

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

Subject to final approval by the Court, this Settlement Agreement is between Plaintiffs Steven DelCorso, Raul “Rudy” Ortega, and Clemente Sandoval (“Plaintiffs”) on behalf of themselves and others similarly situated and other aggrieved employees; and Defendants ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and Conglobal Transport, LLC (“Defendants”). Plaintiffs and Defendants collectively are referred to in this Agreement as the “Parties.” The Parties agree that the Case (as defined herein) shall be fully and finally compromised, settled and released, and final judgment entered upon the terms and conditions as set forth herein and to be approved by the Court.

I. DEFINITIONS

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

- A. **Action**: The lawsuit originally filed by Plaintiff DelCorso in the Superior Court of California, County of San Bernardino, on September 30, 2021, entitled *DelCorso v. ITS Technologies & Logistics, LLC, et al.*, Case No. CIVSB2128129, and which will be amended by stipulation of the Parties for purposes of this settlement, only, to add Plaintiffs Ortega and Sandoval, as well as all causes of action alleged in the case entitled *Ortega et al. v. ITS Technologies & Logistics, LLC et al.*, United States District Court, Central District of California, Case No.: 5:21-cv-00562-JWH-KK.
- B. **Administration Costs**: All administrative costs incurred by the Settlement Administrator to administer this Settlement including the cost of notice to the Class Members, settlement administration, and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement, which shall not exceed \$20,000. All Administration Costs shall be paid from the Qualified Settlement Fund.
- C. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
- D. **Attorney Fee Award**: The amount, not to exceed one-third of the Gross Settlement Amount or \$500,000.00, to be finally approved by the Court and awarded to Class Counsel. The Attorney Fee Award shall be paid from the Qualified Settlement Fund and will not be opposed by Defendants. If the Court awards less than the amounts requested, any amounts not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- E. **Class**: All individuals who have previously been or currently are employed by Defendants ITS Technologies & Logistics, LLC, Conglobal Industries, LLC,

and/or Conglobal Transport, LLC as an hourly paid and/or non-exempt employee within the State of California during the Class Period.

- F. **Class Counsel:** Attorneys Douglas Han, Shunt Tatavos-Gharajeh, and Chancellor Nobles of Justice Law Corporation.
- G. **Class Data:** The Class Data means information regarding Class Members that Defendants will compile from their available, existing, electronic records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: (i) each Class Member's full name; (ii) each Class Member's last-known address; (iii) each Class Member's Social Security and Employee ID number, if any; (iv) each Class Member's relevant dates of employment during the Class Period; and (v) any information in Defendants' possession that the Settlement Administrator may reasonably need to calculate workweeks, pay periods, Participating Class Members' Individual Settlement Shares, and/or Eligible Aggrieved Employees' Individual PAGA Payments.
- H. **Class Member:** Each person eligible to participate in this Settlement who is a member of the Class as defined above.
- I. **Class Period:** The time period from August 16, 2016 through July 29, 2022.
- J. **Class Representative or Plaintiffs:** Steven DelCorso, Raul "Rudy" Ortega, and Clemente Sandoval.
- K. **Class Representative Enhancement Payments:** The amount the Court awards to each Plaintiff for their services as Class Representative, which will not exceed \$10,000. These payments shall be paid from the Qualified Settlement Fund and will not be opposed by Defendants. These enhancement payments are subject to approval of the Court. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
- L. **Complaints:** The complaint filed by Plaintiffs Ortega and Sandoval in the case entitled *Ortega et al. v. ITS Technologies & Logistics, LLC et al.*, in the Superior Court of California, County of San Bernardino, on February 11, 2021 and removed to the United States District Court, Central District of California, Case No.: 5:21-cv-00562-JWH-KK (the "*Ortega Action*"); the complaint filed by Plaintiff DelCorso in this case entitled *DelCorso v. ITS Technologies & Logistics, LLC, et al.*, Case No. CIVSB2103300, in the Superior Court of California, County of San Bernardino, on September 30, 2021 (the "*DelCorso Action*"); and the First Amended Complaint to be filed by Plaintiffs in the *DelCorso Action*, for purposes of this settlement, only, adding Plaintiffs Ortega and Sandoval and their claims from the *Ortega Action*.

- M. Cost Award:** The amount that the Court awards Class Counsel for payment of actual litigation costs subject to proof, which shall not exceed \$25,000. The Cost Award will be paid from the Qualified Settlement Fund and will not be opposed by Defendants. The Cost Award is subject to Court approval. If Class Counsel's request for the Cost Award is less or is not approved and/or is reduced by the Court, any amount not requested, not approved and/or reduced by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
- N. Counsel for Defendants:** Attorneys Sarah Ross, Esq. and Kara A. Cole, Esq. of Littler Mendelson, P.C.
- O. Court:** The Superior Court of the State of California, County of San Bernardino.
- P. Defendants:** ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and Conglobal Transport, LLC
- Q. Effective Final Settlement Date:** The Effective Date of the settlement shall be the date of the Court's Order granting final approval of this settlement, and the settlement becomes final and is no longer appealable. For purposes of this settlement, "becomes final and is no longer appealable" shall mean upon the later of: (i) if there are no objections to the settlement, or any objections are withdrawn prior to the final approval hearing, the date of the Court's Order granting final approval of this settlement; (ii) if there are one or more objections to the settlement, the day after the last date by which a notice of appeal to the applicable Court of Appeal of the order approving this Settlement may be timely filed (i.e., 61 days from entry), and none is filed; (iii) if there are one or more objections to the settlement and if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the order approving this settlement passes, and no further review is requested; or (iv) if there are one or more objections to the settlement and if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the order approving this settlement is requested, the day after the review is finally dismissed or denied with prejudice and/or no further review of the order can be requested.
- R. Eligible Aggrieved Employees:** The aggrieved employees eligible to recover the PAGA payment shall consist of all current and former hourly-paid or non-exempt employees of Defendants within the state of California during the PAGA Period.
- S. Opt-Out Form:** The Election Not To Participate In Settlement, substantially similar to the form attached hereto as **Exhibit B**, subject to Court approval.

- T. **Final Approval or Judgment:** The final order entered by the Court finally approving the proposed Settlement.
- U. **Gross Settlement Amount or GSA:** The total value of the Settlement is a non-reversionary One Million Five Hundred Thousand Dollars and Zero Cents (\$1,500,000.00). This is the gross amount Defendants can be required to pay under this Settlement Agreement, which includes: the (1) Net Settlement Amount to be paid to Participating Class Members; (2) Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payments paid to the Class Representatives, as approved by the Court; (4) Administration Costs paid to the Settlement Administrator, as approved by the Court; and (5) the PAGA Payments to the LWDA and to Eligible Aggrieved Employees, as approved by the Court. Defendants' portion of payroll taxes is not included in the GSA and will be a separate obligation of Defendants. No portion of the Gross Settlement Amount will revert to Defendants. In no event shall Defendants be responsible for any other attorneys' fees or costs.
- V. **Individual PAGA Payment(s):** The amount payable to each Eligible Aggrieved Employee from the portion of the PAGA Payment allocated to the Eligible Aggrieved Employees under the terms of this Settlement Agreement. Eligible Aggrieved Employees are not required to submit a claim form to receive their Individual PAGA Payments. Rather, Eligible Aggrieved Employees will be mailed an Individual PAGA Payment automatically, without the return of a claim form. Eligible Aggrieved Employees may not opt-out of the settlement of PAGA claims.
- W. **Individual Settlement Share(s):** The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares under the terms of this Settlement Agreement. Rather, Participating Class Members will be mailed an Individual Settlement Share automatically, without the return of a claim form, unless they fully complete and timely submit an Opt-Out Form.
- X. **LWDA:** California Labor and Workforce Development Agency.
- Y. **Net Settlement Amount or NSA:** The total amount of money available from the GSA for distribution to Participating Class Members, which is the GSA less the Attorney Fee Award, Cost Award, Class Representative Enhancement Payments, PAGA Payments, and Administration Costs. The Net Settlement Amount is the portion of the Gross Settlement Amount that will be distributed to Participating Class Members who do not request to opt-out from the Settlement.

- Z.** **Notice:** The “Notice of Class Action and PAGA Settlement” to be provided to all Class Members, in both English and Spanish, regarding the terms of this Settlement, substantially like the form attached hereto as **Exhibit A**, subject to Court approval. The Notice shall constitute class notice pursuant to California Rules of Court, Rule 3.769(f) and, once approved by the Court, shall be deemed compliant with California Rules of Court, Rule 3.766.
- AA.** **Notice Packet:** The Notice and Opt-Out Form.
- BB.** **PAGA:** The California Labor Code Private Attorneys General Act of 2004 (California Labor Code section 2698, *et seq.*).
- CC.** **PAGA Notice:** The PAGA Notice refers to the pre-filing notice of Labor Code violations served by or on behalf of Plaintiff DelCorso on the LWDA on July 6, 2021.
- DD.** **PAGA Payments:** The PAGA Payments will be in the sum total of \$75,000.00 of the Gross Settlement Amount, allocated to satisfy the PAGA penalties claim as alleged in the Action. Seventy-five percent (75%) of the PAGA Payment (\$56,250.00) shall be paid to the LWDA, and twenty-five percent (25%) of the PAGA Payment (\$18,750.00) shall be distributed to Eligible Aggrieved Employees, on a pro rata basis, as set forth below.
- EE.** **PAGA Period:** The time period from July 6, 2020 to July 29, 2022.
- FF.** **PAGA Released Claims:** PAGA Released Claims means all claims for civil penalties pursuant to PAGA asserted in the Action or in the PAGA Notice against the Released Parties, including for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and the Industrial Welfare Commission (“IWC”) Wage Orders. The period of the PAGA Released Claims shall extend to the limits of the PAGA Period.
- PAGA Released Claims do not include claims that, as a matter of law, cannot be released and does not include claims for retaliation, discrimination, wrongful termination, and individual claims for the recovery of workers’ compensation benefits.
- GG.** **Participating Class Members:** All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
- HH.** **Parties:** Plaintiffs Steven DelCorso, Raul “Rudy” Ortega, and Clemente Sandoval as individuals and as a Class Representatives, and Defendants ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and Conglobal Transport, LLC.

- II. Preliminary Approval or Preliminary Approval Order:** The order entered by the Court preliminarily approving the proposed settlement.
- JJ. Qualified Settlement Fund or QSF:** A fund within the meaning of Treasury Regulation § 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.*, that is established by the Settlement Administrator for the benefit of Participating Class Members, Eligible Aggrieved Employees, Plaintiffs and Class Counsel.
- KK. Released Claims:** Released Claims means all claims alleged or could have been alleged based on the facts alleged in the operative complaint, which arose during the Class Period, specifically including the following claims: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (4) Violation of California Labor Code §§ 1194 and 1197 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), including any alleged failure to provide complete and/or accurate wage statements; (7) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (8) Violation of California Business and Professions Code § 17200, *et seq.*, including all claims for injunctive relief, declaratory relief, restitution, unfair business practices alleged or which could have been alleged in connection with any other claims; and (9) Violation of Labor Code § 2698, *et seq.* (Private Attorneys General Act of 2004 (PAGA)), including those claims set forth in DelCorso's Letter to the Labor & Workforce Development Agency for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, including but not limited to overtime pay, minimum wage, regular wages and/or sick pay whether contractual or statutory, as well as any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Actions, also including any claims for penalties (statutory, civil or otherwise), attorneys' fees, costs, interest, penalties, or premiums in connection with the claims in this Paragraph. All federal claims shall likewise be released, and shall be barred by the settlement by virtue of res judicata, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.* 889 F.3d 1106 (9th Cir. 2018).

All Eligible Aggrieved Employees shall release the PAGA Released Claims, in addition to releasing the Released Claims, upon the Effective Final Settlement

Date. Eligible Aggrieved Employees may not opt-out of the settlement of the PAGA Released Claims.

The Released Claims do not include claims that, as a matter of law, cannot be released and does not include claims for retaliation, discrimination, wrongful termination, and individual claims for the recovery of workers' compensation benefits.

- LL. **Released Parties:** Defendants and any and all of their past, present and future direct or indirect parents, sister or related entities, acquired companies, subsidiaries, predecessors, successors and affiliates as well as each of its or their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, heirs, representatives, accountants, auditors, consultants, and any individual or entity which could be jointly liable with Defendants.
- MM. **Response Deadline:** Sixty (60) calendar days from the initial mailing of the Class Notice.
- NN. **Settlement Administrator:** The third-party administrator agreed upon by Parties to administer this Settlement is CPT Group, Inc.

II. **RECITALS**

- A. **Investigation and Discovery.** Prior to the mediation on April 29, 2022, and both before and after the Actions were filed, the Parties conducted significant investigation and discovery of the facts and law. Prior to mediation, Defendants produced thousands of pages of documents relating to their policies, practices, and procedures regarding timekeeping, overtime, scheduling, meal and rest periods, reimbursement, and other payroll and operational policies. As part of Defendants' production, Plaintiffs also reviewed time records, pay records, information relating to the size and scope of the Class, and data permitting Plaintiffs to understand the number of workweeks in the Class Period and pay periods in the PAGA Period. Plaintiffs also interviewed various Class Members who worked for Defendants during and throughout the Class Period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during settlement negotiations, are and were sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- B. **Benefits of Settlement to Class Members.** Plaintiffs and Class Counsel recognize the expense and length of additional proceedings necessary to continue the litigation against Defendants through trial and through any possible appeals. Plaintiffs and Class Counsel also have considered the uncertainty and risks, the potential outcome, and the difficulties and delays inherent in further litigation. Plaintiffs and Class Counsel have conducted

extensive settlement negotiations, including formal mediation on April 29, 2022. Based on the foregoing, Plaintiffs and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.

- C. **Defendants' Reasons for Settlement.** Defendants recognize that the defense of this litigation will be protracted and expensive. Substantial amounts of Defendants' time, energy, and resources have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendants, therefore, have agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
- D. **Defendants' Denial of Wrongdoing.** Defendants generally and specifically deny any and all liability or wrongdoing of any sort with regard to any of the claims alleged, make no concessions or admissions of liability of any sort, and contend that for any purpose other than settlement, the Action is not appropriate for collective, Class, representative or PAGA treatment. Defendants also assert multiple defenses to the claims and deny any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any statements, discussions, or communications, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendants or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiffs can serve as adequate Class Representatives or that an ascertainable class exists. There has been no determination by any court as to the merits of the claims asserted by Plaintiffs against Defendants or as to whether a class or classes should be certified, other than for settlement purposes only.
- E. **Plaintiffs' Claims.** Plaintiffs assert that Defendants' defenses are without merit. Neither this Agreement, nor any document referred to or contemplated herein, nor any statements, discussions, or communications, nor any action taken to carry out this Agreement is or may be construed as, or may be used as an admission, concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, if this Settlement is finally approved by the Court, none of Plaintiffs, Class Members, or Class Counsel will oppose Defendants' efforts to use this Agreement to prove that Plaintiffs and Participating Class Members have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

- A. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, excluding Defendants'

share of payroll taxes, that Defendants is obligated to pay under this Settlement Agreement is One Million Five Hundred Thousand Dollars and Zero Cents (\$1,500,000.00).

- B. Notice to the Labor and Workforce Development Agency (“LWDA”).** On July 6, 2021, Plaintiff DelCorso filed and served his Notice of alleged Labor Code Violations Pursuant to Labor Code section 2699.3. Thus, Plaintiffs have satisfied their notice obligations under PAGA.
- C. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiffs and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with the question of whether the Court should certify any claims in a non-settlement context in this Action or in any other lawsuit or venue. If the Settlement does not become effective, Defendants reserve the right to contest any and all issues relating to class certification, liability and damages.
- D. Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiffs shall be appointed as the representatives for the Class.
- E. Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that Class Counsel shall be appointed to represent the Class.
- F. Settlement Disbursement.** Subject to the terms and conditions of this Agreement, and the approval of the Court, the Settlement Administrator will disburse the Gross Settlement Amount as follows:
 - 1. To the Plaintiffs: Steven DelCorso, Raul “Rudy” Ortega, and Clemente Sandoval.** In addition to his respective Individual Settlement Share and/or Individual PAGA Payment, and subject to the Court’s approval, Plaintiffs Steven DelCorso, Raul “Rudy” Ortega, and Clemente Sandoval will each receive up to Ten Thousand Dollars and Zero Cents (\$10,000) as a Class Representative Enhancement Payment. The Settlement Administrator will pay the Class Representative Enhancement Payments out of the Qualified Settlement Fund. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payments. An IRS Form 1099 will be issued to each Plaintiff with respect to his Class Representative Enhancement Payment. Plaintiffs shall be solely and legally responsible for paying any and all applicable taxes due on their Class Representative Enhancement Payments and shall hold harmless Defendants, Class Counsel and the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Enhancement

Payments. In the event the Court does not approve the entirety of the application for the Class Representative Enhancement Payments, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Plaintiffs, the difference shall become part of the NSA and will be distributed to Participating Class Members. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payments, Plaintiffs shall not have the right to revoke the Settlement, and it will remain binding, nor will Plaintiffs seek, request, or demand an increase in the Gross Settlement Amount on that basis or any basis.

- 2. To Class Counsel.** Class Counsel will apply to the Court for, and Defendants agree not to oppose, a total Attorney Fee Award not to exceed one-third, or Five Hundred Thousand Dollars and Zero Cents (\$500,000), of the GSA and a Cost Award not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). The Settlement Administrator will pay the Court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Settlement Amount. The Settlement Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Attorney Fee Award and Cost Award. In the event the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount(s) the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount(s) requested and the amount(s) awarded. If the amount(s) awarded is less than the amount(s) requested by Class Counsel for the Attorney Fee Award and/or Cost Award, the difference(s) shall become part of the NSA and will be distributed to Participating Class Members. In the event that the Court reduces the requested Attorney Fee Award and/or Cost Award, neither Plaintiffs nor Class Counsel shall have the right to revoke the Settlement, and it will remain binding, nor will Plaintiffs or Class Counsel seek, request, or demand an increase in the Gross Settlement Amount on that basis or any basis.
- 3. To the Responsible Tax Authorities.** The Settlement Administrator will withhold the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Settlement Share apportioned to wages. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of

payroll withholding taxes. The Settlement Administrator will submit Defendants' portion of payroll withholding tax calculation to Defendants for additional funding and forward those amounts along with each person's Individual Settlement Share withholdings to the appropriate taxing authorities. Defendants will pay its portion of employer-side payroll taxes at the same time Defendants fund the Gross Settlement Amount, in accordance with the requirements of Section III(H)(8)(a) of this Settlement Agreement.

- 4. To the Settlement Administrator.** The Settlement Administrator will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000). This will be paid out of the Qualified Settlement Fund. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and will be distributed to Participating Class Members.
- 5. To Participating Class Members.** The Settlement Administrator will pay each Participating Class Member an Individual Settlement Share from the NSA.
 - a. Individual Settlement Share Calculation.** The Settlement Administrator will pay each Participating Class Member according to his or her proportional share of the Net Settlement Amount, which will be equal to: (i) the number of weeks the Participating Class Member worked during the Class Period, based on the Class Data provided by Defendants, (ii) divided by the total number of weeks worked by any and all Participating Class Members collectively during the Class Period, based on the same Class Data, (iii) which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Participating Class Member's Individual Settlement Share ties directly to the number of weeks the Participating Class Member worked during the Class Period.
 - b. Tax Treatment for Individual Settlement Shares.** Each Participating Class Member's Individual Settlement Share will be apportioned as follows: twenty percent (20%) wages and eighty percent (80%) penalties and interest. The portion paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by IRS Forms W-2. Payment of all amounts will be made subject to backup withholding unless a duly executed IRS Form W-4 is received from the payee(s). The amounts paid as penalties and interest shall be subject to all

authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS Forms 1099. The employees' share of payroll tax withholdings shall be withheld from each person's Individual Settlement Share. Participating Class Members will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Shares and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Shares.

6. To Eligible Aggrieved Employees. The Settlement Administrator will pay each Eligible Aggrieved Employee an Individual PAGA Payment from the portion of the PAGA Payment allocated to the Eligible Aggrieved Employees.

a. Individual PAGA Payment Calculation. The Settlement Administrator will pay each Eligible Aggrieved Employee according to his or her proportional share of the portion of the PAGA Payment allocated to the Eligible Aggrieved Employees, which will be equal to: (i) the number of pay periods the Eligible Aggrieved Employee worked during the PAGA Period, based on the Class Data provided by Defendants, (ii) divided by the total number of pay periods worked by any and all Eligible Aggrieved Employees collectively during the PAGA Period, based on the same Class Data, (iii) which is then multiplied by the portion of the PAGA Payment allocated to the Eligible Aggrieved Employees. One day worked in a given pay period will be credited as a pay period for purposes of this calculation. Therefore, the value of each Eligible Aggrieved Employee's Individual PAGA Payment ties directly to the number of pay periods the Eligible Aggrieved Employee worked during the PAGA Period.

b. Tax Treatment for Individual PAGA Payments. Each Eligible Aggrieved Employee's Individual PAGA Payment will be apportioned as one hundred percent (100%) penalties and shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS Forms 1099. Eligible Aggrieved Employees will be responsible for the payment of any taxes and penalties assessed on the Individual PAGA Payments and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual PAGA Payments.

G. Appointment of Settlement Administrator. The Settlement Administrator shall be responsible for preparing, translating into Spanish, printing, and mailing the Notice Packets to the Class Members; creating a static settlement

website that will go live on the same date the Notice Packet is first mailed to the Class Members and that will include, among other things, the Complaints, standalone generic copies of the Notice and Opt-Out Form, all papers filed in connection with the Preliminary Approval Hearing (including all orders filed by the Court), all papers filed in connection with the Final Approval Hearing (including the fee motion and the final approval motion), and, if the Settlement is approved, the Final Approval Order and Judgment; keeping track of any objections or requests to opt-out from Class Members; performing skip traces and remailing Notice Packets, Individual Settlement Shares, and Individual PAGA Payments to Class Members and Eligible Aggrieved Employees; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share; calculating each Eligible Aggrieved Employee's Individual PAGA Payment; providing weekly status reports to Counsel for Defendants and Class Counsel, which are to include updates on any objections or requests to opt-out that have been received; providing a due diligence declaration for submission to the Court upon completion of the Settlement and prior to the Final Approval Hearing; mailing Individual Settlement Shares to Participating Class Members; mailing Individual PAGA Payments to Eligible Aggrieved Employees; mailing the portion of the PAGA Payment due to the LWDA to the LWDA; distributing the Attorney Fee Award and Cost Award to Class Counsel; distributing the Representative Enhancement Payments to Plaintiffs; printing and providing Class Members, Eligible Aggrieved Employees, and Plaintiffs with IRS Forms W-2 and 1099 as required under this Agreement and applicable law; turning over any funds remaining in the QSF as a result of uncashed checks to the California State Controller's Office in accordance with California's Unclaimed Property Law, including the administration of related tax reimbursements; and for such other tasks as the Parties mutually agree. The Parties, Class Counsel and Counsel for Defendants each represent that they do not have any financial interest in CPT Group or otherwise have a relationship with CPT Group that could create a conflict of interest.

H. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a.** Plaintiffs will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Notice and Opt-Out Form. Class Counsel shall provide Defense Counsel with draft Preliminary Approval motion papers at least seven (7) days before the filing of the Preliminary Approval motion.
- b.** Pursuant to California Labor Code section 2699(l), Class Counsel will provide a copy of this Settlement Agreement to the LWDA

concurrently with Class Counsel's filing of the motion for Preliminary Approval. Class Counsel will also file a declaration in support of Plaintiffs' motion for Preliminary Approval confirming that Class Counsel has submitted the Settlement Agreement to the LWDA in compliance with California Labor Code section 2699(l). The Parties intend to and believe the notice pursuant to the procedures described in this Paragraph complies with the requirements of the PAGA, and the Parties will request the Court adjudicate the validity of the notice in the motion for Final Approval of the Settlement.

- c. At the Preliminary Approval Hearing, Plaintiffs will appear, support the granting of the motion, and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representatives, Class Counsel, and the Settlement Administrator; approving the Notice; and setting the Final Approval Hearing.
 - d. Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement with prejudice, the Parties and counsel will cooperate in good faith to resubmit approval papers as may be requested or required by the Court. Provided, however, that the amounts of the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payments shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items is not a condition of this Settlement Agreement and is to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement. Any order or proceeding relating to an application for the Attorney Fee Award, Cost Award, Administration Costs, and/or Class Representative Enhancement Payment shall not operate to terminate or cancel this Settlement Agreement.
 - e. If the Court nonetheless declines to conditionally certify the Class or Preliminarily Approve all material aspects of the Settlement, with prejudice, the Settlement will become null and void, and the Parties will have no further obligations under it.
2. **Notice to Class Members.** After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Notice Packet in accordance with the following procedure:
- a. Within ten (10) business days after entry of the Preliminary Approval Order, Defendants shall deliver the Class Data to the

Settlement Administrator, only (and not to Class Counsel). The Settlement Administrator shall maintain the Class Data as private and confidential and take reasonable and necessary precautions to maintain the confidentiality of the Class Data. The Settlement Administrator shall not distribute or use the Class Data or any information contained therein for any purpose other than to administer this Settlement.

- b. Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes.
- c. Within ten (10) business days after Defendants' deadline to provide the Class Data to the Settlement Administrator, the Settlement Administrator will mail the Notice Packet to all identified Class Members via first-class regular U.S. Mail.
- d. If a Notice Packet is returned because of an incorrect address, within three (3) business days from receipt of the returned Notice Packet, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Notice Packet to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Notice Packet is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Notice Packet shall be re-mailed to the original address. If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or forwarded mail, will have an additional ten (10) calendar days to submit a request to opt-out or objection to the Settlement or dispute the information provided in their Notices. The Settlement Administrator shall mark on the envelope whether the Notice Packet is a re-mailed notice and shall provide on the envelope the Class Member's new deadline to respond.
- e. Class Members may dispute the information provided in their Notices, but must do so in writing by the Response Deadline. Class

Members may submit written disputes to the Settlement Administrator by faxing or emailing their disputes by the Response Deadline, or by mailing their written disputes by first-class regular U.S. mail, postmarked by the Response Deadline. To the extent Class Members dispute the number of workweeks or pay periods to which they have been credited or the amounts of their Individual Settlement Shares or Individual PAGA Payments, Class Members must produce and submit evidence to the Settlement Administrator showing that such information is inaccurate. Absent documentary evidence rebutting Defendants' records, Defendants' records will be presumed determinative. However, if a Class Member produces documentary evidence to the contrary, the Parties will evaluate the evidence submitted by the Class Member and will meet and confer as to the number of eligible workweeks or pay periods to which the Class Member should be credited and/or the Individual Settlement Share or Individual PAGA Payment to which the Class Member may be entitled. Any dispute that cannot be resolved by Class Counsel and Counsel for Defendants may be brought before the Court before final approval of the Class Settlement. The Settlement Administrator will mail Class Members notice of the determinations of their challenges within three (3) business days of the determination.

- f. If the Settlement Administrator receives an incomplete or deficient Opt-Out Form, the Settlement Administrator shall send a letter informing the Class Member of the deficiency and shall allow the Class Member ten (10) calendar days to cure the deficiency. If, after the cure period expires, the request to opt-out is not cured, the Settlement Administrator will determine that the Class Member did not exclude himself or herself from the Settlement, and the Class Member will be bound by the Settlement.
- g. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Counsel for Defendants of the number of Notice Packets mailed, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed, and the number of requests to opt-out received.
- h. No later than ten (10) business days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) calendar days before the Final

Approval Hearing. If any material changes occur before the Final Approval Hearing but after the Settlement Administrator's declaration of due diligence has been filed, the Settlement Administrator will supplement its declaration.

3. Objections to Settlement.

- a. Notice.** The Notice will provide that Class Members who wish to object to the Settlement may do so by submitting an objection to the Settlement Administrator by the Response Deadline. Class Members may submit objections by faxing or emailing them to the Settlement Administrator by the Response Deadline or mailing them by regular U.S. mail to the Settlement Administrator, postmarked by the Response Deadline. Class Members who object to this Settlement or any term(s) of this Settlement may not also submit requests to opt-out of this Settlement (i.e., may not opt-out of this Settlement). In the event a Class Member both submits a valid request to opt-out and submits or makes a valid objection, the request to opt-out will be deemed invalid, and the objection will remain valid. If a Class Member objects to the Settlement, the objecting Class Member will remain a member of the Settlement and, if the Court approves the Settlement, the objecting Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Participating Class Member who does not object. Eligible Aggrieved Employees do not have the right to object to the PAGA portion of the Settlement.
- b. Format.** Objections should: (a) state the objecting Class Member's full name, address, and telephone number; (b) include the words "Notice of Objection" or "Formal Objection;" and (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection. However, an objection will be deemed valid as long as it is submitted or postmarked to the Settlement Administrator by the Response Deadline and provides sufficient information to allow the Settlement Administrator to ascertain the Class Member's identity and to ascertain that the Class Member objects to the Settlement or to some term(s) of the Settlement.
- c. Objector Appearances.** Participating Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through their own counsel. The failure to file and serve a written objection does not waive a Participating Class Member's right to appear at and make an oral objection at the Final Approval Hearing. The Court will hear from any Class Member who attends the Final Approval Hearing and asks to speak,

regardless of whether the Class Member has submitted a written objection.

4. Request to Opt-Out from the Settlement.

- a. Notice.** The Notice will provide that Class Members who wish to exclude themselves from the Settlement may do so by submitting a written request to opt-out to the Settlement Administrator by fax or email by the Response Deadline or by mailing a request to opt-out to the Settlement Administrator by regular U.S. mail, postmarked by the Response Deadline.
- b. Format.** The request to opt-out should: (a) include the Class Member's full name and address, and the last four digits of the Class Member's Social Security number; (b) be addressed to the Settlement Administrator; (c) be signed by the Class Member; and (d) be submitted or postmarked no later than the Response Deadline. However, a request to opt-out will be deemed valid as long as it is submitted or postmarked to the Settlement Administrator by the Response Deadline and provides sufficient information to allow the Settlement Administrator to ascertain the Class Member's identity and to ascertain that the Class Member wants to opt-out of the Settlement.
- c. No Opt-Out From PAGA.** Eligible Aggrieved Employees will not be able to exclude themselves from the PAGA portion of the Settlement. Therefore, if the Court approves the Settlement, Eligible Aggrieved Employees will be bound by the PAGA portion of the Settlement and will still be mailed checks for their Individual PAGA Payments. The Notice will inform Eligible Aggrieved Employees that they cannot opt-out of the PAGA portion of the Settlement and will explain that Eligible Aggrieved Employees will be bound by the PAGA portion of the Settlement, meaning they will release and be barred from pursuing any of the PAGA Released Claims against the Released Parties, and will still be entitled to their Individual PAGA Payments, even if they opt-out of the class portion of the Settlement.
- d. Validity and Effect.** Any Class Member who returns a timely and valid request to opt-out will not participate in or be bound by the Settlement and Judgment and will not receive an Individual Settlement Share. A Class Member who does not submit a timely and valid request to opt-out will be included in the Settlement, will be mailed an Individual Settlement Share, and will be bound by all terms and conditions of the Settlement, if the Settlement is

approved by the Court, and by the Judgment, regardless of whether the Class Member has objected to the Settlement.

- e. **Report.** No later than ten (10) business days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notice Packets mailed to Class Members, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed to Class Members, the number of re-mailed Notice Packets returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who submitted valid requests to opt-out, and the number of Class Members who submitted invalid requests to opt-out.
- f. **Defendants' Option to Terminate.** If ten percent (10%) or more of the Class Members exercise their right to exclude themselves from the Settlement, Defendants may, at their sole discretion, unilaterally withdraw from and terminate the Settlement Agreement no later than five (5) court days prior to the date of the Final Approval Hearing. In the event of Defendants' withdrawal, no Party may use the fact that the Parties agreed to the Settlement for any reason. If Defendants exercises its right to withdraw from the Settlement under this provision, Defendants will be responsible for paying all Administration Costs incurred up to the point of Defendants' exercising its right to withdraw under this provision.

5. **No Solicitation of Objection or Requests to Opt-Out.** Neither the Parties nor their respective counsel will solicit directly or indirectly any Class Member to object to the Settlement, request to opt-out from the Settlement, or file an appeal from the Judgment.

6. **Motion for Final Approval.**

- a. Class Counsel will file motions and memoranda in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: the (1) Attorney Fee Award; (2) Cost Award; (3) Administration Costs; (4) Class Representative Enhancement Payments; and (5) PAGA Payments. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Claims of the Participating Class Members and the PAGA Released Claims of the Eligible Aggrieved Employees. Class Counsel's motion for Final Approval of the Settlement, including Final Approval of the (1) Attorney Fee Award, (2) Cost

Award, (3) Administration Costs, (4) Class Representative Enhancement Payments, and (5) PAGA Payments, shall be filed at least sixteen (16) court days before the Final Approval Hearing. Class Counsel shall provide Defense Counsel with draft Final Approval motion papers at least seven (7) days before the filing of the Final Approval motion.

- b. If the Court denies Final Approval of the Settlement with prejudice, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendants to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Enhancement Payments, Attorney Fee Award, and/or Cost Award will not constitute a material modification to the Settlement within the meaning of this paragraph.
 - c. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters; and (3) addressing such additional matters as may be appropriate under Court rules and applicable law. The Final Approval Order and Judgment will be posted on the Settlement Administrator's website. Class Counsel shall provide Defense Counsel with a draft Final Approval Order at least seven (7) days before the filing of the proposed Final Approval Order.
7. **Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it.
8. **Disbursement of Settlement Shares and Payments.** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's

Final Approval Order and Judgment. The maximum amount Defendants can be required to pay pursuant to this Settlement for any purpose is the Gross Settlement Amount plus Defendants' portion of payroll taxes as the Class Members' current or former employer. The Settlement Administrator shall keep Counsel for Defendants and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Counsel for Defendants and Class Counsel. No person shall have any claim against Defendants, Counsel for Defendants, Plaintiffs, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

a. **Funding the Settlement:** No later than fourteen (14) calendar days after Effective Final Settlement Date, Defendants shall deposit the GSA of \$1,500,000 to the Settlement Administrator.

b. **Disbursement:**

1. Within ten (10) business days after the Settlement Administrator receives the entire Gross Settlement Amount, the Settlement Administrator shall calculate and disburse all payments due under the Settlement Agreement, including all Individual Settlement Shares, Individual PAGA Payments, the Attorney Fee Award, the Cost Award, the Class Representative Enhancement Payments, the PAGA Payment, and the Administration Costs.
2. The Settlement Administrator will forward a check for seventy-five percent (75%) of the PAGA Payment to the LWDA for settlement of the PAGA claim. After such payment, Defendants shall have no liability for PAGA claims by or on behalf of Eligible Aggrieved Employees during the PAGA Period, which are released under this Agreement.
3. The Settlement Administrator will not pay the Attorney Fee Award, Cost Award, and Class Representative Enhancement Payments until after the Settlement Administrator has distributed the Individual Settlement Shares and Individual PAGA Payments to the Class Members and Eligible Aggrieved Employees.
4. Before the Settlement Administrator mails the Individual Settlement Shares and Individual PAGA Payments to the Participating Class Members and Eligible Aggrieved Employees, the Settlement Administrator shall update the Participating Class Members' and Eligible Aggrieved

Employees' addresses using the National Change of Address Database. The Settlement Administrator will mail Individual Settlement Shares and Individual PAGA Payments to all Participating Class Members and Eligible Aggrieved Employees, including those for whom Notice Packets were return as undeliverable. With respect to returned checks directed to Participating Class Members and Eligible Aggrieved Employees whose Notice Packets were returned as undeliverable and for whom no new addresses are ascertained, the Settlement Administrator shall take no further steps. The Settlement Administrator shall remail all other returned checks to any forwarding address provided by the U.S.P.S. or, if no forwarding address is provided by the U.S.P.S., shall perform a skip trace and take other reasonable steps to attempt to find a current address for the Class Member and shall mail the returned check to the Class Member's ascertained current address. The Settlement Administrator shall remail checks to ascertained current addresses within seven (7) business days of the return of the check.

- c. **QSF:** The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

- 9. **Uncashed Checks.** Participating Class Members and Eligible Aggrieved Employees must cash or deposit their Individual Settlement Share and Individual PAGA Payment checks within one hundred eighty (180) calendar days after the checks are mailed to them. The void date of each Individual Settlement Share and Individual PAGA Payment check shall be stated on each check. If any checks are returned as undeliverable and without a forwarding address, the Settlement Administrator will conduct a skip trace search to find the most up-to-date mailing address and re-mail the checks promptly. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) calendar days, it will expire and become non-negotiable, and offering to replace the check if it was lost or misplaced. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder postcards, the Settlement

Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the Individual Settlement Share or Individual PAGA Payment (as applicable) to the California State Controller's Office in accordance with California Unclaimed Property Law so that the Participating Class Member and/or Eligible Aggrieved Employee will have his or her Individual Settlement Share and/or Individual PAGA Payment available to him or her per the applicable claim procedure to request that money from the State of California.

10. Final Report by Settlement Administrator. Within three hundred sixty-five (365) calendar days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds. Class Counsel shall file the Settlement Administrator's declaration with the Court within ten (10) calendar days of receipt.

11. Defendants' Legal Fees. Defendants are responsible for Defendants' own legal fees, costs, and expenses incurred in this Action outside of the Gross Settlement Amount.

- I. Release of Claims.** As of the Effective Final Settlement Date, in exchange for the consideration set forth in this Agreement, Plaintiffs and the Participating Class Members release the Released Parties from the Released Claims for the Class Period.
- J. Injunction Against Duplicative Claims.** Upon Preliminary Approval of this Settlement, all Participating Class Members who do not submit a valid and timely request to exclude themselves from this Settlement shall be enjoined from filing, joining or becoming a party, member or representative in any actions, claims, complaints, or proceedings in any state or federal court on an individual, representative, collective or class action basis, or with the California Department of Industrial Relations' Division of Labor Standards Enforcement ("DLSE") or the United States Department of Labor ("DOL"), or from initiating any other proceedings regarding any of the Released Claims defined herein. Any related pending actions, claims, complaints, or proceedings in any state or federal court or with the DLSE or DOL, shall be stayed until the Class Members have had an opportunity to decide to participate, object or submit an Opt-Out Form in relation to this Settlement. In addition, upon Preliminary Approval of this Settlement, all Eligible Aggrieved Employees shall be enjoined from filing, joining, or becoming a party, member or representative in any actions, claims, complaints, or proceedings in any state or federal court on an individual, representative, collective or class action basis, or with the DLSE or DOL, or from initiating any other proceedings to the extent such actions, claims, complaints, or proceedings are based on the PAGA Released Claims released via this Settlement.

K. PAGA Release. As of the Effective Final Settlement Date, the LWDA and each Eligible Aggrieved Employee, including Plaintiffs, individually and on behalf of their heirs, executors, administrators, representatives, attorneys, successors and assigns hereby voluntarily and knowingly are barred from bringing any action for the PAGA Released Claims during the PAGA Period. The release of the PAGA Released Claims is effective, regardless of whether the Eligible Aggrieved Employee submits a timely and valid request to opt-out.

L. Plaintiffs' Release of Claims and General Release. As of the Effective Final Settlement Date, and in exchange for the Class Representative Enhancement Payments to Plaintiffs in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00), in recognition of their work and efforts in obtaining the benefits for the Class, and undertaking the risk for the payment of costs in the event this matter had not successfully resolved, Plaintiffs hereby each provide a general release of claims for himself and his spouse, heirs, successors, and assigns, and forever releases, remises, and discharges the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, arising from the beginning of time through the date of the Court grants Final Approval, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, employment and/or the termination of employment including, but not limited to, any claims for wages, bonuses, severance pay, vacation pay, penalties, employment benefits, stock options, violation of any personnel policy, any claims based on discrimination, harassment, unlawful retaliation, violation of public policy, or damages of any kind whatsoever, arising out of any common law torts, contracts, express or implied, any covenant of good faith and fair dealing, any theory of wrongful discharge, any theory of negligence, any theory of retaliation, any legal restriction on any Defendants' right to terminate the employment relationship, or any federal, state, or other governmental statute, executive order, regulation or ordinance, or common law, or any other basis whatsoever, to the fullest extent provided by law. Plaintiffs' general release of claims also includes a waiver of California Civil Code section 1542, which provides as follows:

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

M. Miscellaneous Terms

1. No Admission of Liability. Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendants reserve the right to contest any issues relating to class

certification and liability if the Settlement is not approved. Defendants deny they engaged in any unlawful activity, failed to comply with the law in any respect, or have any liability to anyone under the claims asserted in the Action. Defendants contend that, but for the Settlement, a Class should not be certified in the Action and the Action should not proceed on a collective, Class, representative or PAGA basis. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. This Settlement and Plaintiffs' and Defendants' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation, administrative proceeding, or other special proceeding (other than solely in connection with this Settlement).

- 2. No Effect on Employee Benefits.** The Class Representative Enhancement Payments, Individual Settlement Shares, and/or Individual PAGA Payments paid to Plaintiffs, Participating Class Members, and/or the Eligible Aggrieved Employees shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiffs, Participating Class Members, or Eligible Aggrieved Employees. The Parties agree that any Class Representative Enhancement Payment, Individual Settlement Shares, and/or Individual PAGA Payments paid to Plaintiffs, Participating Class Members, and/or Eligible Aggrieved Employees under the terms of this Agreement do not represent any modification of Plaintiffs', Participating Class Members', or Eligible Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.
- 3. Publicity.** Plaintiffs and Class Counsel agree that they have not and will not publish the Settlement Agreement. In response to any inquiries, Plaintiffs will state that "the case was resolved and it was resolved confidentially." Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiffs or the Class Members or the Settlement Agreement on its website, and shall not contact any reporters or media regarding the Settlement Agreement, or communicate with any reporters or media regarding the claims of Plaintiffs or the Class Members or the Settlement Agreement. Despite this provision, Class Counsel can discuss the Settlement Agreement with Plaintiffs and the Class Members, in any filings with the Court, or the LWDA which are necessary to effectuate the Settlement, and Class Counsel may disclose the names of parties in this action and the venue/case number of this action for purposes of proving adequacy. Plaintiffs' non-publication of the settlement, except as necessary to effectuate the approval of same, is a material inducement for Defendants'

entering into this Agreement. The Parties and their respective counsel agree that, in the event of a proven breach by a Plaintiff of this non-publication provision, that Plaintiff shall be responsible to pay Defendants the gross sum of \$1,000 as liquidated damages for each proven breach..

- 4. Non-Disparagement.** Plaintiffs each agree they shall not make, directly or indirectly, to any person or entity, including but not limited to the Defendants' present, future, and/or former employees and/or clients, and/or the press, any negative, derogatory or disparaging oral, written and/or electronic statements about the Defendants, their products and services, or their employment with and/or separation from employment with the Defendants, or do anything which damages the Defendants' or any of its and/or their products and services, reputation, good will, financial status, or business or client relationships. Plaintiffs further agree not to post any such statements on the internet or any blog or social networking site, including but not limited to Facebook, Glassdoor, LinkedIn, or any other internet site or platform. Plaintiffs' non-disparagement of the Defendants is a materially inducement for Defendants' entering into this Agreement. The Parties and their respective counsel agree that, in the event of a proven breach by a Plaintiff of this non-publication provision, that Plaintiff shall be responsible to pay Defendants the gross sum of \$1,000 as liquidated damages for each proven breach.
- 5. Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
- 6. Authorization to Enter Into Settlement Agreement.** Class Counsel and Counsel for Defendants warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.

7. **Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
8. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court. The Parties agree to toll all statutes of limitations applicable to Plaintiffs' claims alleged in the *Ortega* Action, and that in the event the settlement is not approved, Plaintiff will dismiss the class claims from the *DelCorso* Action and refile them in the United States District Court of California for the Central District.
9. **Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest and if approved by the Court.
10. **Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
11. **No Prior Assignment.** Plaintiffs hereby represents, covenants, and warrants that he has not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
12. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
13. **Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arm's-length negotiations, taking into account all relevant factors, current and potential.
14. **No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement.

The Parties agree that, in the event that any taxing body determines that additional taxes are due from any recipient of a disbursement under this agreement, such recipient assumes all responsibility for the payment of such taxes.

15. Jurisdiction of the Superior Court. The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

16. Invalidity of Any Provision; Severability. Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

17. 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.

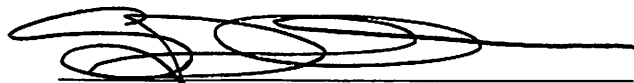
18. Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 8/17/, 2022

PLAINTIFF STEVEN DELCORSO



Steven DelCorso

Dated: 9/17/22, 2022

PLAINTIFF RAUL "RUDY" ORTEGA


Raul "Rudy" Ortega

Dated: _____, 2022

PLAINTIFF CLEMENTE SANDOVAL

Clemente Sandoval

Dated: _____, 2022

**DEFENDANTS ITS TECHNOLOGIES &
LOGISTICS, LLC, CONGLOBAL
INDUSTRIES, LLC, AND CONGLOBAL
TRANSPORT, LLC**

Dated: _____, 2022

Representative and Authorized Signatory for ITS
Technologies & Logistics, LLC, Conglobal
Industries, LLC, and Conglobal Transport, LLC
JUSTICE LAW CORPORATION

Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Chancellor Nobles, Esq.
Attorneys for Plaintiffs Steven DelCorso, Raul
"Rudy" Ortega, and Clemente Sandoval

Dated: _____, 2022

LITTLER MENDELSON, P.C.

Sarah Ross, Esq.
Kara Cole, Esq.
Attorneys for Defendants ITS Technologies &
Logistics, LLC, Conglobal Industries, LLC, and
Conglobal Transport, LLC

Dated: _____, 2022

PLAINTIFF RAUL "RUDY" ORTEGA

Raul "Rudy" Ortega

Dated: 9/5/, 2022

PLAINTIFF CLEMENTE SANDOVAL

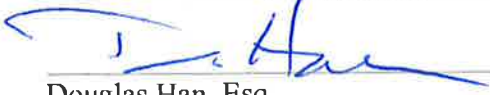

Clemente Sandoval

Dated: _____, 2022

**DEFENDANTS ITS TECHNOLOGIES &
LOGISTICS, LLC, CONGLOBAL
INDUSTRIES, LLC, AND CONGLOBAL
TRANSPORT, LLC**

Dated: 9/22/, 2022

Representative and Authorized Signatory for ITS
Technologies & Logistics, LLC, Conglobal
Industries, LLC, and Conglobal Transport, LLC
JUSTICE LAW CORPORATION



Douglas Han, Esq.
Shunt Tatavos-Gharajeh, Esq.
Chancellor Nobles, Esq.
Attorneys for Plaintiffs Steven DelCorso, Raul
"Rudy" Ortega, and Clemente Sandoval

Dated: _____, 2022

LITTLER MENDELSON, P.C.

Sarah Ross, Esq.
Kara Cole, Esq.
Attorneys for Defendants ITS Technologies &
Logistics, LLC, Conglobal Industries, LLC, and
Conglobal Transport, LLC

Dated: _____, 2022

PLAINTIFF RAUL "RUDY" ORTEGA

Raul "Rudy" Ortega

Dated: _____, 2022

PLAINTIFF CLEMENTE SANDOVAL

Clemente Sandoval

Dated: 8/23, 2022

**DEFENDANTS ITS TECHNOLOGIES &
LOGISTICS, LLC, CONGLOBAL
INDUSTRIES, LLC, AND CONGLOBAL
TRANSPORT, LLC**



Representative and Authorized Signatory for ITS
Technologies & Logistics, LLC, Conglobal
Industries, LLC, and Conglobal Transport, LLC
JUSTICE LAW CORPORATION

Dated: _____, 2022

Douglas Han, Esq.

Shunt Tatavos-Gharajeh, Esq.

Chancellor Nobles, Esq.

Attorneys for Plaintiffs Steven DelCorso, Raul
"Rudy" Ortega, and Clemente Sandoval

Dated: August 24, 2022

LITTLER MENDELSON, P.C.



Sarah Ross, Esq.

Kara Cole, Esq.

Attorneys for Defendants ITS Technologies &
Logistics, LLC, Conglobal Industries, LLC, and
Conglobal Transport, LLC

EXHIBIT A

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights are affected by whether you act or don't act.*

TO: All individuals who have previously been or currently are employed by ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and/or Conglobal Transport, LLC as an hourly paid and/or non-exempt employee within the State of California at any time from August 16, 2016 to July 29, 2022.

The California Superior Court, County of San Bernardino has granted preliminary approval to a proposed settlement ("Settlement") of the above-captioned class/collective action (the "Class Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement ("Notice") carefully.

The Court has certified the following class for settlement purposes ("Class" or "Class Members"):

All individuals who have previously been or currently are employed by ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and/or Conglobal Transport, LLC as an hourly paid and/or non-exempt employee within the State of California during the Class Period from August 16, 2016 to July 29, 2022.

The purpose of this Notice is to provide a brief description of the claims alleged in the Class Action, the key terms of the Settlement, and your rights and obligations with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS AND OBLIGATIONS.

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1. *Why Have I Received This Notice?*

The records of ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and/or Conglobal Transport, LLC (“Defendants”) indicate that you are a Class Member. The Settlement will resolve all Class Members’ Released Claims, as described below, from the time period from August 16, 2016 to July 29, 2022 (the “Class Period”).

A Preliminary Approval Hearing was held on [the date of Preliminary Approval], in the Superior Court of California, County of San Bernardino, at which time Judge David Cohn preliminarily approved this Settlement.

The Court will hold a Final Approval Hearing concerning the proposed settlement on [the date of final approval hearing], at [time a.m./p.m.], before Hon. David Cohn, located at San Bernardino Justice Center, 247 West Third Street, San Bernardino, CA 92415-0210, Department S-26.

2. *What Is This Case About?*

On February 11, 2021, Raul “Rudy” Ortega and Clemente Sandoval filed a wage-and-hour class action lawsuit against Defendants in the Superior Court of California, County of San Bernardino, Case Number CIVSB2103300, alleging violations of: (1) Labor Code sections 510 and 1198 (unpaid overtime); (2) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) Labor Code sections 226.7 (unpaid rest period premiums); (4) Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) Labor Code sections 201 and 202 (final wages not timely paid); (6) Labor Code section 226(a) (noncompliant wage statements); (7) Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (8) Business & Professions Code sections 17200, *et seq.*

On September 30, 2021, Steven DelCorso filed a representative action lawsuit against Defendants in the Superior Court of California, County of San Bernardino, Case Number CIVSB2128129, alleging violations of the California Private Attorneys General Act of 2004 (“PAGA”).

Plaintiffs DelCorso, Ortega, Sandoval, and Defendants attended mediation on the matter on April 29, 2022. With the assistance of mediator David Phillips, Esq., the Parties were able to reach a settlement. On [the date of Preliminary Approval], Plaintiff DelCorso filed a consolidated first amended complaint for purposes of settlement approval, only, adding Plaintiffs Ortega and Sandoval and the allegations in their original Complaint.

The Court has not made any determination as to whether the claims advanced by Plaintiffs have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or Defendants; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all Parties avoid the risks and cost of a trial.

Defendants expressly deny Plaintiffs’ allegations, and continue to deny they did anything wrong or that they violated the law and further deny any liability whatsoever to Plaintiffs or to the Class.

4. *How Does This Class Action Settlement Work?*

In this Class Action, Plaintiffs sued on behalf of themselves and all other similarly situated employees who worked at ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and/or Conglobal Transport, LLC as hourly paid and/or non-exempt employees in California at any time during the Class Period. Plaintiffs and these

other current and former employees comprise a “Class” and are “Class Members.” The settlement of this Class Action resolves the Released Claims of all Class Members, except for those who exclude themselves from the Class by opting-out of the Settlement in the manner set forth in Section No. 7 below. The Settlement of this Class Action also resolves the PAGA Released Claim as it pertains to the Eligible Aggrieved Employees.

Plaintiffs and Class Counsel believe the Settlement is fair and reasonable. The Court must also review the terms of the Settlement and determine if it is fair and reasonable to the Class. The Court file has the Settlement documents, which explain the Settlement in greater detail. You can also request a copy of the full Settlement Agreement from the Settlement Administrator at the address and phone number provided below in Section No. 7.

5. Who Are the Attorneys Representing the Parties?

Attorneys for Plaintiffs and the Class	Attorneys for Defendants
JUSTICE LAW CORPORATION Douglas Han Shunt Tatavos-Gharajeh Chancellor Nobles 751 N. Fair Oaks Avenue, Suite 101 Pasadena, California 91103 Telephone: (818) 230-7502 Facsimile: (818) 230-7259	LITTLER MENDELSON, P.C. Sarah E. Ross Kara Adelle Ritter Cole 2049 Century Park East, 5 th Floor Los Angeles, California 90067.3107 Telephone: (310) 553-0308 Facsimile: (310) 553-5583

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed Settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: *Defendants will not retaliate against you in any way for either participating or not participating in this Settlement.*

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this lawsuit and will receive your full Individual Settlement Share based on the total number of workweeks you worked as an hourly paid and/or non-exempt employee in California during the Class Period. You will release all the Released Claims, as defined in Section No. 9 below, and you will give up your right to pursue the Released Claims, as defined in Section No. 9 below. If you are also an Eligible Aggrieved Employee, you will also receive an Individual PAGA Payment based on the total number of pay periods you were employed during the PAGA Period, and you will release the PAGA Released Claims, as defined in Section No. 9 below.
- **OPT-OUT OF THE SETTLEMENT:**

If you do not want to participate as a Class Member, you may “opt-out,” which will remove you from the Class and this Class Action Settlement. If you timely “opt-out,” and the Court grants final approval of the Settlement, you will not receive an Individual Settlement Share and you will not give up the right to sue the Released Parties, including Defendants, for any the Released Claims as defined in Section No. 9 below. However, if you are also an Eligible Aggrieved Employee, even if you timely and validly opt-out of the Settlement, you will still receive your Individual PAGA Payment and will still release the PAGA Released Claims, defined in Section No. 9 below

- **OBJECT:** If you do not believe the Settlement is fair, you can object and ask the Court to deny approval of the Settlement. If the Court grants approval over your objection, you will remain a Class Member, will release the Released Claims for the Class Period, and you will still receive an Individual Settlement Share as described above. You may mail a legal objection to the proposed Settlement to the Settlement Administrator, or appear at the Final Approval Hearing and communicate your legal objection to the Court. If you would like to object, you may not opt-out of this Settlement.

The procedures for opting out and objecting are set forth below in the sections entitled “How Do I Opt-Out or Exclude Myself From This Settlement” and “How Do I Object To The Settlement?”

7. *How Do I Opt-Out of This Settlement?*

If you do not wish to participate in the Settlement, you may opt-out of the Settlement by sending a timely opt-out form. An Opt-Out Form has been provided to you along with this Notice, which can be used for this purpose; alternatively, you can submit your own written document that includes this same information. If you opt-out of the Settlement, you will not be releasing the Released Claims, set forth in Section No. 9. The Opt-Out Form must be signed, dated, and mailed by First Class U.S. Mail, **postmarked no later than [REDACTED], 2022 to: CPT GROUP, INC. C/O ITS Technologies & Logistics, LLC, et al. Settlement, [INSERT ADDRESS].** You cannot opt-out by phone.

If you received a re-mailed Notice Packet, whether by skip-trace or forwarded mail, your Response Deadline to postmark an Opt-Out Form will be extended by ten (10) calendar days from the original Response Deadline. The envelope should indicate whether the Notice Packet has been forwarded or re-mailed. We encourage you to keep copies of all documents, including the envelope, in the event the deadline is challenged.

The Court will exclude any Class Member who submits a complete and timely Opt-Out Form as described in the paragraph above. The Opt-Out Form should: (a) include the Class Member’s name, address, and last four digits of the social security number; (b) be addressed to the Settlement Administrator; (c) be signed by the Class Member; and (d) be submitted or postmarked no later than the Response Deadline. A request to opt-out will be deemed valid as long as it is submitted or postmarked to the Settlement Administrator by the Response Deadline and provides sufficient information to allow the Settlement Administrator to ascertain the Class Member’s identity and to ascertain that the Class Member wants to opt out of the Settlement. Any Class Member who fails to submit a valid and timely Opt-Out Form on or before the above-specified deadline shall be bound by all terms of the Settlement, release, and any Judgment entered in the Action if the Settlement receives final approval from the Court.

If you are a Class Member who is also an Eligible Aggrieved Employee, and you timely and validly opt-out of the Settlement in the manner described above, you will still be entitled to your Individual PAGA Payment and will still release the PAGA Released Claims, defined in Section No. 9 below.

8. *How Do I Object To The Settlement?*

If you are a Class Member who does not opt-out of the Settlement, you may object to the Settlement, personally or through an attorney, by mailing it to the Settlement Administrator by First Class U.S. Mail, **postmarked no later than [REDACTED], 2022** to: **CPT GROUP C/O ITS Technologies & Logistics, LLC et al. Settlement [INSERT ADDRESS]**. Objections must: (a) state the objecting Class Member's full name, address, and telephone number; (b) include the words "Notice of Objection" or "Formal Objection;" and (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection. However, an objection will be deemed valid as long as it is submitted or postmarked to the Settlement Administrator by the Response Deadline and provides sufficient information to allow the Settlement Administrator to ascertain the Class Member's identity and to ascertain that the Class Member objects to the Settlement or to some term(s) of the Settlement.

Class Members may appear at the Final Approval Hearing, either in person or through the objector's own counsel and orally object to the Settlement. Class Members' timely and valid objections to the Settlement will still be considered even if the objector does not appear at the Final Approval Hearing. Any attorney who will represent an individual objecting to this Settlement must file a notice of appearance with the Court and serve Class Counsel and Defense Counsel no later than fifteen (15) calendar days before the Final Approval hearing.

Class Members who fail to object in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement.

If you received a re-mailed Notice Packet, whether by skip-trace or forwarded mail, your Response Deadline to postmark an objection to the Settlement will be extended by ten (10) calendar days from the original Response Deadline. The envelope should indicate whether the Notice Packet has been forwarded or re-mailed. We encourage you to keep copies of all documents, including the envelope, in the event the deadline is challenged.

If the Court rejects the notice of objection, the Class Member will receive an Individual Settlement Share and will be bound by the terms of the Settlement.

9. *How Does This Settlement Affect My Rights? What are the Released Claims?*

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt-out of the Settlement will be bound by the Court's Final Judgment and will fully release and discharge ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and Conglobal Transport, LLC, and any and all of their past, present and future direct or indirect parents, sister or related entities, acquired companies, subsidiaries, predecessors, successors and affiliates as well as each of its or their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, heirs, representatives, accountants, auditors, consultants, and any individual or entity which could be jointly liable with ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and/or Conglobal Transport, LLC ("Released Parties").

A. Released Claims.

Upon Defendants' fulfillment of their payment obligations under the Settlement Agreement (the "Effective Final Settlement Date"), the claims that Plaintiffs and the other Participating Class Members are releasing in exchange for the consideration provided for by this Agreement are: all claims alleged or could have been alleged based on the facts alleged in the operative complaint, which arose during the Class Period, specifically including the following claims: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (4) Violation of California Labor Code §§ 1194 and 1197 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), including any alleged failure to provide complete and/or accurate wage statements; (7) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (8) Violation of California Business and Professions Code § 17200, *et seq.*, including all claims for injunctive relief, declaratory relief, restitution, unfair business practices alleged or which could have been alleged in connection with any other claims; and (9) Violation of Labor Code § 2698, *et seq.* (Private Attorneys General Act of 2004 (PAGA)), including those claims set forth in DelCorso's Letter to the Labor & Workforce Development Agency for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, including but not limited to overtime pay, minimum wage, regular wages and/or sick pay whether contractual or statutory, as well as any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Actions, also including any claims for penalties (statutory, civil or otherwise), attorneys' fees, costs, interest, penalties, or premiums in connection with the claims in this Paragraph. All federal claims shall likewise be released, and shall be barred by the settlement by virtue of res judicata, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.* 889 F.3d 1106 (9th Cir. 2018) ("Released Claims"). The Released Claims do not include claims that, as a matter of law, cannot be released and does not include claims for retaliation, discrimination, wrongful termination, and individual claims for the recovery of workers' compensation benefits.

B. PAGA Released Claims.

Upon Defendants' fulfillment of their payment obligations under the Settlement Agreement (the "Effective Final Settlement Date"), the LWDA and any other representative, proxy, or agent thereof, including, but not limited to, any and all Eligible Aggrieved Employees during the PAGA Period, will be precluded from pursuing any and all claims for civil penalties pursuant to PAGA asserted in the Action or in the PAGA Notice against the Released Parties, including for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and the Industrial Welfare Commission ("IWC") Wage Orders. The period of the PAGA Released Claims shall extend to the limits of the PAGA Period ("PAGA Released Claims"). PAGA Released Claims do not include claims that, as a matter of law, cannot be released and does not include claims for retaliation, discrimination, wrongful termination, and individual claims for the recovery of workers' compensation benefits.

10. How Much Can I Expect to Receive From This Settlement?

The total maximum amount that Defendants could be required to pay under the Agreement shall be up to but no more than \$1,500,000 (“Gross Settlement Amount” or “GSA”).

The “Net Settlement Amount” or “NSA” means the portion of the Gross Settlement Amount available for distribution to Class Members after the deduction of (1) the Class Representative Enhancement Payments to Plaintiffs Steven DelCorso, Raul “Rudy” Ortega and Clemente Sandoval in an amount up to \$10,000 (each) for the prosecution of the Class Action, risks undertaken for the payment of attorneys’ fees and costs, and a general release of all claims; (2) the Administration Costs to the Settlement Administrator in the amount not to exceed \$20,000; (3) the PAGA Payment of \$75,000, seventy-five percent (75%) of which (\$56,250) shall be paid to the LWDA, and twenty-five percent (25%) of which (\$18,750) shall be distributed to Eligible Aggrieved Employees, on a pro rata basis; (4) the Attorney Fee Award to Class Counsel in an amount not to exceed \$500,000 (one-third of the Gross Settlement Amount); and (5) payment to Class Counsel of Cost Award in an amount not to exceed \$25,000 for litigation costs. All these payments are subject to court approval.

After deducting the above-referenced items, the remaining Net Settlement Amount, will be proportionately distributed among all Class Members who have not opted out. The Settlement Administrator will pay each Participating Class Member according to his or her proportional share of the Net Settlement Amount, which will be equal to: (i) the number of weeks the Participating Class Member worked during the Class Period, based on the Class Data provided by Defendants, (ii) divided by the total number of weeks worked by any and all Participating Class Members collectively during the Class Period, based on the same Class Data, (iii) which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Participating Class Member’s Individual Settlement Share ties directly to the number of weeks the Participating Class Member worked during the Class Period. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Participating Class Member’s Individual Settlement Share ties to the amount of weeks that he or she worked.

Although your exact share of the Net Settlement Amount cannot be precisely calculated until after the time during which individuals may object or opt-out from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount, is as follows: \$ [REDACTED], less taxes. This is based on Defendants’ records which show you worked [REDACTED] workweeks during the Class Period.

If you believe the number of eligible workweeks records are incorrect, you must provide documentation and/or an explanation to show contrary information to the Settlement Administrator at [address] on or before [the Response Deadline]. If you do not provide any documents supporting your dispute, the number of workweeks reported in Defendants’ records will be presumed correct, and your challenge will be rejected by the Settlement Administrator. Any evidence submitted will be reviewed and Class Counsel and Counsel for Defendants will make a final determination. Any dispute that cannot be resolved by Class Counsel and Counsel for Defendants may be brought before the Court before final approval of the Class Settlement.

Twenty percent (20%) of your Individual Settlement Share will be treated as unpaid wages, and eighty percent (80%) of your Individual Settlement Share will be treated as penalties and interest. The wages portion of your Individual Settlement Share will be subject to all tax withholdings customarily made from an employee’s wages and all other authorized and required withholdings and will be reported on an IRS Form W-2. All other amounts paid to you by the Settlement Administrator will be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees’ wages and shall be reported by applicable IRS Forms 1099. The Settlement Administrator will calculate, withhold, and pay to the appropriate taxing authorities the employee’s share of payroll tax and required income tax from the Participating Class Member’s Individual Settlement Share.

No later than fourteen (14) calendar days after the Effective Final Settlement Date, Defendants shall deposit the Gross Settlement Amount of One Million Five Hundred Thousand Dollars (\$1,500,000) to the Settlement Administrator. The Effective Final Settlement Date of the Settlement shall be means the date by which the Settlement is finally approved and the Court's Final Approval Order becomes binding— *i.e.*, the date when there is no possibility of an appeal, writ, or further appeal that could potentially prevent the Settlement from becoming final and binding, which the Parties agree will be 61 calendar days after entry of an order granting final approval of the Settlement is served, provided there have been no appeals filed within that time.

Within ten (10) business days after the funding of the Settlement, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, Individual PAGA Payments, the Attorney Fee Award, the Cost Award, the Class Representative Enhancement Payments, the PAGA Payment, and the Administration Costs.

It is strongly recommended that upon receipt of your Individual Settlement Share check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks, and pay the amounts of the Individual Settlement Shares or Individual PAGA Payments (as applicable) to the California Controller's Unclaimed Property Fund in the names of the Participating Class Members and/or Eligible Aggrieved Employees.

If you are both a Participating Class Member and an Eligible Aggrieved Employee, you will receive both (a) an Individual Settlement Share, and (b) an Individual PAGA Payment based on your allocated portion of the PAGA Payment, described in greater detail in Section No. 11 below.

11. What is the PAGA Payment and Am I Eligible for it?

Under the terms of the Settlement, \$75,000 has been set aside as a PAGA Payment. This portion is the total amount of civil penalties collected on behalf of California. \$56,250 will be sent to California. Eligible Aggrieved Employees will share \$18,750 based on the number of pay periods they worked during the PAGA Period from July 6, 2020 to July 29, 2022.

You are an "aggrieved employee" eligible ("Eligible Aggrieved Employee") to share the PAGA Payment under the settlement, if you are a current or former hourly-paid or non-exempt employee who worked for ITS Technologies & Logistics, LLC, Conglobal Industries, LLC, and/or Conglobal Transport, LLC in California from July 6, 2020 to July 29, 2022 ("PAGA Period").

The Settlement Administrator will pay each Eligible Aggrieved Employee according to his or her proportional share of the portion of the PAGA Payment allocated to the Eligible Aggrieved Employees, which will be equal to: (i) the number of pay periods the Eligible Aggrieved Employee worked during the PAGA Period, based on the Class Data provided by Defendants, (ii) divided by the total number of pay periods worked by any and all Eligible Aggrieved Employees collectively during the PAGA Period, based on the same Class Data, (iii) which is then multiplied by the portion of the PAGA Payment allocated to the Eligible Aggrieved Employees. One day worked in a given pay period will be credited as a pay period for purposes of this calculation. Therefore, the value of each Eligible Aggrieved Employee's Individual PAGA Payment ties directly to the number of pay periods the Eligible Aggrieved Employee worked during the PAGA Period.

It is strongly recommended that upon receipt of your check for your Individual PAGA Payment, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks, and pay the amounts of the checks to the California Controller's Unclaimed Property Fund in the names of the Eligible Aggrieved Employees.

Based on your total number of pay periods, your estimated Individual PAGA Payment is \$[REDACTED]. One hundred percent (100%) of this payment will be considered penalties. As such, this payment will not be treated as wages, and the Settlement Administrator will issue you an IRS Form 1099 if your payment exceeds \$600. You are responsible for paying any federal, state or local taxes owed as a result of this payment.

You cannot opt-out from the PAGA portion of the settlement if the Court grants final approval.

If you are not an Eligible Aggrieved Employee, this Section does not apply to you.

13. Final Approval Hearing

The Court will hold a Final Fairness Hearing concerning the proposed settlement on [the date of final approval hearing], at [time a.m./p.m.], before the Hon. David Cohn, located at San Bernardino Justice Center, 247 West Third Street, San Bernardino, CA 92415-0210, Department S-26. You are not required to appear at this hearing. If the Court moves the Final Fairness Hearing, the Settlement Administrator will mail you a postcard alerting you of the new hearing date.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at the telephone number listed below, toll free. Please refer to the "ITS Technologies & Logistics, LLC et al. class action settlement."

This Notice does not contain all the terms of the proposed Settlement or all the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the San Bernardino County Superior Court at San Bernardino Justice Center, 247 West Third Street, San Bernardino, CA 92415-0210, between 8:30 a.m. and 4:30 p.m.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

EXHIBIT B

OPT-OUT FORM

Superior Court of the State of California, County of San Bernardino
Steven DelCorso, et al. v. ITS Technologies & Logistics, LLC, et al.
Case No. CIVSB2128129

DO NOT SIGN OR SEND THIS DOCUMENT UNLESS YOU WISH TO OPT-OUT OF THE SETTLEMENT.

THIS DOCUMENT MUST BE POSTMARKED NO LATER THAN _____, 2022.

PLEASE MAIL THIS OPT-OUT FORM VIA REGULAR U.S. MAIL TO:

ITS TECHNOLOGIES & LOGISTICS, LLC SETTLEMENT ADMINISTRATOR, C/O CPT GROUP, INC. 50 Corporate Park, Irvine, CA 92606

IT IS MY DECISION NOT TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT REFERRED TO ABOVE, AND NOT TO BE INCLUDED IN THE CLASS IN THAT ACTION. I UNDERSTAND THAT BY OPTING-OUT, I WILL NOT RECEIVE AN INDIVIDUAL SETTLEMENT SHARE. I FURTHER UNDERTSAND THAT BY OPTING-OUT, ANY INDIVIDUAL CLAIMS I MAY HAVE DURING THE CLASS PERIOD WILL NOT BE RELEASED.

If I am an Eligible Aggrieved Employee, however, and qualify for an Individual PAGA Payment from the PAGA Payment, I will still be mailed a check for that Individual PAGA Payment *regardless* whether I opt-out of the class portion of the Settlement, and I will still be releasing the PAGA Released Claims.

I confirm that I have received and reviewed the Notice of Class Action and PAGA Settlement in this action. I have decided to opt-out from the class, and I have decided **not** to participate in the Settlement.

Dated: _____

(Signature)

(Last Four Digits of Social Security Number)

(Type or print name and former name(s))

(Telephone Number)

(Address)

(Address continued)

**PROOF OF SERVICE
1013A(3) CCP**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is manderson@justicelawcorp.com

On November 22, 2022, I served the foregoing document described as

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

for the following case:	DelCorso v. ITS Technologies & Logistics, et. al
LWDA/Court Case No.:	LWDA Case No.: CM-837000-21
	Court Case No.: CIVSB2128129
	San Bernardino County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California

Labor & Workforce Development Agency

800 Capitol Mall, MIC-55

Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on November 22, 2022, at Pasadena, California.

Maith Andlauer

Mariah Anderson