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Attorneys for Defendant KLLM Transport Services, LLC

[Additional counsel on next page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

JUAN NIEVES, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

KLLM TRANSPORT SERVICES, LLC, a
Texas Limited Liability Company; and DOES
1 through 20, inclusive;

Defendants.

Case No.: CIVSB2134796

**DECLARATION OF CASSANDRA
POLITES OF ILYM GROUP, INC., IN
SUPPORT OF MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT**

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Tel: (601) 898-2716 | Fax: (601) 898-2074
Attorneys for Defendant KLLM Transport Services, LLC

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2 I, Cassandra Polites declare as follows:

3 1. I am a resident of the United States of America and am over the age of 18. I am a
4 Case Manager for ILYM Group, Inc., (herein after referred to as “ILYM Group”), the professional
5 settlement services provider who has been retained by the Parties’ Counsel and subsequently
6 appointed by the Court to serve as the Settlement Administrator for the above captioned matter. I
7 am authorized to make this declaration on behalf of ILYM Group and myself. I have personal
8 knowledge of the facts herein, and, if called upon to testify, I could and would testify competently
9 to such facts.

10 2. ILYM Group has extensive experience in administering Class Action Settlements,
11 including direct mail services, database management, claims processing and settlement fund
12 distribution services for Class Actions ranging in size from 26 to 4.5 million Settlement Class
13 Members.

14 3. ILYM Group was engaged by the Parties’ Counsel and subsequently approved and
15 appointed by the Court to provide notification services and settlement administration, pursuant to
16 the terms of the Settlement, in the above referenced Action. Duties performed to-date and to be
17 performed after Final Approval of the Settlement is granted, include: (a) printing and mailing the
18 *Notice of Class Action Settlement* (referred to as “Notice Packet”); (b) receiving and processing
19 requests for exclusion; (c) resolving Settlement Class Members’ disputes over the number of
20 workweeks Defendants have record of them working during the Class Period, which was pre-
21 printed on their individualized Class Notice; (d) calculating individual settlement award amounts;
22 (e) processing and mailing settlement award checks; (f) handling tax withholdings as required by
23 the Settlement and the law; (g) preparing, issuing and filing tax returns and other applicable tax
24 forms; (h) handling the distribution of any unclaimed funds pursuant to the terms of the Settlement;
25 and (i) performing other tasks as the Parties mutually agree to and/or the Court orders ILYM Group
26 to perform.

27 4. On December 2, 2022, ILYM Group received the class data file from Counsel for
28 Defendant, which contained the name, social security number, last known mailing address, the

1 dates of employment for each Class Member, and Class and PAGA pay periods worked. The data
2 file was uploaded to our database and checked for duplicates and other possible discrepancies. The
3 Class List contained 100 individuals who worked 9,093 work weeks.

4 5. As part of the preparation for mailing, all 100 names and addresses contained in the
5 Class List were processed against the National Change of Address (“NCOA”) database,
6 maintained by the United States Postal Service (“USPS”), for purposes of updating and confirming
7 the mailing addresses of the Class Members before mailing of the Notice Packet. The NCOA
8 contains requested change of addresses filed with the USPS. To the extent that an updated address
9 was found in the NCOA database, the updated address was used for the mailing of the Notice
10 Packet. To the extent that no updated address was found in the NCOA database, the original
11 address provided by Counsel for Defendants was used for the mailing of the Notice Packet.

12 6. On December 23, 2022, the Notice Packet was mailed, via U.S First Class Mail, to
13 all 100 individuals contained in the Class List. Attached hereto, as **Exhibit A**, is a true and correct
14 copy of the mailed Notice Packet.

15 7. As of the date of this declaration, 10 Notice Packets have been returned to our office.
16 Of the 10 returned Notice Packets, 1 included a returned with a forwarding address. ILYM Group
17 performed a computerized skip trace on the 9 returned Notice Packets that did not have a forwarding
18 address, in an effort to obtain an updated address for purpose of re-mailing the Notice Packet. As
19 a result of ILYM Group’s skip tracing efforts, 4 updated addresses were obtained and the Notice
20 Packet was promptly re-mailed to those Settlement Class Members, via U.S First Class Mail.

21 8. As of the date of this declaration, a total of 6 Notice Packets have been deemed
22 undeliverable. Specifically, 6 have been deemed undeliverable as no updated address was found
23 notwithstanding the skip tracing.

24 9. As of the date of this declaration, ILYM Group has received one valid request for
25 exclusion from the Settlement. The deadline to request exclusion from the Settlement is January
26 23, 2023.

27 10. As of the date of this declaration, ILYM Group has not received any objections to
28 the Settlement. The deadline to file an objection to the Settlement was January 23, 2023.

1 11. The Net Settlement Amount available to Settlement Class Members is estimated to
2 be \$287,680.09 and was calculated by subtracting the requested attorneys' fees (\$178,333.33),
3 attorney's litigation costs (\$7,486.58), the requested Service Payment (\$5,000.00), the requested
4 Settlement Administration Costs (\$6,500.00), the LWDA Payment (\$37,500.00) and the PAGA
5 Payment to Aggrieved Employees (\$12,500.00) from the Gross Settlement Amount
6 (\$535,000.00).

7 12. As of this date, there are 99 Class Members who did not submit timely and valid
8 Request for Exclusion and are therefore deemed to be Participating Class Members. The Individual
9 Settlement Award is allocated on a *pro rata* basis using their Pay Period Value. The Participating
10 Class Members collectively worked 9,064 Pay Periods during the Class Period, resulting in a value
11 per Pay Period worked of \$31.74.

12 13. The *highest* Individual Settlement Share to a Settlement Class Member is currently
13 estimated to be approximately \$7,776.00, the *average* Individual Settlement Share is currently
14 estimated to be approximately \$2,876.80. These amounts are subject to employee-side tax and
15 withholdings.

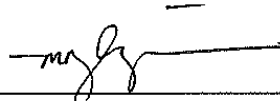
16 14. Pursuant to the Agreement, 25% of the PAGA Payment (\$12,500.00) will be
17 allocated to Aggrieved Employees regardless of whether he or she opts out of the Class Settlement
18 ("Employee PAGA Amount"); Aggrieved Employees cannot opt out of the PAGA Settlement. The
19 Employee PAGA Amount is allocated on a *pro rata* basis using their PAGA pay periods.

20 15. The Aggrieved Employees collectively worked 3,618 Pay Periods. The *highest*
21 Individual PAGA Share to an Aggrieved Employee is currently estimated to be approximately
22 \$304.04, the *average* Individual PAGA Share is currently estimated to be approximately \$125.00.

23 16. ILYM Group's total fees and costs for services in connection with the administration
24 of this Settlement, which includes fees and costs incurred to-date, as well as anticipated fees and
25 costs for completion of the settlement administration, are \$6,500.00, as set forth in ILYM Group's
26 proposal, which is attached hereto as **Exhibit B**. ILYM Group's work in connection with this
27 matter will continue with the calculation of the settlement award payments, issuance and mailing
28 of the settlement award checks, the necessary tax filing and reporting on such payments, and any

1 other tasks that the Parties mutually agree to and/or the Court orders ILYM Group to perform.

2
3 I declare under penalty of perjury under the laws of the State of California and the United
4 States that the foregoing is true and correct to the best of my knowledge and that this Declaration
5 was executed this 6th day of February 2023, at Tustin, California.
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10 CASSANDRA POLITES
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EXHIBIT “A”

NOTICE OF SETTLEMENT OF CLASS AND REPRESENTATIVE ACTION

Juan Nieves v. KLLM Transport Services, LLC
Superior Court of the State of California, County of San Bernardino
Case No. CIVSB2134796

To: all current and former truck drivers who resided in California and were employed by KLLM Transport Services, LLC (“KLLM”), at any time between December 21, 2017, and August 31, 2022 (the “Class”):

THIS NOTICE is of a proposed settlement of the above-referenced class action and representative action lawsuit (the “Lawsuit”), and an announcement of a court hearing that you may choose to attend. Your rights may be affected by the legal proceedings in this Lawsuit. The Court will conduct a hearing on March 23, 2023, to address whether the proposed settlement should be approved (the “Final Approval Hearing”). You may be entitled to receive a payment under the terms of this class action settlement contained in the Settlement Agreement.

[IDENTIFYING INFORMATION]

You have been identified as a Class Member and Aggrieved Employee in the above Lawsuit. Under the terms of the proposed settlement, you are estimated to receive approximately \$«Class_Estimated_Award» as your share of the Settlement should the Court grant the settlement in full. Please note that this is only an estimate. Your actual share may be more or less than this estimate. Your estimate is based on the number of eligible pay periods you drove a truck for KLLM while residing in California between December 21, 2017, and August 31, 2022 (the “Class Period”). Your options and eligibility requirements for receiving payments are described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	If you want to receive your full settlement payment, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if the Settlement receives Final Approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the released class and PAGA claims described in Section IV under the provisions titled “Release of Class Claims” and “Release of PAGA Claims.”
EXCLUDE YOURSELF	If you do not wish to participate in the settlement of the Class Claims, you may “opt-out” of the settlement of the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion by January 23, 2023 (see Section V(B) for more details on how to opt-out). If you opt-out of the settlement of the Class Claims, you will no longer be a Class Member, and you will (1) neither receive any settlement payment for the Class Claims nor release any Class Claims as set forth in Section IV, and (2) be barred from filing an objection to the settlement. You still will receive a payment as part of the civil penalties paid pursuant to the California Private Attorneys General Act of 2004 (“PAGA”) and will release your claims for such civil penalties.
OBJECT	If you decide to object to the settlement with respect to the Class Claims because you find it unfair or unreasonable, you must submit an objection by January 23, 2023 (see Section V(C) for more details on how to object).
DISPUTE YOUR NUMBER OF PAY PERIODS CREDITED	If you believe that the number of pay periods that you are credited with working during the Class Period is incorrect, you may submit a written dispute to the Settlement Administrator (see Section IV for more details on how to dispute your credited pay periods). Defendant’s records will be presumed correct, but you may provide evidence to the Settlement Administrator showing that your Pay Period calculation is inaccurate.

I. Why should I read this Notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in *Nieves v. KLLM Transport Services, LLC*, San Bernardino County Superior Court Case No. CIVSB2134796 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

KLLM’s records show that you were employed as a truck driver while residing in California at some point between December 21, 2017, and August 31, 2022 (“Class Period”). The Court ordered this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you were employed by KLLM as a truck driver and lived in California at any time during the Class Period, you are automatically included in the Settlement and do not need to take any further action to receive a payment.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the proposed Settlement, and to discuss your rights and options in connection with the Lawsuit and the Settlement.

II. What is this lawsuit about?

On December 21, 2021, Plaintiff and Class Representative Juan Nieves (“Plaintiff” or “Class Representative”), through his attorneys (“Class Counsel”), filed a class action complaint against KLLM for alleged wage and hour violations on behalf of all current and former truck drivers who were employed by KLLM and resided in California at any time since December 21, 2017. The Lawsuit alleges that KLLM violated various Labor Code sections by failing to pay wages for all hours worked, failing to provide proper meal breaks, failing to provide paid rest breaks, failing to reimburse for business expenses, failing to timely pay final wages, and failing to provide accurate and complete wage statements during the Claim Period. The Lawsuit also sought equitable relief under the Unfair Competition Law. All of these claims are called the “Class Claims.” The Lawsuit also sought, on behalf of the California Labor Workforce Development Agency (“LWDA”), civil penalties pursuant to PAGA as a representative action. The civil penalty claims are called “PAGA Claims” and the relevant period for PAGA claims is December 21, 2020, and August 31, 2022 (“PAGA Period”).

KLLM has denied, and continues to deny, the factual and legal allegations in the Lawsuit and believes that it has valid defenses to Plaintiff’s claims. By agreeing to settle, KLLM is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action and/or a representative action. KLLM has agreed to settle the case as part of a compromise with Plaintiff and the Class Members.

The Court has not ruled on the merits of Plaintiff’s claims. And, by approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, KLLM and Plaintiff have concluded that it is in their respective best interests and the interests of the Settlement Class to settle the Lawsuit on the terms summarized in this Notice. After providing extensive information to Class Counsel, the Settlement was reached following an arm’s length mediation with a respected and experienced mediator. In these negotiations, both sides recognized the substantial risk of the Court deciding against them at trial and determined that the Proposed Settlement was a good option to resolve the disputed claims.

The Class Representative and Class Counsel support this Settlement. Among the reasons for their support are the defenses to liability potentially available to KLLM, the risk of denial of class certification or representative status, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by KLLM, this Settlement will not affect your employment. California law strictly prohibits unlawful retaliation. Further, KLLM will not take any adverse action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member’s participation or decision not to participate in this Settlement. If a Class Member does not participate as to the Class Claims, his/her share of the settlement of the Class Claims will be paid to those who do participate.

III. Who are the attorneys representing The Parties?

<u>Attorneys for Plaintiff and Class Members:</u>	<u>Attorneys for Defendant:</u>
Brian Mankin <i>brian@LMLfirm.com</i> Peter Carlson <i>peter@LMLfirm.com</i> Lauby Mankin Lauby LLP 4590 Allstate Drive Riverside, CA 92501 Tel: (951) 320-1444	Dessi Day <i>dday@greeneroberts.com</i> Greene & Roberts 402 West Broadway, Suite 1025 San Diego, CA 92101 Tel: (619) 398-3400 G. Clark Monroe II (<i>pro hac vice</i>) <i>gcmonroe@dunbarmonroe.com</i> DUNBARMONROE, PLLC 270 Trace Colony Park Drive Ridgeland, Mississippi 39157 Telephone: (601) 898-2716

IV. What are the terms of the Settlement?

On November 29, 2022, the Court certified a class, for settlement purposes only, of all non-exempt employees employed by KLLM in California at any time from December 21, 2017, through August 31, 2022 (the “Settlement Class” or “Class Members”) and approved a representative class comprised of all truck drivers employed by KLLM who resided in California at any time from December 21, 2020, and August 31, 2022 (“Aggrieved Employees”). Individuals who do not opt out of the Settlement Class, pursuant to the procedures set forth in this Notice, will become “Participating Class Members” and will be mailed Settlement checks, and in exchange will be bound by the Settlement and release of certain wage and penalty claims against KLLM.

Without admitting any wrongdoing, KLLM has agreed to pay \$535,000 (the “Gross Settlement Amount”) to fully resolve all claims in the Lawsuit. The Parties agreed to the following payments from the Gross Settlement Amount:

Settlement Administration Costs. The Court has approved ILYM Group to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. Under the Settlement, a maximum of \$6,500 will be paid from the Gross Settlement Amount to pay the Settlement Administration Costs.

<u>Settlement Administrator:</u>
ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781 Telephone: (888) 250-6810

Penalties to the California Labor Workforce and Development Agency. The Labor Code Private Attorneys General Act (“PAGA”) authorizes employees to file lawsuits to attempt to recover civil penalties on behalf of other Aggrieved Employees and the State of California for alleged Labor Code violations. Under the Settlement, \$50,000 of the Gross Settlement Amount will be allocated to Plaintiff’s PAGA Claims. Of this amount, \$37,500 will be paid to the California Labor Workforce and Development Agency (“LWDA”) in satisfaction of the claims for civil penalties under PAGA, and the remaining \$12,500 will be divided between all Aggrieved Employees based on the number of pay periods worked during the PAGA Period. You do not have the right to opt-out or exclude yourself from receiving the civil penalties paid to pursuant to PAGA. Aggrieved Employees includes “all current and former truck drivers employed by KLLM who resided in California at any time during the PAGA Period.” You will receive your allocated portion of this payment and will be bound by the release of all such PAGA Claims without regard to your selected option discussed in Section V, below.

Service Payment to Class Representative. Class Counsel will ask the Court to award the Class Representative a Service Payment in the amount of \$5,000 to compensate him for service and extra work provided on behalf of the Class Members and in exchange for a general release of claims. The Class Representative also will receive his individual share of the Settlement as a Class Member.

Attorneys’ Fees and Costs. Class Counsel have been prosecuting the Lawsuit on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Gross Settlement Amount. Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees or costs. Class Counsel will ask for fees of one-third (\$178,333.33) of the common fund Gross Settlement Amount as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through finalization of the Settlement. Class Counsel also will ask for reimbursement of up to \$20,000 for the costs Class Counsel incurred in connection with the Lawsuit.

Calculation of Individual Settlement Payments to Class Members. After deducting the amounts above from the Gross Settlement Amount, the balance will form the Net Settlement Amount for distribution to Participating Class Members (who are Class Members who do not opt-out). The Net Settlement Amount will total approximately \$275,166.67. Individual Settlement Payments to Class Members will be calculated and apportioned from the Net Settlement Amount based on the number of Pay Periods a Settlement Class Member is credited with working during the Class Period. A Class Member is credited with one Pay Period Worked each time the Class Member works at least one shift during the Class Period as a truck driver residing in California. Specific calculations of Individual Settlement Payments will be made as follows: the Settlement Administrator will divide the total Pay Periods Worked by all Settlement Class Members into the Net Settlement Amount to determine a per “Pay Period Value.” The Pay Period Value will be multiplied by the number of Pay Periods Worked by each Settlement Class Member during the Class Period to determine the “Individual Settlement Payment,” prior to legal deductions/withholdings, for each Settlement Class Member. If any Settlement Class Member opts-out of the Settlement, his/her Individual Settlement Payment will be distributed to all Participating Class Members (i.e., those who do not opt-out).

For each Settlement Class Member, the Pay Periods Worked at KLLM during the Class Period will be calculated from KLLM's records. KLLM's records indicate that you worked for «**Class_Weekly_Pay_Periods_rounded**» Pay Periods while residing in California during the Class Period of December 21, 2017 and August 31, 2022. If you disagree with this number, you may submit evidence to the Settlement Administrator on or before January 23, 2023, with documentation to establish the number of eligible Pay Periods you claim to have actually worked for KLLM while living in California between December 21, 2017, and August 31, 2022. **DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS.** The Settlement Administrator will render a final decision.

Payments to Class Members. After the Court grants Final Approval of the Settlement and after Judgment is entered, settlement checks will be mailed to all Participating Class Members who did not timely request to be excluded. For those Aggrieved Employees who requested to be excluded from the settlement of the Class Claims, their settlement checks will be for their share of PAGA civil penalties only for release of the PAGA Claims, and they will not include any payment for settlement of the Class Claims. Participating Class Members and Aggrieved Employees will have 180 days from the issuance of the last check to cash all of the checks. In the event that any Participating Class Member or Aggrieved Employee fails to timely cash a settlement check, a stop payment will be placed on the check and the funds will be paid to the California State Controller's Office in the name of the Participating Class Member or Aggrieved Employee, so that the Participating Class Member or Aggrieved Employee can attempt to collect the funds at a later date.

Allocation and Taxes. One-third (33.33%) of the Individual Settlement Payment distributed to each Participating Class Member will be considered and reported as wages (Form W-2 reporting). The remaining two-thirds (66.67%) will be considered and reported as interest and penalties (Form 1099 reporting). The Settlement Administrator shall take all usual and customary deductions from the Individual Settlement Payments that are distributed as wages, including, but not limited to, state and federal tax withholding, disability premiums, and unemployment insurance premiums. There will be no deduction taken from the interest and penalty distribution; however, the payments will be reported on IRS Form 1099 as income. Payments for PAGA Claims shall be paid one hundred percent (100%) as civil penalties for which no taxes shall be withheld and for which payment will be reported on IRS Form 1099. Participating Class Members and Aggrieved Employees are responsible for the proper income tax treatment of the Individual Settlement Payments and their payments for PAGA Claims. The Settlement Administrator, KLLM and its counsel, and Class Counsel cannot provide tax advice and make no representations as to the tax treatment or legal effect of the Individual Settlement Payments or payments for PAGA Claims. Participating Class Members and Aggrieved Employees will be solely responsible for the payment of any taxes and penalties assessed on their Individual Settlement Payments or payments for PAGA Claims and shall hold harmless KLLM from any claim or liability for taxes, penalties, or interest arising as a result of the Class Members' and Aggrieved Employees' failure to pay their share of any taxes. Accordingly, Participating Class Members and Aggrieved Employees should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release of Class Claims. Upon the final approval of the Settlement by the Court, Plaintiff and all Class Members who do not submit a valid opt-out/request for exclusion will fully release and discharge Defendant and its their past, present and future officers, directors, owners, shareholders, employees, agents, principals, heirs, trustees, executors, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective parent corporations, dba's, subsidiaries, divisions, affiliates, attorneys, administrators, predecessors, successors and assigns (the "Released Parties") from any and all claims stated in the Complaint and those that could have been stated based upon the facts alleged in the Complaint, including but not limited to all claims under the California Labor Code for unpaid wages, failure to pay minimum wages, failure to provide meal periods, failure to provide rest breaks, failure to reimburse business expenses, failure to failure to timely pay wages each period and upon separation of employment, failure to provide accurate itemized wage statements, unfair and unlawful competition, all applicable claims under the governing Wage Order and FLSA (for those who cash their settlement payment), and all other claims for damages, civil and/or statutory penalties based on the facts or claims alleged in the operative complaint. These released claims and damages are hereinafter referred to as "Released Class Claims." The time period governing these Released Class Claims shall be at any time from December 21, 2017, and August 31, 2022 ("Class Period").

Release of PAGA Claims. Also upon the Court's final approval of the Settlement, Plaintiff—in his individual capacity and on behalf of the State of California and the LWDA—and all Aggrieved Employees shall completely release and discharge the Released Parties of all PAGA claims that Plaintiff alleged or could have alleged against the Released Parties, on behalf of the Aggrieved Employees and the State of California, based on the facts and/or theories stated in the operative complaint and/or in Plaintiff's notice letter to the LWDA, including all PAGA claims seeking civil penalties premised upon: (a) failure to pay minimum wages, (b) failure to provide meal periods, (c) failure to provide rest breaks, (d) failure to reimburse business expenses, (e) failure to failure to timely pay wages each period and upon separation of employment, (f) failure to provide accurate itemized wage statements, and (g) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* based on the facts or claims alleged in the operative complaint. These released claims and damages are hereinafter referred to as "Released PAGA Claims." The time period governing the PAGA Released Claims shall be any time from December 21, 2020, and August 31, 2022 ("PAGA Period").

Waiver of Labor Code Section 206.5(e). Participating Class Members will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Lawsuit are disputed, and that the Individual Settlement Payments constitute payment of all sums allegedly due to them. Participating Class Members will be deemed to have acknowledged and agreed that California Labor Code

Section 206.5 is not applicable to the Individual Settlement Payments. That section 206.5 of the Labor Code provides in pertinent part as follows:

“No employer shall require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made.”

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

V. What options do I have?

- A. **Do Nothing and Participate in the Settlement.** Under the Settlement, you will automatically receive an Individual Settlement Payment unless you exclude yourself from the settlement by following the opt-out procedure set forth below. If you disagree with the number of Pay Periods Worked, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting, as described above. It is the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or an Individual Settlement Payment.

If you are a current employee, your decision as to whether or not to participate in this Settlement will not be considered by KLLM, who will not take any adverse employment action against you based on your participation or decision not to participate in this Settlement.

- B. **Exclude Yourself from the Class Claims in the Settlement.** If you **do not** wish to take part in the release of the Class Claims in the Settlement, you may exclude yourself by sending to the Settlement Administrator a “Request for Exclusion from the Class Claims in the Class Action Settlement” letter/card postmarked no later than January 23, 2023 with your full name, address, telephone number, last four digits of your social security number or your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE KLLM TRANSPORT SERVICES LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator, ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781, **postmarked no later than** January 23, 2023. Any person who files a timely Request for Exclusion from the Class Action Settlement, upon receipt: (1) will not have any rights under this Settlement with respect to the Class Claims, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any money for the Class Claims under this Settlement; and (3) will not be bound by this Settlement, or the Judgment, with respect to the Class Claims. You still will be bound by this Settlement with respect to the release of the PAGA Claims.

- C. **Object to Settlement.** You also have the right to object to the terms of the Settlement with respect to the Class Claims if you believe they are unfair or unreasonable. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Class Claims portion of the Settlement, you must submit a written objection stating your full name, your address, your telephone number, the last four digits of your social security number or your date of birth, your dates of employment at KLLM, the case name and number, the name and address of your attorney(s) if you are represented, your signature, and each specific reason in support of your objection. You must also include any documentation or evidence in support of the objection, if any. Objections must be in writing and mailed to the Settlement Administrator, ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781, **by no later than** January 23, 2023. Objections that do not include all required information, or that are not submitted timely, may not be considered by the Court. **You need not object to the Settlement if you only dispute the number of Pay Periods Worked. To dispute the number of Pay Periods Worked, please refer to the directions provided under the provision entitled “Calculation of Individual Settlement Payments to Class Members” in Section IV of this Notice.**

If you choose to object to the Class Claims portion of the Settlement, you may also appear at the Final Approval Hearing scheduled for March 23, 2023 at 10:00 a.m. in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before January 23, 2023. All objections or other correspondence must state the name and number of the case. If you wish to appear at the Final Approval hearing, please contact Class Counsel or the Settlement Administrator in advance of the scheduled hearing to ensure that the hearing has not been continued by the Court.

If you object to the Settlement, you will remain a Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Participating Class Members who do not object. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

VI. What is the effect of the settlement?

Released Rights and Claims. The Settlement is intended to settle all claims against the Released Parties that were asserted or could have been asserted in the Lawsuit regarding the alleged violations of wage and hour laws. If you were employed by KLLM in California at any time during the Class Period and do not elect to exclude yourself from the Settlement Class, you will be deemed to have entered into this Release and to have released the class claims in this Lawsuit, described above in Section IV under the provision titled “Release of Class Claims.” All Aggrieved Employees will be deemed to have entered into a release of the PAGA Claims, described above in Section IV under the provision titled “Release of PAGA Claims.” If the Settlement is not approved by the Court or does not become final for some other reason, the Lawsuit may continue and the releases will not take effect.

VII. What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement, the Class Counsel’s request for attorneys’ fees and reimbursement of documented litigation costs, and the Service Payment to the Class Representative on March 23, 2023 at 10:00 a.m. in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415.

You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

VIII. How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court’s files and the Class Action Settlement Agreement at the Office of the Clerk, San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415, during regular court hours. You may also contact the Settlement Administrator using the contact information listed above under Section IV for more information.

IX. Reminder as to time limits.

Class Members do not have to take any further action to participate in the Settlement. The deadline for submitting a Request for Exclusion from the Class Claims is January 23, 2023. The deadline for mailing an objection to the Settlement Administrator is January 23, 2023.

These deadlines will be strictly enforced. To be considered timely, any Requests for Exclusion and objections to the Settlement must be postmarked by the above-stated deadlines. Any Requests for Exclusion and objections to the Settlement that are not postmarked on or before these deadlines will be deemed untimely and disregarded.

**PLEASE DO NOT CALL OR WRITE THE COURT
FOR INFORMATION ABOUT THIS SETTLEMENT**

Nieves v. KLLM Transport Services, LLC

c/o ILYM Group, Inc.

P.O. Box 2031

Tustin, CA 92781

ILYM ID: «ILYMID» «Piece_Number»

«First_Name» «Last_Name»

«Address_1»

«City», «State» «Zip_Code»

EXHIBIT “B”

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Nieves v. KLLM Transport

Requesting Attorneys Name: Brian Mankin
 E-Mail: bjm@fernandezlauby.com
 ILYM Contact: Jonathan Paul
 E-Mail: Jonathan@ilymgroup.com
 Contact Number: 310.948.7117

ESTIMATE FOR ADMINISTRATION SOLUTIONS

ASSUMPTIONS	
Total Number of Class Members	125
Estimated Mail Returned as Undeliverable	20%
NCOA	Yes
Certified Spanish Translation	No
Case Duration (Year(s))	1

Activity	Rate Type	Unit Cost	Volume	Amount
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CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	2	\$300.00
Programming of Class Database	Hourly	\$175.00	2	\$350.00

*ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.

Subtotal \$650.00

PROJECT MANAGEMENT & NOTICING				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	3	\$360.00
Staff Hours for Processing Opt-Outs	Hourly	\$70.00	1	\$70.00
NCOA	Flat Rate	\$250.00	1	\$250.00
Weekly Reports	Flat Rate	\$750.00	1	Waived

Subtotal \$680.00

NOTIFICATION/MAILING				
Fulfillment of Notice	Per Piece	\$3.00	125	\$375.00
USPS First Class 1oz Postage	Per Piece	\$0.55	125	\$68.75
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	\$6.00	25	\$150.00
Toll Free Customer Service Representative	Flat Fee	\$237.50	1	\$237.50
Storage, Photocopies, Deliveries	Flat Fee	\$400.00	1	\$400.00

Subtotal \$1,231.25

I L Y M | G R O U P, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
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DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	3	\$450.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	3	\$375.00
1st Check Stub & Release - Print & Mail (W2/1099)	Per Check	\$4.00	125	\$500.00
USPS First Class 1oz Postage	Per Piece	\$0.55	125	\$68.75
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	\$8.00	13	\$100.00
Preparation of Taxes	Hourly	\$120.00	5	\$600.00
Annual Filing of Tax Return	Per Year	\$750.00	1	\$750.00
Escheat Funds to State Controller	Per Piece	\$750.00	1	\$750.00

**Additional Bank fees may apply*

Subtotal \$3,593.75

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	1	\$100.00
Project Manager Final Reporting	Hourly	\$120.00	1	\$120.00
Declaration	Hourly	\$125.00	1	\$125.00

Subtotal \$345.00

TOTAL CASE ESTIMATE - NOT TO EXCEED: \$6,500.00

Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.