Payment that is not cashed by a Settlement Class Member within one hundred eighty (180) days of issuance shall be transmitted to the California State Controller’s Office for Unclaimed Property in the name of each check recipient who failed to cash their check prior to the void date. The Settlement Administrator shall void any tax documents issued to Settlement Class Members who did not cash their checks within 180 days of issuance. In such event, the Settlement Class Member shall nevertheless remain bound by the Settlement.

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 Service Award, Settlement Administration Costs and Payment to the LWDA. Class Counsel will ask the Court to award attorneys’ fees up to \$175,000.00 (one-third) of the Gross 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 a Class Representative Service Payment of \$5,000 for Plaintiff for his efforts in bringing the case on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed \$5,000.00. A payment in the amount of \$18,750.00 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$25,000 set aside for payment under PAGA.

What claims are being released by the proposed Settlement?

Upon the final approval by the Court of this Settlement and payment of all funds due under this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representative, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

(a) **Released Parties.** The released parties are Defendants, and each of their former and present direct and/or indirect owners, dba's, parents, subsidiaries, successors and predecessors, and current and former employees, attorneys, officers, directors, shareholders, owners, and trustees (collectively "Releasees").

(b) **Date Release Becomes Active.** The Released Claims will be released upon the Settlement's Effective Date and payment by Defendants of all funds due under the settlement. Class Members will not release the Released Claims or Released PAGA Claims until the Effective Date and payment by Defendants of all funds due under the settlement.

(c) **Claims Released by Settlement Class Members.** Each and every Class Member, on behalf of himself or herself and his or her heirs and assigns, unless he or she has submitted a timely and valid Request for Exclusion (which will not effectuate an opt-out from the release of Released PAGA Claims), hereby releases Releasees from the following claims for the entire Class Period:

1) any and all claims stated in the Action, or that could have been stated based on the facts alleged in the Action, including but not limited to failure to indemnify necessary business expenses and the related provisions of the Labor Code including but limited to Labor Code § 2802, and derivative claims under California Business & Professions Code §§ 17200 et seq. ("Released Claims");

2) in addition, as to *all* Class Members employed during the Released PAGA Claims Period (January 25, 2020 – July 1, 2021), whether requesting exclusion from the Settlement or not, claims arising under the Private Attorneys General Act of 2004, Labor Code § 2698 et seq., to the extent asserted in Plaintiff's administrative exhaustion letter submitted to the LWDA and any Complaint in this matter (i.e., the Released PAGA Claims).

What are my options in this matter?

You have two options under this Settlement, each of which is 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, you will be represented at no cost by Class Counsel. 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 will be entered 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 Settlement, **you do not need to take any action.** By remaining in the Class and receiving settlement monies, 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 Defendants, 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 have several options that you may use to object to it or express any concerns. To object, you may appear in person at the Final Approval Hearing, have an attorney object for you, or submit a written brief or statement of objection ("written objection") to the Settlement Administrator at ILYM Group, Inc., <<Mailing Address>>. If you submit a written objection, it should contain sufficient information to confirm the your identity and the basis of the objection, including: (1) your full name; (2) the grounds for the objection; (3) your signature; and (4) be postmarked on or before <<Response Deadline>> and returned to the Settlement Administrator at the address listed above to ensure that it is received in time to be transmitted to and considered by the Court. You can also hire an attorney at your own expense to represent you in your objection. The Parties shall file responses to any written objections before the final approval hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Settlement Hearing. **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.**

Regardless of the form, an objection, alone will not satisfy the requirement that a Settlement Class Member must formally intervene and become a party of record in the action to appeal a Judgment entered following an Order

finally approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018).

OPTION B. Request to Be Excluded from the Settlement and Receive No Money from the Settlement. If you do not want to be part of the Settlement, you must submit a written request to be excluded from the Settlement to the Settlement Administrator at ILYM Group, Inc., <<Mailing Address>>. In order to be valid, your written request to be excluded from the Settlement must be signed and include your name, address, and telephone number (to confirm your identity and make certain that only persons requesting exclusion are removed from the settlement), along with a statement like the following:

“I WISH TO BE EXCLUDED FROM THE CLASS IN THE *MACK V. UNIVERSAL TRUCKLOAD, LLC*, CLASS ACTION LAWSUIT, SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. CIVSB2028524. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OTHER THAN MY SHARE OF THE PAGA PAYMENT.”

Your written request to be excluded from the Settlement must then be signed and postmarked on or before <<Response Deadline>>. If you do not submit a written request to be excluded from the Settlement on time (as evidenced by the postmark), your written request to be excluded from the Settlement will be rejected, you will be deemed a participating Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a written request to be excluded from the Settlement by the deadline to request exclusion, you will have no further role in the Action. **You will not be entitled to any benefit, including money**, as a result of the Action and Settlement – except that you will still receive payment for and release claims for Civil Penalties Under PAGA. You will not be able to complain to the Court about any aspect of the Settlement.

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 Service Payment to Plaintiff, the settlement administration costs, and the payment to the LWDA for PAGA penalties on <<FA Date and Time>> in Department S-26 of San Bernardino Superior Court, 247 West 3rd Street, San Bernardino, CA 92415. Because of healthcare guidance and Orders of the San Bernardino Superior Court related to COVID-19, the hearing may be a telephonic hearing only. If you wish to attend the Final Approval Hearing telephonically, visit <https://www.courtcall.com/> for instructions on how to do so. 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 attached to the Declaration of Kane Moon in Support of Plaintiff’s Motion for Preliminary Approval. The Joint Stipulation of Class Action Settlement and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the San Bernardino Superior Court. Because of the San Bernardino Superior Court’s COVID-19 pandemic procedures, in order to view documents filed in the lawsuit, Class Members may be required to make an appointment with the Court to view documents. You may also request a copy of the Settlement Agreement from Class Counsel and/or Defendants’ Counsel referenced above.

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