

## PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Maria Sanchez and (“Plaintiffs”) and defendant DSV Solutions LLC (“DSV”). The Agreement refers to Plaintiffs and DSV collectively as “Parties,” or individually as “Party.”

### 1. DEFINITIONS.

- 1.1. “Action” means the Plaintiffs’ PAGA lawsuit alleging wage and hour violations against DSV captioned “*Maria Sanchez, et. al, v. DSV Solutions LLC*” initiated on September 28, 2021, and pending in the Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2127568.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Total Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Approval Order and Final Judgment” and “Judgment” mean the Court Order Granting Approval of PAGA Settlement and Entering Final Judgment in substantively the same form evidenced by the proposed order and judgment attached to this Agreement as Exhibit A.
- 1.5. “Court” means the Superior Court of California, County of San Bernardino.
- 1.6. “Defense Counsel” means Daniel Chammas of Ford & Harrison LLP.
- 1.7. “Effective Date” means the date by which both of the following have occurred:  
(a) the Court enters a Judgment on its Order Approving the PAGA Settlement, and  
(b) the Settlement is Final.
- 1.8. “Final” means that the Settlement has been approved by the Court and either (a) the deadline for an appeal from the Court’s order passes without a timely appeal having been filed; (b) a timely appeal is filed, the California Court of Appeal renders an order affirming the Court’s order without material modification or dismisses the appeal, and the date for a petition for review by the California Supreme Court passes without a timely petition having been filed; (c) a petition for review with the California Supreme Court is filed and that court renders a final judgment affirming the Court’s order without material modification, and the date for a petition for certiorari by the U.S. Supreme Court passes without a timely petition having been filed; or (d) a petition for certiorari with the U.S. Supreme Court is filed and that court renders a final judgment affirming the Superior Court’s order without material modification.
- 1.9. “LWDA” means the California Labor and Workforce Development Agency.

- 1.10. “LWDA PAGA Payment” means the 75% of the PAGA Penalties payable to the LWDA under Labor Code section 2699, subdivision (i).
- 1.11. “Notice of Settlement” means the notice that Settlement Group Members will receive setting forth information about the Settlement, as evidenced by Exhibit B to this Agreement and incorporated by reference into this Agreement.
- 1.12. “Net Settlement Amount” and “PAGA Penalties” mean the amount from the Total Settlement Amount that is available for distribution as the LWDA PAGA Payment and as Settlement Shares to Settlement Group Members after deductions for the following payments in the amounts approved by the Court: the PAGA Representative Payments, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. Pursuant to Labor Code section 2699, subdivision (i), the PAGA Penalties will be allocated 75% to the LWDA and 25% to the Settlement Group Members in settlement of PAGA claims.
- 1.13. “PAGA” means the Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.*
- 1.14. “PAGA Counsel” means Nazo Koulloukian of Koul Law Firm, APC, and Sahag Majarian, II, of Law Offices of Sahag Majarian II, the attorneys representing Plaintiffs in the Action.
- 1.15. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.16. “PAGA Pay Period” means any Pay Period within the PAGA Period during which a Settlement Group Member worked for DSV in a non-exempt position in California for at least one day.
- 1.17. “PAGA Period” means (a) the period from 6/30/2020 through the date of the Approval Order and Final Judgment.
- 1.18. “PAGA Notices” means the Notice Letters to DSV and the LWDA dated 6/30/2021 providing notice of the claims against DSV pursuant to Labor Code section 2699.3, subdivision (a).
- 1.19. “PAGA Representative Payments” means the special payment made to Plaintiffs to compensate them for initiating and pursuing the Action and undertaking the risk of liability for attorneys’ fees and expenses in the event he was unsuccessful in the prosecution of the Action.
- 1.20. “Plaintiffs” means Maria Sanchez and Imelda Murray, the named plaintiffs in the Action.

- 1.21. “Released Parties” means DSV, and its officers, directors, employees, representatives, attorneys, and any subsidiaries or affiliated companies.
- 1.22. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.23. “Settlement Group Members” means all California non-exempt hourly employees who worked for DSV at any time during the PAGA Period.
- 1.24. “Settlement Group Member Address Search” means the Administrator’s investigation and search for current Settlement Group Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces and direct contact by the Administrator with Settlement Group Members.
- 1.25. “Settlement Group Member Data” means Settlement Group Member identifying information in DSV’s possession including the Settlement Group Member’s name, last-known mailing address, Social Security number and number of PAGA Pay Periods.
- 1.26. “Settlement Share” means a Settlement Group Member’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods the Settlement Group Member worked.
- 1.27. “DSV” means defendant DSV Solutions LLC.
- 1.28. “Total Settlement Amount” means \$300,000 (Three Hundred Thousand Dollars), which is the total amount DSV agrees to pay under the Settlement. The Total Settlement Amount will be used to pay the Settlement Shares, the LWDA PAGA Payment, the PAGA Representative Payments, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment and the Administration Expenses Payment.

## **2. RECITALS.**

- 2.1. Plaintiff Maria Sanchez filed her PAGA Notice letter on 6/30/2021, and her PAGA Complaint on 9/28/2021. A First Amended Complaint (“FAC”) was filed May 29, 2024, adding Plaintiff Imelda Murray to the Action. The FAC is the Operative Complaint. In the FAC and LWDA Notice, Plaintiffs allege that DSV is liable for: (1) failing to pay for all hours worked, including overtime hours worked (Cal. Labor Code §§212, 213, 218, 510, 558, 1194, 1197, 1197.1, 1198, 1199); (2) failing to reimburse for required business expenses (§§1198, 2802); (3) failing to provide timely meal breaks (§§226 (a), 226.7, 512, 558, 1198); (4) failing to provide rest breaks (§§226, 226.7, 512, 558, 1198); (5) failing to provide potable water (§§ 226.7, 6300, 6310, 6400; CCR, Title 8, § 3395); (6) failing to provide safe working conditions and place of employment that is safe and healthful (§1198, 6400, 6401, 6402, 6403, 6404, 6407, 8 CCR 3202); (7) failing to pay all wages owed (§§201,

202, 203, 204(a)); and (8) failing to provide accurate wage statements and maintain accurate payroll records (§§ 226(a), 226.3, 1174, 1174.5, 1175). DSV denies the allegations, denies any failure to comply with the law, and denies any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely written notice to DSV and the LWDA.
- 2.3. On February 15, 2023, the Parties participated in an all-day mediation presided over by Jeff Ross, Esq. The Parties were unable to reach an agreement that day and continued litigating the Action while concurrently engaging in protracted settlement discussions, which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, DSV produced through informal discovery, relevant documents, data, and information, including relevant policies and data reflecting the dates of employment, hours, and pay rates of Settlement Group Members, their hours worked, and the pay they received.

### **3. MONETARY TERMS.**

- 3.1. Total Settlement Amount. DSV promises to pay \$300,000 (Three Hundred Thousand Dollars) and no more as the Total Settlement Amount. DSV has no obligation to pay the Total Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Total Settlement Amount without asking or requiring Settlement Group Members to submit any claim as a condition of payment. None of the Total Settlement Amount will revert to DSV.
- 3.2. Payments from the Total Settlement Amount. The Administrator will make and deduct the following payments from the Total Settlement Amount, in the amounts specified by the Court in the Approval Order and Final Judgment:
  - 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33.33% of the Total Settlement Amount (which is currently estimated to be \$99,990) and a PAGA Counsel Litigation Expenses Payment of not more than \$25,000. Plaintiffs and/or PAGA Counsel will file an application or motion for the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment, and DSV will not oppose requests for Court approval of these payments provided they do not exceed these amounts. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment of less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other plaintiff's counsel arising from any claim to any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment

and the PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds DSV and the other Released Parties harmless, and indemnifies DSV and the other Released Parties, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.2. To Plaintiffs: PAGA Representative Payments of not more than \$10,000 to each Plaintiff, for a total of not more than \$20,000. Plaintiffs and/or PAGA Counsel will file an application or motion for the PAGA Representative Payments, and DSV will not oppose the request for Court approval of these payments provided they do not exceed this amount. If the Court approves PAGA Representative Payments of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the PAGA Representative Payments using one or more IRS 1099 Forms. Plaintiffs assume full responsibility and liability for taxes owed on the PAGA Representative Payments.
- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$6,950 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$6,950 the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To the LWDA and Settlement Group Members: The Net Settlement Amount, of which 75% shall be allocated to the LWDA PAGA Payment and 25% shall be allocated to the Settlement Shares pursuant to Labor Code section 2699(i).
  - 3.2.4.1. The Administrator will calculate each Settlement Share by (a) dividing the amount of the Settlement Group Members' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Settlement Group Members during the PAGA Period and (b) multiplying the result by each Settlement Group Member's PAGA Pay Periods. Settlement Group Members assume full responsibility and liability for any taxes owed on their Settlement Share.
  - 3.2.4.2. The Administrator will report the Settlement Shares on IRS 1099 Forms.

#### **4. SETTLEMENT FUNDING AND PAYMENTS.**

- 4.1. Settlement Group Members. The Parties estimate that as of the date of execution of this Agreement, there are approximately 722 Settlement Group Members.

- 4.2. Settlement Group Member Data. Within 15 days after the date of the Approval Order and Final Judgment, DSV will simultaneously deliver the Settlement Group Member Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Settlement Group Members' privacy rights, the Administrator must maintain the Settlement Group Member Data in confidence, use the Settlement Group Member Data only for purposes of this Settlement and for no other purpose and restrict access to the Settlement Group Member Data to Administrator employees who need access to the Settlement Group Member Data to effect and perform under this Agreement. DSV has a continuing duty to immediately notify PAGA Counsel if it discovers that the Settlement Group Member Data omitted employee identifying information and to provide corrected or updated Settlement Group Member Data as soon as reasonably feasible. Without any extension of the deadline by which DSV must send the Settlement Group Member Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Settlement Group Member Data.
- 4.3. Funding of Total Settlement Amount.
  - 4.3.1. The Administrator will provide DSV with wire transfer information within 3 days after the Effective Date.
  - 4.3.2. DSV shall fully fund the Total Settlement Amount by transmitting the funds to the Administrator no later than 15 days after the deadline for the Administrator to provide DSV with wire transfer information under Paragraph 4.3.1.
- 4.4. Payments from the Total Settlement Amount. Within 14 days after DSV funds the Total Settlement Amount, the Administrator will mail checks for all Settlement Shares, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the PAGA Representative Payments. Disbursement of the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the PAGA Representative Payments shall not precede disbursement of Settlement Shares.
  - 4.4.1. The Administrator will issue checks for the Settlement Shares and send them to the Settlement Group Members via First Class U.S. Mail, postage prepaid, together with a copy of the Notice of Settlement completed by the Parties to reflect information regarding the Approval Order and Final Judgment. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2. The Administrator must conduct a Settlement Group Member Address Search for all Settlement Group Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Settlement Group Member Address Search. The Administrator need not take further steps to deliver checks to Settlement Group Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Settlement Group Member whose original check was lost or misplaced if requested by the Settlement Group Member prior to the void date.
- 4.4.3. For any Settlement Group Member whose Settlement Share check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California State Controller's Unclaimed Property Fund in the name of the Settlement Group Member.
- 4.4.4. The payment of Settlement Shares shall not obligate DSV to confer any additional benefits or make any additional payments to the Settlement Group Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

## **5. RELEASES OF CLAIMS.**

- 5.1. Plaintiffs' Release. In consideration of Plaintiffs' awarded PAGA Representative Payments, Plaintiffs' Settlement Share, and the other terms and conditions of the Settlement, as of the date the Settlement becomes Final and is fully funded as set forth in Paragraph 4.3, Plaintiffs release the Released PAGA Claims, and any and all known and unknown claims against DSV and its officers, directors, employees, representatives, attorneys, and any subsidiaries or affiliated companies (the "Released Parties"), and waives the protection of California Civil Code section 1542, which reads as follows:

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

("Plaintiffs' Released Claims.")

Plaintiffs will not disparage or defame Released Parties, nor will they request, induce, or direct other persons to do so, except to the extent required by: (a) applicable law; (b) a lawful court order; (c) a lawfully issued subpoena; or (d) any litigation to enforce the terms of this Agreement. Information shall be deemed disseminated or communicated if transmitted

by any means whatsoever, including, but not limited to, signed or anonymous writings, social media, e-mails, facsimiles, electronic transmissions, electronic postings (including, without limitation, Facebook, Twitter, blog postings, LinkedIn, website forums, and other related Internet postings), and oral communications. Nothing in this Agreement shall prevent Plaintiffs from discussing or disclosing information about acts in the workplace that Plaintiffs have a good faith belief are unlawful, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful.

- 5.2. Release by Settlement Group Members and State of California: In consideration for their awarded portions of the Settlement Group Allocation, as of the date the Settlement becomes Final and is fully funded as set forth in Paragraph 4.3, the State of California and all Settlement Group Members release any and all claims under PAGA for civil penalties against DSV and the other Released Parties that arise out of or reasonably relate to the allegations asserted in the Operative Complaint and the LWDA Notice pursuant to PAGA that, during the PAGA Period, DSV is liable for: (1) failing to pay for all hours worked, including overtime hours worked (Cal. Labor Code §§212, 213, 218, 510, 558, 1194, 1197, 1197.1, 1198, 1199); (2) failing to reimburse for required business expenses (§§1198, 2802); (3) failing to provide timely meal breaks (§§226 (a), 226.7, 512, 558, 1198); (4) failing to provide rest breaks (§§226, 226.7, 512, 558, 1198); (5) failing to provide potable water (§§ 226.7, 6300, 6310, 6400; CCR, Title 8, § 3395); (6) failing to provide safe working conditions and place of employment that is safe and healthful (§1198, 6400, 6401, 6402, 6403, 6404, 6407, 8 CCR 3202); (7) failing to pay all wages owed (§§201, 202, 203, 204(a)); and (8) failing to provide accurate wage statements and maintain accurate payroll records (§§ 226(a), 226.3, 1174, 1174.5, 1175) (the “Released PAGA Claims”). All Settlement Group Members will release the Released PAGA Claims and receive a Settlement Share.

## **6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.**

The Parties agree to jointly prepare and file a motion for approval of this Settlement.

- 6.1. Joint Motion or Stipulation for Approval. The Parties agree to jointly prepare and file a motion or stipulation for approval of this Settlement. PAGA Counsel is responsible for delivering the Court’s Approval Order and Final Judgment to the Administrator.
- 6.2. Responsibilities of PAGA Counsel. PAGA Counsel will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2), including (a) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Settlement Group Member Data; amounts of insurance coverage for any data breach, defalcation of funds or other

misfeasance; all facts relevant to any actual or potential conflicts of interest with Settlement Group Members or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (b) a signed declaration by PAGA Counsel attesting to their timely transmission to the LWDA of all necessary documents pursuant to Labor Code section 2699(I) and all facts relevant to any actual or potential conflict of interest with Settlement Group Members and/or the Administrator; and (c) a signed declaration by Plaintiff attesting to all facts relevant to any actual or potential conflict of interest with Settlement Group Members and/or the Administrator.

- 6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

## **7. SETTLEMENT ADMINISTRATION.**

- 7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc., to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

## **8. CONTINUING JURISDICTION OF THE COURT.**

The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment,

(ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

- 8.1. Waiver of Right to Appeal. The Parties waive all appeals from the Court's approval of the Settlement unless the Court materially modifies the Settlement, except that Plaintiff and PAGA Counsel may appeal from an order by the Court that reduces the amounts sought for the PAGA Representative Payment, the PAGA Counsel Fees Payment and/or the PAGA Counsel Litigation Expenses Payment. Such an order or affirmance of such an order will not entitle Plaintiff to avoid the Settlement or obtain an increased Total Settlement Amount. DSV's payment obligations under the Settlement will be suspended pending an appeal of the Judgment. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals.
- 8.2. Settlement Group Members. There is no statutory right for any Settlement Group Member to object, opt out, or otherwise exclude himself or herself from the Settlement. Further, there is no right or opportunity for any Settlement Group Member, with the exception of Plaintiffs, to appeal the approval of the Settlement by the Court.

## 9. ADDITIONAL PROVISIONS.

- 9.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by DSV that any of the allegations in the PAGA Notices or Operative Complaint have merit or that DSV has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that DSV's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, DSV reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest DSV's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 9.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.
- 9.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and DSV, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents

reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 9.4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 9.5. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.
- 9.6. No Tax Advice. Neither Plaintiffs, PAGA Counsel, DSV nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 9.7. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 9.8. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 9.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 9.10. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 9.11. Confidentiality and Press Releases. Plaintiffs and their attorneys agree not to issue any press or other media releases or talk to the press or media regarding the Settlement, and Plaintiffs' attorneys agree not to publicize the Settlement on their website or social media. In addition, prior to filing of the motion for approval of the Settlement, Plaintiffs and their attorneys will not have any communication regarding the Settlement with anyone other than family members, clients, Settlement Group Members, financial advisors, retained experts, and vendors related to settlement administration.

- 9.12. Use and Return of Settlement Group Member Information. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of Settlement Group Member information provided to PAGA Counsel by DSV in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the Administrator discharges its obligation to distribute all Settlement funds, PAGA Counsel shall destroy all paper and electronic versions of Settlement Group Member information received from DSV unless, prior to the Administrator's distribution of all Settlement funds, DSV makes a written request to PAGA Counsel for the return, rather than the destruction, of Settlement Group Member information.
- 9.13. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 9.14. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 9.15. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

*To Plaintiffs:*

Nazo Koulloukian, SBN 263809  
nazo@koullaw.com  
KOUL LAW FIRM  
3435 Wilshire Blvd., Suite 1710  
Los Angeles, CA 90010  
Telephone: (213) 761-5484  
Facsimile: (818) 561-3938

Sahag Majarian, II, Esq. SBN 146621  
Sahagii@aol.com  
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MAJARIAN II  
18250 Ventura Blvd.  
Tarzana, CA 91356  
Telephone: (818) 609-0807  
Facsimile: (818) 609-0892

*To Defendant:*

Daniel B Chammas (SBN 204825)  
dchammas@fordharrison.com  
Min K. Kim (SBN 305884)  
mkim@fordharrison.com  
FORD & HARRISON LLP  
350 South Grand Avenue, Suite 2300  
Los Angeles, CA 90071  
Telephone: (213) 237-2400  
Facsimile: (213) 237-2401

- 9.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (*e.g.*, DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between their signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 9.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

*[signatures on following page]*

PLAINTIFF MARIA SANCHEZ

Dated: 7/26/2024

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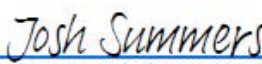
PLAINTIFF IMELDA MURRAY

Dated: 7/23/2024

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DEFENDANT DSV SOLUTIONS LLC

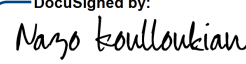
Dated: Jul 22, 2024

  
Josh Summers (Jul 22, 2024 16:01 CDT)  
By: Josh Summers  
Its: President, Solutions North America

[APPROVED AS TO FORM ONLY]

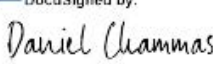
KOUL LAW FIRM, APC

Dated: 7/26/2024

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Nazo Koulloukian  
Attorney for Plaintiff

FORD HARRISON

Dated: 7/22/2024

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Daniel Chammas  
Attorneys for Defendant DSV SOLUTIONS  
LLC

**EXHIBIT A**  
**(PROPOSED ORDER APPROVING SETTLEMENT AGREEMENT AND  
ENTERING FINAL JUDGMENT)**

**EXHIBIT A**

*(Counsel listed on next page)*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN BERNARDINO**

Maria Sanchez, an individual, on behalf of  
herself, all aggrieved employees, and the  
State of California as a Private Attorneys  
General,

Plaintiffs,

vs.

DSV Solutions, a South Carolina Limited  
Liability Company, and DOES 1-50,  
inclusive,

Defendants,

Case No. CIVSB227568

**[PROPOSED] ORDER APPROVING  
SETTLEMENT AGREEMENT AND  
ENTERING FINAL JUDGMENT**

Date: [REDACTED], 2024  
Time: [REDACTED] a.m./p.m.

**EXHIBIT A**

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**EXHIBIT A**

On [REDACTED], 2024, a hearing was held on the joint motion of Plaintiffs Maria Sanchez and Imelda Murray ("Plaintiffs") and Defendant DSV Solutions LLC ("DSV") (collectively, the "Parties") for approval of a settlement agreement pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA"), Cal. Lab. Code § 2698 *et seq.* Nazo Koulloukian of Koul Law Firm appeared for Plaintiff, and Daniel Chammas of Ford & Harrison LLP appeared for DSV. The Court having considered all papers filed and proceedings herein and otherwise being fully informed, and having made this Judgment which constitutes a final adjudication of this matter on the merits, and good cause appearing,

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

1. All terms used for purposes of this Order and Judgment, not otherwise defined, shall have the same meaning as given in the Settlement Agreement (the "Settlement") executed between the Parties on or around [REDACTED], 2024.

2. The Labor Workforce and Development Agency ("LWDA") has been given notice of the Settlement. Pursuant to sections 2699(1)(2) and (1)(4) of the California Labor Code, on the date the Parties filed with the Court the motion seeking approval of the Settlement, Plaintiffs submitted to the LWDA a notice of the Settlement enclosing a copy of the Settlement. The Court finds and determines that Plaintiffs' notice of the Settlement complied with the statutory requirements of PAGA.

3. The Court confirms approval of the Settlement as to the following group of individuals, collectively referred to as the "Settlement Group Members":

All California non-exempt hourly employees who worked for DSV at any time from June 30, 2020, through [REDACTED], 2024 (the "PAGA Period").

4. This Court has jurisdiction over the subject matter of this litigation, over all Settlement Group Members, and over those persons and entities undertaking affirmative obligations under the Settlement.

5. The Court finds that the Settlement is, in all respects, fair, reasonable, and adequate. Accordingly, the Court hereby finally and unconditionally approves the Settlement.

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6. The Court approves the Notice of Settlement (Exhibit B to the Settlement Agreement) to be mailed to Settlement Group Members.

7. The Court finds that each Settlement Group Member, in accordance with the Settlement, releases the following “Released PAGA Claims” against DSV and the other Released Parties, as defined by the Settlement Agreement.

Any and all claims under PAGA for civil penalties against DSV and the other Released Parties that arise out of or reasonably relate to the allegations asserted in the Operative Complaint and the LWDA Notice pursuant to PAGA that, during the PAGA Period, DSV is liable for: (1) failing to pay for all hours worked, including overtime hours worked (Cal. Labor Code §§212, 213, 218, 510, 558, 1194, 1197, 1197.1, 1198, 1199); (2) failing to reimburse for required business expenses (§§1198, 2802); (3) failing to provide timely meal breaks (§§226 (a), 226.7, 512, 558, 1198); (4) failing to provide rest breaks (§§226, 226.7, 512, 558, 1198); (5) failing to provide potable water (§§ 226.7, 6300, 6310, 6400; CCR, Title 8, § 3395); (6) failing to provide safe working conditions and place of employment that is safe and healthful (§1198, 6400, 6401, 6402, 6403, 6404, 6407, 8 CCR 3202); (7) failing to pay all wages owed (§§201, 202, 203, 204(a)); and (8) failing to provide accurate wage statements and maintain accurate payroll records (§§ 226(a), 226.3, 1174, 1174.5, 1175) (the “Released PAGA Claims”).

8. The Court finds that the Total Settlement Amount, Net Settlement Amount, and the methodology used to calculate and pay each Settlement Share, in accordance with the Settlement, are fair and reasonable.

9. The Court authorizes the Settlement Administrator to calculate and pay the Settlement Shares, in accordance with the terms of the Settlement.

10. The Court awards the Settlement Administrator in this Action its fees and costs of \$6,950, to be paid from the Total Settlement Amount, in accordance with the terms of the Settlement.

11. The Court awards to PAGA Counsel in this Action 33.33% of the Total Settlement Amount for their attorneys’ fees and an additional \$ [REDACTED] in costs, to be paid from the Total Settlement Amount, in accordance with the terms of the Settlement.

12. The Court awards to Plaintiffs in this Action \$10,000 each, for a total of \$20,000, as PAGA Representative Payments, to be paid from the Total Settlement Amount, to compensate

**EXHIBIT A**

1 them for initiating and pursuing the Action and undertaking the risk of liability for attorneys' fees  
2 and expenses in the event he was unsuccessful in the prosecution of the Action.

3 13. The Court approves the allocation and payment of \$ [REDACTED] (the "PAGA  
4 Penalties") as for the compromise of claims brought under PAGA, to be paid in accordance with  
5 the terms of the Settlement. Under the terms of the Settlement, 75% of the PAGA Penalties will  
6 be paid to the LWDA ("LWDA PAGA Payment"), and the remaining 25% of the PAGA Penalties  
7 shall be distributed to the Settlement Group Members in accordance with the terms of the  
8 Settlement.

9 14. Checks for the Settlement Shares sent to Settlement Group Members shall be valid  
10 for 120 days after issuance. Funds remaining from any checks for Settlement Shares uncashed after  
11 120 days will be disbursed to the California State Controllers' Office, Unclaimed Property Fund,  
12 in the name of the Settlement Group Member.

13 15. The Court retains exclusive and continuing jurisdiction over this Action for purposes  
14 of supervising, administering, implementing, interpreting, and enforcing this Order and Judgment,  
15 as well as the Settlement.

16 16. The Settlement and this resulting Order and Judgment represent a compromise of  
17 disputed allegations. Nothing in this Order and Judgment or the Settlement shall be construed as  
18 an admission or concession by any party.

19 17. Plaintiffs are directed to submit a copy of this order to the LWDA within 10 days of  
20 the date of this Order.

21 18. Within 180 days of the date of this Order, the Parties are directed to file a joint status  
22 report regarding the status of the distribution of settlement proceeds. Upon satisfaction that the  
23 appropriate payments have been made, the Court will close this case.

24 **IT IS SO ORDERED AND ADJUDGED.**

25  
26 Dated: \_\_\_\_\_  
27  
28 Judge of the Superior Court

**EXHIBIT B**  
**(NOTICE OF SETTLEMENT)**

## **EXHIBIT B**

### **NOTICE OF SETTLEMENT**

**To:** All current and former employees who worked for DSV Solutions LLC in a non-exempt position in California at any time from June 30, 2020, through [REDACTED], 2024.

#### **1. WHAT IS THIS NOTICE ABOUT?**

A settlement (the “Settlement”) has been reached between Plaintiffs Maria Sanchez and Imelda Murray (“Plaintiffs”) and Defendant DSV Solutions LLC (“DSV”), in a lawsuit brought by Plaintiffs in the Superior Court of California, County of San Bernardino (the “Court”) on behalf of all California non-exempt hourly employees who worked for DSV at any time from June 30, 2020, through [REDACTED], 2024 (the “Settlement Group Members”).

The Court has approved the Settlement. You are receiving this notice and the enclosed check because DSV’s records indicate that you fall within the above definition of “Settlement Group Members.” This notice is designed to inform you about the lawsuit, the terms of the Settlement, and the payment that you are receiving as part of the Settlement.

#### **2. WHAT IS THIS LAWSUIT ABOUT?**

Plaintiffs filed a lawsuit in the Court titled “*Maria Sanchez, et. al, v. DSV Solutions LLC*” in San Bernardino Superior Court, which the Court designated as Case No. CIVSB2127568 (the “Action”).

In the Action, Plaintiff asserted a claim for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Cal. Lab. Code § 2698 *et seq.* (the “PAGA Claim”). The PAGA Claim was based on Plaintiffs’ allegations that, with respect to the Settlement Group Members, DSV is liable for: failing to pay for all hours worked, including overtime hours worked; (2) failing to reimburse for required business expenses; (3) failing to provide timely meal breaks; (4) failing to provide rest breaks; (5) failing to provide potable water; (6) failing to provide safe working conditions and place of employment that is safe and healthful; (7) failing to pay all wages owed; and (8) failing to provide accurate wage statements and maintain accurate payroll records.

DSV denies all of Plaintiffs’ material allegations and maintains that it has complied at all times with the requirements of the California Labor Code and all other applicable law and that civil penalties are not recoverable.

The Settlement represents a compromise and settlement of the highly disputed PAGA Claim. Nothing in the Settlement is intended or will be construed as an admission by DSV that the PAGA Claim has merit or that DSV has any liability to Plaintiffs or the Settlement Group Members they purported to represent on that claim. On the contrary, DSV denied and continues to deny any and all such liability.

#### **3. WHAT PAYMENTS ARE BEING MADE UNDER THE SETTLEMENT?**

Pursuant to the Settlement, DSV has paid a “Total Settlement Amount” of \$300,000 to fully resolve the PAGA Claim. The Total Settlement Amount covers all payments due under the Settlement. None of the Total Settlement Amount will be returned to DSV.

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ILYM Group, Inc., (the “Administrator”) is the third-party settlement administrator responsible for disbursing all payments to be made from the Total Settlement Amount. Those payments, as approved by the Court, include:

- To PAGA Counsel (the attorneys representing Plaintiff and the Settlement Group Members), 33.33% of the Total Settlement Amount (\$99,990) for attorneys’ fees plus \$ [redacted] for actual litigation costs incurred in connection with work performed to litigate the Action and obtain Court approval of the Settlement;
- To Plaintiffs, \$10,000 each, for a total of \$20,000, for their service as representatives of the Settlement Group Members; and
- To the Administrator, \$6,950 for its expenses incurred in administering the Settlement.

After deducting the above-listed payments from the Total Settlement Amount, the amount remaining (\$ [redacted]) is called the “PAGA Penalties.” Under PAGA and the terms of the Settlement, 75% of the PAGA Penalties (\$ [redacted]) must be paid to the California Labor and Workforce Development Agency (the “LWDA”) as its share of the settlement of the PAGA Claim; and 25% of the PAGA Penalties (\$ [redacted]) must be paid to the Settlement Group Members as their shares of the settlement of the PAGA Claim.

The share of the PAGA Penalties payable to each Settlement Group Members is called the “Settlement Share,” and has been calculated using DSV’s employment records. Specifically, each Settlement Share has been calculated by:

- (1) dividing the amount of the Settlement Group Members’ 25% share of the PAGA Penalties (\$ [redacted]) by [redacted], which is the total number of pay periods that the Settlement Group Members worked for DSV in a non-exempt position in California during the period from July 14, 2022 through [redacted], 2024 (the “PAGA Period”), and
- (2) multiplying the result by the number of pay periods that each Settlement Group Member worked for DSV in a non-exempt position in California during the PAGA Period.

For example, if a Settlement Group Member worked 10 pay periods for DSV in a non-exempt position in California during the PAGA Period, then his or her Settlement Share would be \$ [redacted]  $[(\$ [redacted] [25\% \text{ of PAGA Penalties}] \div [redacted] [Total \text{ PAGA Pay Periods}]) \times 10]$ . **This is just an example; the amount of your Settlement Share is reflected on the enclosed check.**

Please note that your check will be voided 180 days after it was mailed; the date your check will be voided is shown on the check. If you lose or misplace your check, you must contact the Administrator before the void date to request a replacement check. The Administrator’s contact information is as follows:

### **[Administrator Contact Information]**

If you have not cashed your check by the void date, the Administrator will cancel the check and transfer the funds represented by the check to the California State Controller’s Office, Unclaimed

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Property Division, in your name. If that happens, you should visit <https://ucpi.sco.ca.gov/> for information about how to claim the funds.

### **4. WHAT CLAIMS ARE SETTLEMENT GROUP MEMBERS RELEASING UNDER THE SETTLEMENT?**

As of the date that DSV funded the Settlement, the Settlement Group Members released claims against DSV and any present and former officers, directors, employees, representatives, attorneys, and any subsidiaries or affiliated companies (the “Released Parties”) as follows:

Release by Settlement Group Members and State of California: In consideration for their awarded portions of the Settlement Group Allocation, as of the date the Settlement becomes Final and is fully funded as set forth in Paragraph 4.3, the State of California and all Settlement Group Members release any and all claims under PAGA for civil penalties against DSV and the other Released Parties that arise out of or reasonably relate to the allegations asserted in the Operative Complaint and the LWDA Notice pursuant to PAGA that, during the PAGA Period, DSV is liable for: (1) failing to pay for all hours worked, including overtime hours worked (Cal. Labor Code §§212, 213, 218, 510, 558, 1194, 1197, 1197.1, 1198, 1199); (2) failing to reimburse for required business expenses (§§1198, 2802); (3) failing to provide timely meal breaks (§§226 (a), 226.7, 512, 558, 1198); (4) failing to provide rest breaks (§§226, 226.7, 512, 558, 1198); (5) failing to provide potable water (§§ 226.7, 6300, 6310, 6400; CCR, Title 8, § 3395); (6) failing to provide safe working conditions and place of employment that is safe and healthful (§1198, 6400, 6401, 6402, 6403, 6404, 6407, 8 CCR 3202); (7) failing to pay all wages owed (§§201, 202, 203, 204(a)); and (8) failing to provide accurate wage statements and maintain accurate payroll records (§§ 226(a), 226.3, 1174, 1174.5, 1175) (the “Released PAGA Claims”). All Settlement Group Members will release the Released PAGA Claims and receive a Settlement Share.

### **5. GETTING MORE INFORMATION**

The above is a summary of the basic terms of the Settlement. If you would like more information about the precise terms and conditions of the Settlement, or about the Action, the detailed Settlement Agreement and all other documents filed with the Court in the Action may be examined online or at the Office of the Clerk of the Court, Superior Court of California for San Bernardino County, during the Clerk’s normal business hours. Please visit the Court’s website (<https://www.sb-court.org/>) for more information.

**PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT. YOU MAY, HOWEVER, CALL THE ADMINISTRATOR AT [ADMINISTRATOR TELEPHONE].**