

Larry W. Lee (State Bar No. 228175)
Kristen M. Agnew (State Bar No. 247656)
Nicholas Rosenthal (State Bar No. 268297)
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

William L. Marder (State Bar No. 170131)
bill@polarislawgroup.com
Polaris Law Group
501 San Benito Street, Suite 200
Hollister, CA 95023
(831) 531-4214
(831) 634-0333 facsimile

Attorneys for Plaintiffs and the Putative Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA BARBARA

JOSE VALENCIA, an individual,
BRANDON JEROUE, an individual, and on
behalf of all others similarly situated,

Plaintiffs,

vs.

SENTINEL TRANSPORTION, LLC, a
Delaware limited liability company; and
DOES 1 through 50, inclusive,

Defendants.

Case No.: 22CV00951

[Assigned for all purposes to the Hon. James F.
Rigali, Department SM Dept 2]

**DECLARATION OF KRISTEN M. AGNEW IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS AND
REPRESENTATIVE ACTION SETTLEMENT**

Date: February 27, 2024

Time: 8:30 a.m.

Dept.: SM Dept. 2

Complaint Filed: April 29, 2022

Trial Date: None

1 I, Kristen M. Agnew, declare as follows:

2 1. I am an attorney at law, duly licensed to practice before all Courts in the State of
3 California, and am with the law firm Diversity Law Group, P.C., counsel of record for Plaintiffs
4 Jose Valencia and Brandon Jeroue (“Class Representatives” or “Plaintiffs”). I have personal
5 knowledge of the facts set forth below and if called to testify I could and would do so competently.

6 **RELEVANT PROCEDURAL HISTORY**

7 2. From the inception of the case, Class Counsel has zealously represented the interests
8 of the Class. I have no conflicts with the Class and will adequately represent the Class.

9 3. On January 20, 2022, Plaintiff Valencia submitted written notice to the California
10 Labor and Workforce Development Agency (“LWDA”), alleging that Defendant violated Labor
11 Code sections 204, 226(a), and 2802, pursuant to Labor Code section 2699. Attached hereto as
12 **Exhibit A** is a true and correct copy of the PAGA notice submitted by Plaintiff Valencia.

13 4. On March 2, 2022, Plaintiff Jeroue submitted written notice to the California Labor
14 and Workforce Development Agency (“LWDA”), alleging that Defendant violated Labor Code
15 sections 201, 202, 203, 204, 226(a), 510, 558, 1174, 1198, 1199 and 2802, pursuant to Labor Code
16 section 2699. Attached hereto as **Exhibit B** is a true and correct copy of the PAGA notice submitted
17 by Plaintiff Jeroue.

18 5. As set forth in their respective PAGA notices, Plaintiffs allege wage and hour
19 violations predicated on Defendant’s alleged failure to: (1) reimburse employees for work-related
20 expenses, including those related to the maintenance of work-related clothing, such as fire resistant
21 clothing, and the use of personal cell phones to submit time records and communicate with other
22 employees; (2) pay minimum, regular and/or overtime wages to drivers for the time spent waiting to
23 be informed as to whether a truck was available; (3) pay reporting time wages to drivers who
24 reported to work and had their shift cancelled; (4) provide accurate itemized wage statements that
25 identify the applicable hourly rate of pay and applicable hours for “Base Pay” wages; and (5) pay
26 earned wages to employees in a timely manner.

27 6. On March 8, 2022, Plaintiffs filed a class action complaint against Defendant in the
28 matter of *Jose Valencia et. al. v. Sentinel Transportation, LLC*, Superior Court of California for the

County of Santa Barbara, Case No. 22CV00951 (the “Action”). In the original complaint, Plaintiffs asserted class claims predicated on the Labor Code violations articulated in the PAGA notices.

7. On April 11, 2022, Defendant removed the Action to the United States District Court for the Central District of California.

8. On April 29, 2023, Plaintiffs filed a related representative PAGA complaint against Defendant in the matter of *Jose Valencia, et al. v. Sentinel Transportation, LLC*, Santa Barbara Superior Court Case No. 22CV01684 (“PAGA Action”). In the PAGA Action, Plaintiffs seek civil PAGA penalties for the Labor Code violations alleged the PAGA Notices.

9. On May 11, 2022, Plaintiffs filed a motion to remand the Action, on the basis that the amount in controversy does not exceed the jurisdictional threshold required by CAFA. Shortly thereafter, the Parties stipulated to the remand of the Action, on the condition that Plaintiffs would amend the complaint and narrow the scope of the claims.

10. Following the remand of the Action, on June 16, 2022, Plaintiffs filed the First Amended Complaint. As set forth in the First Amended Complaint, Plaintiffs: (1) limit the claim for unpaid minimum wages and overtime to only those shifts on which putative class members reported to work but had their shifts cancelled; and (2) omit reference to penalties under Labor Code sections 210 and 558.

11. As a condition of settlement, the Parties stipulated to the filing of a Second Amended Class and Representative Action Complaint (“Second Amended Complaint” or “SAC”) in the Action. The Second Amended Complaint adds the claims asserted in the PAGA Action. On February 1, 2024, the Parties submitted a Joint Stipulation for Leave to File Second Amended Complaint.

12. The Second Amended Complaint is the operative complaint. As set forth in the SAC, Plaintiffs allege wage and hour violations predicated on four alleged unlawful policies and practices. First, Plaintiffs maintain that Defendant required truck drivers to use personal cell phones for work-related purposes—including, but not limited to, for the purpose of submitting time records and communicating with other employees—but did not reimburse employees for such costs. Plaintiffs further allege that Defendant failed to reimburse drivers for the costs associated with the

1 maintenance of work-related clothing, such as fire resistant clothing.

2 13. Second, Plaintiffs allege that Defendants failed to pay wages for all hours worked.
3 Plaintiffs contend that, on the days when a driver reported to work, and a truck was not available,
4 the employee's shift would be cancelled. Drivers were not paid minimum, regular and/or overtime
5 wages for the time spent waiting to be informed as to whether a truck was available. Relatedly,
6 Plaintiffs allege that Defendant failed to pay reporting time pay for these cancelled shifts, as
7 required by law.

8 14. Third, as a result of the alleged nonpayment of wages and reporting time pay,
9 Plaintiffs contend that the wage statements provided to employees displayed inaccurate rates of pay,
10 net and gross wages earned, and total hours worked, in violation of Labor Code section 226(a).
11 Plaintiffs also assert a separate, independent violation of Labor Code section 226(a). Whenever
12 "Base Pay" were paid to employees, the corresponding wage statement failed to identify the
13 applicable hourly rate of pay and applicable hours for such wages.

14 15. Fourth, Plaintiffs maintain that, as a pattern and practice, Defendant failed to pay
15 earned wages to employees in a timely manner. More specifically, wages were paid more than
16 seven days after the close of the payroll period, in violation of Labor Code section 204.

17 **DISCOVERY & INVESTIGATION**

18 16. The Parties engaged in an extensive exchange of documents and information,
19 through both formal and informal discovery.

20 17. On July 7, 2022, Plaintiffs propounded written discovery, including Special
21 Interrogatories (Set One) and Requests for Production of Documents (Set One). Amongst other
22 relevant topics, the discovery required Defendant to provide documents and information relevant to
23 class certification, including the number of putative class members, time and payroll records,
24 Defendant's overtime and reporting time pay policies, Defendant's cell phone policy,
25 reimbursement procedures, and documents pertaining to the display of "Base Pay" wages paid to
26 employees. Defendant served responses to both sets of written discovery.

27 18. I extensively met and conferred with defense counsel regarding Defendant's
28 discovery responses. In connection with these discussions, we discussed the factual allegations and

1 the merits of their respective claims and defenses. Citing to Defendant’s written policies, defense
2 counsel argued that the company used an electronic timekeeping system, which specifically
3 prohibits employees from using cell phones to submit time. Counsel also contended that drivers
4 were provided with radios to communicate with dispatch and management.

5 19. In or around April 2023, the Parties agreed to redirect their efforts towards an early
6 resolution of the Action and agreed to participate in private mediation. The Parties further agreed to
7 stay further written discovery, in favor of the informal exchange of information leading up to
8 mediation. Defendant provided numerous data points regarding the scope of the class and range of
9 potential damages and penalties at issue, such as: (1) the number of non-exempt drivers; (2) the
10 number of employees paid “base pay” wages; (3) the number of alleged aggrieved employees; (4)
11 the number of pay periods worked by non-exempt drivers; (5) the number of pay periods worked by
12 alleged aggrieved employees; (6) the average hourly rate of pay for non-exempt drivers; (7) the
13 number of wage statements reflecting the payment of “base pay” wages; (8) revised wage
14 statements that include the hours and hourly rate for “base pay” wages; and (9) wage statements
15 reflecting Defendant’s change in policies regarding its payroll schedule.

16 20. Using the data provided by Defendant, I performed a comprehensive damages
17 analysis. I also investigated the applicable law as applied to the facts discovered regarding the
18 alleged claims of the putative class and potential defenses thereto. Thus, I entered mediation with a
19 clear understanding of Defendant’s maximum exposure.

20 MEDIATION

21 21. On October 2, 2023, the Parties engaged in a full-day mediation with mediator
22 Francis J. Ortman III. As a result of the mediation, and after the exchange of further information
23 and extended negotiations following mediation, Plaintiffs and Defendant reached the present class-
24 wide settlement, memorialized by a written Memorandum of Understanding (“MOU”) fully
25 executed on October 3, 2023.

26 22. The Parties subsequently executed the Joint Stipulation of Class and Representative
27 Action Settlement (“Stipulation” or “Agreement”), a true and correct copy of which is attached
28 herewith as **Exhibit C**.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

24. The proposed Class includes Aggrieved Employees, which is defined as “all non-exempt or hourly paid employees of Sentinel in California at any time from January 20, 2021 through December 1, 2023.” SA at § A-2. There are approximately 265 Aggrieved Employees.

26. Subject to Court approval, the Settlement allocates Fifty Thousand Dollars (\$50,000.00) of the Gross Settlement Fund to PAGA penalties (“PAGA Settlement Amount”). *See* SA §§ A-24, E-7. Pursuant to PAGA, seventy-five percent of the PAGA Settlement Amount, *i.e.*, the sum of Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00), shall be paid to the LWDA. *See id.* at § E-7. The remaining twenty-five percent of the PAGA Amount, *i.e.*, the sum of Twelve Thousand Five Hundred Dollars (\$12,500.00) (“Net PAGA Payment”), shall be distributed to Aggrieved Employees. *See id.* As detailed in the Settlement, Aggrieved Employees will be entitled to receive a portion of the Net PAGA Payment on a *pro rata* basis, based upon the total number of pay periods each Aggrieved Employee worked during the PAGA Period, regardless of whether the employee submits a timely and valid Request for Exclusion from the Settlement Agreement. *See id.*

1 at § E-10. The Individual PAGA Settlement Amounts shall be allocated as 100% penalties. *See id.*

2 27. The balance of the Gross Settlement Fund remaining after deduction of the approved
3 attorneys' fees (up to \$188,333.33) and litigation costs (up to \$20,000.00), the PAGA Settlement
4 Amount (\$50,000.00), the Enhancement Payment to the Class Representatives (up to \$10,000.00
5 each), and Settlement Administration costs (up to \$10,000.00), is the Net Settlement Amount. *See*
6 SA § A-21. I estimate that the Net Settlement Amount will be at least \$276,666.67.

7 28. The Net Settlement Amount will be available for distribution to Settlement Class
8 Members (*e.g.* Class Members who do not opt-out of the settlement). *See* SA §§ A-35, E-8
9 Settlement Class Members will be entitled to receive a portion of the Net Settlement Amount on a
10 *pro rata* basis, based upon the total number of pay periods each Settlement Class Member worked
11 during the Class Period. *See id.* at § E-9. This is fair, as it directly allocates greater recovery to
12 individual Settlement Class Members who have allegedly suffered greater harm. One Hundred
13 percent (100%) of the Net Settlement Amount shall be allocated to all Settlement Members.

14 29. As part of the Agreement, Defendant does not object to the payment of an
15 Enhancement Payment in the amount of Ten Thousand Dollars (\$10,000.00) to each Class
16 Representative. *See* SA at § A-13. This amount is intended to compensate the Class Representatives
17 for their efforts and work in prosecuting this case, including meeting and communicating with Class
18 Counsel and reviewing the pleadings and documents in this case, including the PAGA Notice,
19 Complaint and the Agreement. Moreover, in consideration for the Enhancement Payments, the
20 Class Representatives also executed a general release of all claims including a waiver under
21 California Civil Code § 1542, which other members of the Class did not have to do. *See id.* at § D-
22 3. Any portion of the Enhancement Payments not approved by the Court shall be added to the Net
23 Settlement Amount for distribution to the Settlement Class.

24 30. Also, as part of the Agreement, Defendant does not object to Class Counsel's request
25 for attorneys' fees of not more than one-third (33.33%) of the Gross Settlement Fund or One
26 Hundred Eighty-Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents
27 (\$188,333.33), as well as declared litigation costs not to exceed Twenty Thousand Dollars
28 (\$20,000.00) in connection with the prosecution of the Action. *See* SA at § A-3. Any amount of

1 attorney's fees or costs requested and not approved by the Court shall be added to the Net
2 Settlement Amount for distribution to the Settlement Class. *See id.* at § E-4.

3 31. The Agreement provides for the payment of the fees and expenses reasonably
4 incurred by the Settlement Administrator. *See* SA § A-34. The Parties have selected Phoenix
5 Settlement Administrators as the Settlement Administrator. *See* SA § A-33. The Settlement
6 Administrator's anticipated costs are Ten Thousand Dollars (\$10,000.00). *See id.* I believe that the
7 administration fee is reasonable and should be approved.

8 32. The administration costs will be deducted from the Gross Settlement Fund. Any
9 portion of the administration costs not used or approved by the Court shall be added to the Net
10 Settlement Amount for distribution to the Settlement Class. I believe that the administration fee is
11 reasonable and should be approved.

12 **ANALYSIS OF THE CLASS CLAIMS**

13 33. **Off-the-Clock and Reporting Time Pay.** Plaintiffs and Driver Class Members are
14 truck drivers. On the days when a driver reported to work, and a truck was not available, the
15 employee's shift would be cancelled. Although this time is compensable, Plaintiffs allege that
16 drivers were not paid minimum, regular and/or overtime wages for the time spent waiting to be
17 informed as to whether a truck was available. Additionally, Defendant failed to pay Driver Class
18 Members reporting time pay for cancelled shifts, as required by Labor Code section 1119.

19 34. Defendant denies Plaintiffs' allegations. Defendant's timekeeping system allowed
20 drivers to record non-productive time, including pre-trip inspections and the time spent waiting for
21 a truck to arrive. Citing to *Brinker Restaurant Corp. v. Superior Court*, 53 Cal. 4th 1004 (2012) and
22 its progeny, Defendant argues that its liability is contingent on proof that Defendant knew or should
23 have known that off-the-clock work was occurring. In the absence of a uniform policy that requires
24 off-the-clock work, Defendant argues that Plaintiffs will not be able to establish the requisite
25 knowledge through common proof.

26 35. Defendant further argues that the minimum wage and overtime claims are not
27 suitable to be adjudicated on a class-wide basis. As argued by defense counsel, there are no
28 centralized records that will establish the amount of time that Driver Class Members spent waiting

1 for a truck to become available on shifts that were ultimately cancelled. Thus, according to
2 Defendant, it would be necessary to determine for each individual employee the amount and nature
3 of the uncompensated work. Therefore individual, rather than common, questions would
4 predominate.

5 36. Additionally, Defendant disputes the existence of a common policy that resulted in
6 the non-payment of reporting time pay. As argued by Defendant, when a driver's shift is cancelled,
7 most drivers are given the option to do other work at the terminal. According to Defendant, an
8 adjudication of the alleged reporting time violation would require individualized assessments as to
9 the circumstances of the cancelled shift, including whether the employee declined available work.
10 Defendant further argues that, even if Plaintiffs were able to establish that some drivers were not
11 properly paid reporting time pay, such a claim would not be manageable because the non-payment
12 was sporadic and further isolated to a single terminal.

13 37. **The Reimbursement Claim.** Plaintiffs allege that Driver Class Members incurred
14 expenses while performing reasonable and necessary work-related duties. Since Driver Class
15 Members transported flammable materials, they were required to wear heavy, fire-resistant
16 clothing. Due to the bulky nature of the gear and the need to use specialty detergent to preserve its
17 integrity, Driver Class Members could not wash their work clothes with personal items. Whereas
18 here, an employee is responsible for laundering specialty clothing, the employer must reimburse the
19 employee for the demonstrated costs of laundering it. Similarly, employees must be reimbursed for
20 the costs associated with the use of a personal cell phone for work-related reasons, such as
21 communicating with co-workers and submitting time records using a personal cell phone. Plaintiffs
22 maintain that, as a matter of practice, Defendant did not reimburse Driver Class Members for such
23 expenses.

24 38. Defendant denies Plaintiffs' allegations. According to Defendant, there is no
25 obligation to reimburse drivers for the costs associated with laundering work gear, as these items
26 can be washed during a typical laundry routine with a standard detergent. With respect to the use of
27 personal cellphones on the job, Defendant maintains that: (1) Driver Class Members were provided
28 two-way radios to communicate with dispatch and other employees; and (2) Defendant utilized an

1 electronic timekeeping system, which negated the need for employees to use cell phones to submit
2 daily time entries. Thus, according to Defendant, the decision to use a cell phone for business
3 purposes is a personal decision and not one required by company policy. Defendant contends that
4 the law does not require an employer to be responsible for expenses it does not know about.

5 39. Defendant further argues that, even if Plaintiffs prevailed on the merits, Plaintiffs
6 cannot establish class-wide damages. Defendant contends that damages will necessarily hinge on
7 individualized inquiries into the actual expenses incurred by Driver Class Members and whether
8 each employee submitted a reimbursement request.

9 40. **The Wage Statement Claim.** Plaintiffs bring a wage statement claim based on
10 Defendant's failure to list the rate and hours used to calculate "Base Pay" wages. As alleged by
11 Plaintiffs, whenever "Base Pay" wages were paid, the corresponding wage statement omitted the
12 applicably hourly rate and hours used to calculate the wage. Instead, only the gross amount of the
13 "Base Pay" was listed. Thus, Plaintiffs allege that there is no plausible way an employee could
14 determine the hours or rate for "Base Pay" wages on their own. Courts have consistently found
15 employers to be in violation of § 226(a) where their wage statements failed to provide the accurate
16 rates and corresponding hours worked during the pay period.

17 41. Defendant maintains that any alleged omission of information from the wage
18 statements was not a "knowing and intentional failure" by Defendant to comply with Labor Code §
19 226(a), nor did any omission result in any "injury" to Plaintiffs or the Wage Statement Class, and
20 penalties are therefore unwarranted.

21 42. Plaintiffs also pursue a wage statement violation that is purely derivative in nature,
22 and therefore vulnerable to a motion for summary judgment based on the weaknesses of the
23 underlying primary claims. *See Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308 (2018)
24 (finding that the employees did not suffer a violation under 226(a) where their wage statement
25 cause of action was derived from an underlying wage and hour violation for overtime).

26 43. Defense counsel represented that, as of January 31, 2021, Defendant revised its wage
27 statements to list Base Pay as "Shift Diff" and to include the corresponding hours and hourly rates
28 of pay. As part of the informal production of documents in advance of mediation, Defendant

1 produced the revised wage statements.

2 44. **The Section 204 Claim.** Plaintiffs assert a representative PAGA claim based on the
3 allegation that Defendant had a consistent policy of paying wages to employees on or after the
4 eighth day following the close of the pay period, in violation of Labor Code section 204. Defendant
5 argues that even if the Court ultimately found a violation of Labor Code section 204, the alleged
6 violation is a technical one, which did not result in the underpayment of wages to Aggrieved
7 Employees. Additionally, the Court has discretion under PAGA to reduce the maximum allowable
8 PAGA penalties.

9 45. Defense counsel represented that Defendant revised its pay schedule to be 5 days in
10 arrears starting on April 10, 2023. As part of mediation, Defendant produced sample wage
11 statements for the first pay period in which the respective revisions were made, the subsequent pay
12 period, and a recent pay period.

13 46. **Waiting Time Penalties.** Plaintiffs seek waiting time penalties based on
14 Defendant's alleged underpayment and/or non-payment of wages. In order to establish liability for
15 waiting time penalties under Labor Code § 203, it is the plaintiff's burden to prove not only that
16 there was a failure to pay final wages in a timely manner, but also that the failure to pay wages in a
17 timely manner was "willful." Defendant maintains that Plaintiffs cannot establish the predicate fact
18 that any earned wages were not paid at the time of termination. Defendant further contends, that to
19 the extent that Plaintiffs overcome this hurdle, Plaintiffs would still need to prove that Defendant
20 willfully delayed each final payment, and this is an inherently fact intensive inquiry, which is not
21 susceptible to class-wide adjudication.

22 **POTENTIAL RECOVERABLE DAMAGES AND PENALTIES**

23 47. Based on the class data provided by Defendant, I estimate that Defendant would face
24 potential liability of up to approximately \$2,212,882.40 in unpaid wages and statutory penalties, if
25 Plaintiffs succeeded at trial on all class claims:

- 26 a. **Off-the-Clock Claim.** The data produced by Defendant indicates that 363
27 Driver Class Members worked 19,756 pay periods, during the period of
28 March 8, 2018 to August 18, 2023. The average hourly rate of Driver Class

Members during this period was \$30.16. Applying this hourly rate, and assuming that Driver Class Members worked one hour off-the-clock in 9,878 pay periods (50% violation rate), I estimate that the Driver Class would be entitled \$297,920.48 in unpaid wages.

b. **Reporting Time Pay.** Pursuant to Wage Order 9, every workday an employee is required to report to work, but is not put to work or is furnished with less than half of his or her usual or scheduled day's work, he or she must be paid for half the usual or scheduled day's work, but in no event for less than two hours nor more than four hours, at his or her regular rate of pay. Based on the average hourly rate of \$30.16, Driver Class Members would be entitled to receive \$120.64 in reporting time pay for each cancelled shift. Assuming that Driver Class Members experienced one cancelled shift in 9,878 pay periods (50% violation rate), I estimate that the Driver Class would be entitled to \$1,191,681.92 in reporting time pay wages.

c. **The Reimbursement Claim.** The data produced by Defendant indicates that 363 Driver Class Members worked 19,756 pay periods, during the period of March 8, 2018 to August 18, 2023. Assuming that each employee is owed \$30 per pay period in unpaid reimbursement, I estimate that Defendant's exposure on the reimbursement claim to be \$592,680.

d. **The Non-Derivative Wage Statement Claim.** Based on the payroll data produced by Defendant, I estimate that Defendant owes \$130,600 in Labor Coe section 226(e) penalties [(94 Wage Statement Class Members x \$50) + [1,259 pay periods x \$100)].

POTENTIAL RECOVERABLE CIVIL PAGA PENALTIES

48. Due to the discretionary nature of PAGA penalties, PAGA civil penalties are difficult to evaluate. Defendant has indicated that there were approximately 13,056 pay periods in which Aggrieved Employees worked during the period of January 20, 2021 to August 18, 2023. Assuming that Plaintiffs were to prevail on the merits of the PAGA claim, applying the standard

penalty of \$100 per pay period yields \$1,305,600 in potential liability.

49. In the alternative, if the Court were to “stack” penalties, (*i.e.*, award multiple PAGA penalties for different Labor Code violations in the same pay period), the potential PAGA penalties could total as high as \$3,230,900:

Alleged Violation	Aggrieved Employees	PAGA Pay Periods	Violation Rate	PAGA Civil Penalty
Off-the-Clock Claim	265	13,056	50%	\$652,800
Reporting Time Pay	265	13,056	50%	\$652,800
Reimbursement	265	13,056	50%	\$652,800
Non-Derivative Wage Statement	94	1,353	100%	\$135,300
Section 204	265	11,372	100%	\$1,137,200
				\$3,230,900

50. The above penalty calculations assume that Plaintiffs will prevail on the merits. However, Plaintiffs’ claims are contested.

51. In negotiating the amount of the settlement, I took into account the inherent uncertainty in the potential recovery in a PAGA action. By statute, the Court can decline to award the full amount of PAGA penalties where “...if, based on the facts and circumstances of the particular case, to do otherwise, would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” *See* Cal. Labor Code § 2699(e)(2). Assuming that Plaintiffs prevailed on liability, under the facts of this case, I appreciate the substantial risk that Defendant could present a persuasive argument to reduce the amount of PAGA penalties at trial.

52. In this case, Defendant asserted that a substantial reduction in potential PAGA penalties was warranted because: (1) the alleged violations were inadvertent; (2) Aggrieved Employees did not suffer substantial economic harm as a result of the alleged violations of Labor Code; and (3) Defendant promptly revised its wage statements and payroll calendar to be in compliance with the Labor Code. Thus, Defendant contends that no PAGA penalties were needed to punish or deter Defendant for its inadvertent behavior, much less to deter it from committing any

1 future violations that were completely foreclosed by its new payroll practices.

2 53. I am also aware that Courts routinely award far less than the statutory maximum
3 amount of civil penalties, even where an underlying violation of the Labor Code is found. As shown
4 in the Court of Appeal's decision in *Carrington v. Starbucks Corp.*, while the plaintiff prevailed on
5 his PAGA claim at trial, the trial court reduced the maximum PAGA penalty amount by 90%, citing
6 the employer's good faith attempt at complying with the law. 30 Cal. App. 5th 504, 517 (2018).
7 Upon review, the Court of Appeal found such reduction to be proper. *Id.* at 539. Thus, assuming
8 that the Court uses *Carrington* as a benchmark and assesses PAGA penalties of approximately 10%
9 of the total maximum, a more realistic estimate of the maximum PAGA penalties at issue—even
10 with "stacking"— is \$323,090.

11 54. Here, based on the amounts explained above, the total exposure for the class and
12 PAGA claims amount to \$5,443,782.40. The Settlement Fund here is \$565,000.00, and thus
13 amounts to approximately 10.37% of Defendant's maximum exposure. However, this figure
14 assumes that the Court would award \$3,230,900 in civil PAGA penalties, which presumes the
15 award of multiple PAGA penalties for different Labor Code violations in the same pay period.

16 55. In the alternative, if the Court applies a single \$100 PAGA penalty per pay period ,
17 the realistic exposure on the class and PAGA claims totals \$3,518,482.40. Without the stacking of
18 PAGA penalties, the Settlement Fund is approximately 16.05% of the total estimated liability.

19 **ESTIMATED INDIVIDUAL CLASS SETTLEMENT PAYMENTS**

20 56. I estimate that the Net Settlement Amount will be at least \$276,666.67. On raw
21 average, each Class Member may potentially recover approximately \$1,036.20 or \$13.90 per pay
22 period worked during the Class Period. The amount actually paid to each Class Member may
23 increase or decrease depending on the actual number of pay periods worked during the Class Period
24 and the number of opt-outs received. To the extent that there are valid opt-outs, the Settlement
25 Administrator will proportionately increase the individual settlement payments to each Settlement
26 Class Member so that the amount distributed to Settlement Class Members equals 100% of the Net
27 Settlement Amount.

28 57. This is a non-reversionary settlement as the entirety of the Gross Settlement Fund

1 will be fully paid out. *See* SA § E-2. Settlement Class Members and Aggrieved Employees will
2 have 180 days from the mailing of the settlement payment to cash the check. *See id.* at § G-2. After
3 the expiration of 180 days, the funds represented by uncashed settlement checks will be paid out
4 pursuant to California Code of Civil Procedure section 384 to Legal Aid at Work, the designated cy
5 pres recipient. *See id.* I do not have a personal or financial interest in Legal Aid at Work.

6 **THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE**

7 58. I believe that Plaintiffs and the Class could prevail at trial. However, I also believe in
8 the fairness of the settlement, which is based on factoring in the uncertainty and risks attendant to
9 not prevailing on one or more theories of liability, the possibility of losing at trial and potential for
10 appeals. Moreover, as Defendant adamantly denies that it should be liable for the full extent of the
11 alleged damages and penalties, there is a possibility that Plaintiffs and the Class would be awarded
12 less or recover nothing at trial. Thus, after taking into account sharply disputed legal issues
13 involved in this litigation, the risks associated with further prosecution, delays caused by potential
14 appeals, and the substantial benefits to be received pursuant to the Agreement, I believe that the
15 proposed settlement is fair, reasonable, and adequate and is in the best interests of the Class.

16 **ATTORNEY EXPERIENCE**

17 59. Diversity Law Group has a great deal of experience in wage and hour class action
18 litigation and has been approved as class counsel in a number of class actions.

19 60. My qualifications are as follows: I was the 2003 recipient of the Spelman
20 Presidential Scholarship to Emory University School of Law. During law school, I was a summer
21 associate at the law firm of Sonnenschein, Nath and Rosenthal, and clerked with the Atlanta office
22 of the Equal Employment Opportunity Commission. I received my J.D. from Emory University in
23 2006 and was admitted to the California Bar in December 2006. Following law school, I was an
24 associate at Sonnenschein from September 2006 to May 2009.

25 61. Since 2009, my primary area of practice has been employment litigation. I have
26 practiced law at two preeminent employment defense firms. From May 2009 to June 2011, I was an
27 associate at Ogletree, Deakins, Nash, Smoak & Stewart, P.C. I was also an associate, and then senior
28 associate, in the labor and employment practice group of Seyfarth Shaw, LLP from June 2011 to

1 May 2016. At both Ogletree and Seyfarth, I represented a wide array of fortune 500 companies in
2 employment litigation in both state and federal courts, as well as before government agencies,
3 including the California Department of Labor. My practice included the defense of single plaintiff
4 and multi-plaintiff lawsuits involving claims under the California Fair Employment and Housing
5 Act, the California Labor Code and the Fair Labor Standards Act. I also handled a number of wage
6 and hour class actions.

7 62. While at Ogletree and Seyfarth, I served as the lead associate on a number of wage
8 and hour class actions, including *Martha Cardenas v. Gold's Gym*, Los Angeles County Superior
9 Court Case No. BC445112; *Nathaniel Werner v. Crown Equipment Corporation*, Los Angeles
10 County Superior Court Case No. BC439428; *Christopher Williams v. Allstate Insurance Co.*, Los
11 Angeles County Superior Court Case No. BC382577; *Hwang v. Caltech*, Los Angeles County
12 Superior Court Case No. BC464894; *Melissa Roberts v. Zale Delaware, Inc.*, Los Angeles Superior
13 Court Case No. BC523610; *Michael Oliver v. Konica Minolta Business Solutions U.S.A., Inc.*, Santa
14 Clara County Superior Court Case No. 114-CV-263183; *Tessa Hodge v. Zale Delaware, Inc., d/b/a*
15 *Piercing Pagoda*, San Bernardino Superior Court Case No CIVVS1301632; *Warren v. Paychex,*
16 *Inc.*, N.D. Cal. Case No. 3:10-cv-02006; *Tapia v. Zale Delaware Inc. et al*, S.D. Cal. Case No. 3:13-
17 cv-01565; and *Benjamin Burgess et al v. Tesoro Refining and Marketing Company et al*, C.D. Cal.
18 Case No. 2:10-cv-05870.

19
20 63. In June 2016, I joined Diversity Law Group, P.C. where I spend most of my time
21 handling employment cases. I primarily represent employees.

22 64. I have been approved as class counsel in numerous other wage/hour class actions that
23 have been granted class certification and final approval, including: *Antonio Becerra-Mata v. PSC*
24 *Industrial Outsourcing, LP*, San Benito County Superior Court Case No. CU-15-00030; *Kosal So v.*
25 *Owens-Brockway Glass Container, Inc.*, Los Angeles County Superior Court Case No. BC608609;
26 *Sarah Rodriguez v. Manpower, Inc.*, Santa Clara County Superior Court Case No. 1-16-CV-294904;
27 *Shannon Sanchez v. American Para Professional Systems, Inc.*, Santa Clara County Superior Court
28 Case No. 17CV306751; *Foaad Hanna v. Equinix, LLC*, Santa Clara County Superior Court Case No.

1 18CV339365; *Alicia Harris v. 24 Seven LLC*, Los Angeles County Superior Court Case No.
2 BC720144; *Mary Della Maggiora v. Watsonville Community Hospital*, Santa Cruz Superior Court
3 Case No. 18CV00191; *Michael Randolph v. Pacific Racing Association*, Alameda County Superior
4 Court Case No. RG18908139; *Cody Wirbick v. Sundt Construction, Inc.*, U.S. District Court for the
5 Eastern District of California Case No. 2:19-cv-02067-MCE-CKD; *Jose Vasquez Ruiz v. Perdue*
6 *Foods, LLC*, Sonoma County Superior Court Case No. SCV 264649; *Delmer Wood III v. Reeve*
7 *Trucking Company Inc.*, San Joaquin Superior Court Case No. STK-CV-UOE-2018-0004414; *Eric*
8 *Chavez v. Converse, Inc.*, U.S. District Court for the Northern District of California Case No. 15-cv-
9 03746-NC; *Jharett Siron v. Raypak, Inc.*, Ventura County Superior Court Case No. 56-2019-
10 00527959-CU-OE-VTA; *Prexxie Pascual and Arturo Fonseca v. Satellite Healthcare, Inc.*, Santa
11 Clara Superior Court Case No. 19CV345211; and *Markham v. Quik Stop Markets, Inc.*, Santa Clara
12 Superior Court Case No. 19CV341582.

13 65. I also second chaired two jury trials where I represented the prevailing defendant.
14 Both cases involved employees who brought claims against their former employers pursuant to the
15 Fair Employment & Housing Act. The cases are: *Jeff Cowell v. Eaton Aerospace LLC et al*, Los
16 Angeles County Superior Court Case No. BC401543; and *Richard Gulden v. Pratt & Whitney*
17 *Rocketdyne Inc. et al.*, Los Angeles County Superior Court Case No. BC468909. More recently, I
18 was lead trial counsel on a PAGA bench trial, in which the plaintiff was the prevailing party.

19 **NOTICE TO LWDA**

20 66. Concurrent with the filing of the Motion to Approve PAGA Settlement, my office
21 uploaded the Motion, Agreement, and proposed order to the LWDA's website.

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

24 Executed on this 1st day of February 2024, at Los Angeles, California.

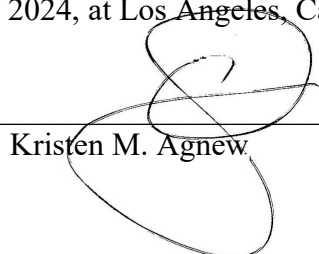
25
26
27 
28 _____
Kristen M. Agnew

EXHIBIT A

JOSE VALENCIA

c/o DIVERSITY LAW GROUP, P.C.
515 S. FIGUEROA STREET, SUITE 1250
LOS ANGELES, CALIFORNIA 90071
TELEPHONE (213) 488-6555
FACSIMILE (213) 488-6554

January 20, 2022

VIA ON-LINE FILING WITH LWDA AND CERTIFIED MAIL, RETURN RECEIPT
REQUESTED TO EMPLOYER

California Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
PAGA@dir.ca.gov

Re: Valencia v. Sentinel Transportation, LLC

To Whom It May Concern:

This correspondence shall constitute written notice under Labor Code section 2699.3 of the claims asserted on behalf of myself and all similarly situated aggrieved employees against my employer, Sentinel Transportation, LLC (the "Company"). I allege that the Company:

1. Violated Labor Code § 204 by failing to pay all similarly situated employees, including myself, their earned wages in a timely manner. For example, for the pay period of July 5, 2021 through July 18, 2021, the wages earned during such pay period were not paid until July 28, 2021, which is more than 7 days after the end of the pay period.
2. Violated Labor Code § 2802 as it failed to reimburse for the costs I and other aggrieved employees incurred for work related expenses. First, we were required to use our personal cell phones for work related purposes. Specifically, we are required to use our personal cell phones for communication purposes, as well as to submit our time records. However, we were not reimbursed for any such costs related to the usage of our personal cell phones for work related purposes. Second, I and other aggrieved employees were required to wear fire resistant clothing. While we were provided such clothing by the Company, we were also required to maintain such clothing, such as wash/dry, at our own costs, without reimbursement for any such expenses.
3. Violated Labor Code § 226(a) as the Company failed to provide accurate wage statements to me and other similarly situated aggrieved employees. Specifically, I and other employees were paid "Base Pay" which I understand is earned on an hourly rate of pay. However, when such wages were paid, the wage statements issued by the Company failed to identify the applicable hourly rate of pay and applicable hours for such wages.

The address for the Company is as follows:

Sentinel Transportation, LLC
3521 Silverside Road

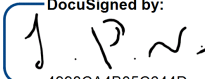
January 20, 2022

Page 2

Concord Plaza, Quillen Building, Suite 2A
Wilmington, DE 19810

As part of this Notice, I also demand that the Company cure all violations and pay all applicable penalties. Please contact my attorney Larry W. Lee at the above address/phone number if you have any questions regarding this matter.

Sincerely,

DocuSigned by:

4998CA4B05C644D...
Jose Valencia

cc: Sentinel Transportation, LLC (via certified mail)

EXHIBIT B

BRANDON JEROUE

c/o DIVERSITY LAW GROUP, P.C.
515 S. FIGUEROA STREET, SUITE 1250
LOS ANGELES, CALIFORNIA 90071
TELEPHONE (213) 488-6555
FACSIMILE (213) 488-6554

February 24, 2022

VIA ON-LINE FILING WITH LWDA AND CERTIFIED MAIL, RETURN RECEIPT
REQUESTED TO EMPLOYER

California Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
PAGA@dir.ca.gov

Re: Jeroue v. Sentinel Transportation, LLC

To Whom It May Concern:

This correspondence shall constitute written notice under Labor Code section 2699.3 of the claims asserted on behalf of myself and all similarly situated aggrieved employees against my former employer, Sentinel Transportation, LLC (the "Company"). I allege that the Company:

1. Violated Labor Code § 204 by failing to pay all similarly situated employees, including myself, their earned wages in a timely manner. For example, for the pay period of October 25, 2021 through November 7, 2021, the wages earned during such pay period were not paid until November 17, 2021, which is more than 7 days after the end of the pay period.
2. Violated Labor Code § 2802 as it failed to reimburse for the costs I and other aggrieved employees incurred for work related expenses. We were required to use our personal cell phones for work related purposes. Specifically, we are required to use our personal cell phones for communication purposes, as well as to submit our time records. However, we were not reimbursed for any such costs related to the usage of our personal cell phones for work related purposes.
3. Violated Labor Code § 226(a) as the Company failed to provide accurate wage statements to me and other similarly situated aggrieved employees. Specifically, I and other employees were paid "Base Pay" which I understand is earned on an hourly rate of pay. However, when such wages were paid, the wage statements issued by the Company failed to identify the applicable hourly rate of pay and applicable hours for such wages.
4. Violated Labor Code §§ 201-204, 510, 558, 1174, 1198, and 1199 as the Company failed to pay wages to me and other aggrieved employees in violation of the minimum, regular, overtime, and reporting time wage requirements. Specifically, other aggrieved employees and I were required to report to work. However, if a truck was not available, our shifts would be cancelled.

February 24, 2022

Page 2

The address for the Company is as follows:

Sentinel Transportation, LLC
3521 Silverside Road
Concord Plaza, Quillen Building, Suite 2A
Wilmington, DE 19810

As part of this Notice, I also demand that the Company cure all violations and pay all applicable penalties. Please contact my attorney Larry W. Lee at the above address/phone number if you have any questions regarding this matter.

Sincerely,

DocuSigned by:

968348EBCE5C4EE...
Brandon Jeroue

cc: Sentinel Transportation, LLC (via certified mail)

EXHIBIT C

Larry W. Lee (State Bar No. 228175)
Kristen M. Agnew (State Bar No. 247656)
Nicholas Rosenthal (State Bar No. 268297)
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile
lwlee@diversitylaw.com
kagnew@diversitylaw.com
nrosenthal@diversitylaw.com

William L. Marder (State Bar No. 170131)
Polaris Law Group
501 San Benito Street, Suite 200
Hollister, CA 95023
(831) 531-4214
(831) 634-0333 facsimile
bill@polarislawgroup.com

Attorneys for Plaintiffs, the Class, and Aggrieved Employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA BARBARA**

JOSE VALENCIA, an individual,
BRANDON JEROUE, an individual, and
on behalf of all others similarly situated,

Plaintiffs,

vs.

SENTINEL TRANSPORTION, LLC, a
Delaware limited liability company; and
DOES 1 through 50, inclusive,

Defendants.

Case No.: 22CV00951

[Assigned for all purposes to the Hon. James F.
Rigali, Dept. SM Dept 2]

**JOINT STIPULATION OF CLASS AND
REPRESENTATIVE ACTION SETTLEMENT**

JOINT STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

This Joint Stipulation of Class and Representative Action Settlement and Release (“Agreement”) is made and entered into by and between Plaintiffs Jose Valencia and Brandon Jeroue (collectively, “Plaintiffs”), on behalf of themselves and the putative class and as authorized proxies and agents for the State of California and the California Labor and Workforce Development Agency (“LWDA”), and Defendant Sentinel Transportation, LLC (“Defendant” or “Sentinel”) (collectively, the “Parties”).

A. DEFINITIONS

The following definitions are applicable to this Agreement. Definitions contained elsewhere in this Agreement will also be effective:

1. “Action” means the lawsuit entitled *Jose Valencia et. al. v. Sentinel Transportation, LLC*, filed on or about March 8, 2022, in the Superior Court of California for the County of Santa Barbara, Case No. 22CV00951.
2. “Aggrieved Employees” means all non-exempt or hourly paid employees of Sentinel in California at any time from January 20, 2021 through December 1, 2023.
3. “Attorneys’ Fees and Costs” means such award of fees and costs and expenses as the Court may authorize to be paid to Class Counsel for the services they have rendered and will render to Plaintiffs and the Class in the Action. Defendant has agreed not to oppose Class Counsel’s request for: (1) attorneys’ fees in an amount not to exceed One Hundred Eighty-Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$188,333.33), representing approximately one-third (or 33.33%) of the Gross Settlement Fund; and (2) reimbursement of all costs incurred and to be incurred by Class Counsel in the Action associated with the litigation and resolution of the Action (excluding third-party Settlement Administration Costs, which are separately identified and defined below), in an amount not to exceed Twenty Thousand Dollars (\$20,000.00), subject to the Court’s approval.
4. “Class Counsel” means Larry W. Lee, Kristen M. Agnew, and Nicholas Rosenthal of Diversity Law Group, P.C. and William L. Marder of Polaris Law Group.
5. “Class List” means a complete list of all Class Members that Defendant will

diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class List will include each Class Member's full name; most recent mailing address; Social Security number; number of pay periods worked by the Class Member during the Class Period; and number of pay periods worked by the Class Member during the PAGA Period.

6. "Class Member(s)" or the "Class" means (i) all current and former non-exempt or hourly paid employees of Sentinel who worked in a driver position in California at any time from March 8, 2018, through December 1, 2023 ("Driver Class" or "Driver Class Members"); and (2) all current and former non-exempt or hourly paid employees of Sentinel in California who received "Base Pay" at any time from March 8, 2021, through December 1, 2023 ("Wage Statement Class" or "Wage Statement Class Members").

7. "Class Period" means the period from March 8, 2018, through December 1, 2023.

8. "Class Representatives" or "Plaintiffs" mean Plaintiffs Jose Valencia and Brandon Jeroue.

9. "Court" means the Superior Court of the State of California for the County of Santa Barbara or any other court taking jurisdiction of the Action.

10. "Defendant" or "Sentinel" means Defendant Sentinel Transportation, LLC.

11. "Defendant's Counsel" means Baker & Hostetler LLP.

12. "Effective Date" means the latest of the following: (a) the date of the Court's Final Approval of the Settlement, if no objections by or on behalf of Class Members have been filed and not withdrawn; (b) if an objection is filed, the time for appeal has expired and no appeal has been filed or withdrawn; or (c) if a timely appeal is filed, the final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

13. "Enhancement Payment(s)" means the amount that the Court authorizes to be paid to Plaintiffs, in addition to their Individual Settlement Payments and Individual PAGA Payment, in recognition of their efforts and risks in assisting with the prosecution of the Action, and providing a general release of all claims. Subject to the Court granting final approval, the Parties agree that each Plaintiff shall be paid up to Ten Thousand Dollars (\$10,000.00) from the Gross Settlement Fund.

1 Defendant has agreed not to oppose Plaintiffs' application for the Enhancement Payments, provided
2 that the request is consistent with this Agreement.

3 14. "Final Approval" or "Final Approval Order" means the Court order granting final
4 approval of the Settlement and entering judgment.

5 15. "Gross Settlement Fund" means the Gross Settlement Fund of Five Hundred Sixty-
6 Five Thousand Dollars and Zero Cents (\$565,000.00) to be Paid by Defendant in full satisfaction of
7 all Released Claims and Released PAGA Claims, and which is inclusive of: (1) all Individual
8 Settlement Payments to Settlement Class Members; (2) the PAGA Settlement Amount; (3) the
9 Enhancement Payments to Plaintiffs; (4) the Attorneys' Fees and Costs requested by Class Counsel;
10 and (5) all Settlement Administration Costs.

11 16. "Individual Settlement Payment(s)" means each Settlement Class Member's share of
12 the Net Settlement Amount, to be distributed to Settlement Class Members.

13 17. "Individual PAGA Payment(s)" means each Aggrieved Employee's share of the
14 PAGA Settlement Amount, to be distributed to Aggrieved Employees.

15 18. "Judgment" means the judgment to be executed and entered by the Court pursuant to
16 this Agreement.

17 19. "LWDA" means the California Labor and Workforce Development Agency.

18 20. "LWDA Payment" means the 75% of the PAGA Settlement Amount paid to the
19 LWDA pursuant to California Labor Code § 2699(i).

20 21. "Net Settlement Amount" means the portion of the Gross Settlement Fund remaining
21 after deducting the Attorneys' Fees and Costs, Settlement Administration Costs, approved
22 Enhancement Payments, and the LWDA Payment.

23 22. "Notice of Objection" means a Class Member's valid and timely written objection to
24 the Settlement. For a written Notice of Objection to be valid, it must include: (a) the objector's full
25 name, signature, address, telephone number, and last four digits of the objectors Social Security
26 Number; (b) a written statement of all grounds for the objection accompanied by any legal support
27 for such objection; (c) copies of any papers, briefs, or other documents upon which the objection is
28 based; and (d) a statement whether the objector intends to appear at the Final Approval hearing.

23. “Notice of Settlement” or “Notice Packet” means the Notice of Class Action Settlement, substantially in the form of **Exhibit A**.

24. “PAGA” means the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq.*

25. “PAGA Period” means the period from January 20, 2021, through December 1, 2023.

26. “PAGA Settlement Amount” means the portion of the Gross Settlement Fund that the Parties have agreed will be allocated to resolve all claims, penalties, and remedies under the Private Attorneys General Act of 2004. Subject to Court approval and pursuant to California Labor Code § 2699(l), the Parties agree that the PAGA Settlement Amount shall be Fifty Thousand Dollars (\$50,000.00). Pursuant to PAGA, seventy-five percent (75%), or Thirty-Seven Thousand Five Hundred Dollars (\$37,500), of the PAGA Settlement Amount will be paid to the LWDA (the “LWDA Payment”). The remaining twenty-five percent (25%), or Twelve Thousand Five Hundred Dollars (\$12,500), of the PAGA Settlement Amount shall be distributed to Aggrieved Employees (the “Net PAGA Payment”).

27. “Parties” means Plaintiffs and Defendant collectively.

28. “Preliminary Approval” or “Preliminary Approval Order” means the Court order granting preliminary approval of the Settlement.

29. “Released Parties” means Sentinel Transportation, LLC and all of its parents, divisions, subsidiaries, affiliates, related entities, predecessors, successors, joint ventures, and assigns, and past or present officers, directors, shareholders, investors, members, managers, employees, agents, partners, attorneys, benefit plans, beneficiaries, administrators, insurers, representatives, or assigns, in their personal, individual, official, or corporate capacities.

30. “Request for Exclusion” means a timely letter submitted by a Class Member requesting to be excluded from the Settlement Class. The Request for Exclusion must: (a) be signed by the Class Member; (b) contain the name, address, telephone number and the last four digits of the Social Security Number of the Class Member requesting exclusion; (c) clearly state that the Class Member does not wish to be included in the Settlement; (d) be returned by mail to the

1 Settlement Administrator at the specified address; and (e) be postmarked on or before the Response
2 Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to
3 determine whether a Request for Exclusion has been timely submitted. A Class Member who does
4 not request exclusion from the Settlement will be deemed a Settlement Class Member and will be
5 bound by all terms of any Settlement granted Final Approval by the Court, meaning that the Class
6 Member's Released Claims will be deemed released, barred, and extinguished by the Court's Final
7 Approval Order and by the operation of law.

8 31. "Response Deadline" means the deadline by which Class Members must postmark
9 valid Requests for Exclusion or postmark Notices of Objection to the Settlement. The Response
10 Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the
11 Settlement Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case
12 the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.
13 The Response Deadline for Requests for Exclusion will be extended fifteen (15) calendar days for
14 any Class Member who is re-mailed a Notice Packet by the Settlement Administrator due to an
15 incorrect mailing address, unless the 15th day falls on a Sunday or Federal holiday, in which case
16 the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.
17 The Response Deadline may also be extended by express agreement between Class Counsel and
18 Defendant's Counsel. Under no circumstances, however, will the Settlement Administrator have
19 the authority to unilaterally extend the deadline for Class Members to submit a Request for
20 Exclusion or Notice of Objection to the Settlement.

21 32. "Settlement" means the settlement contemplated by this Agreement as granted Final
22 Approval by the Court.

23 33. "Settlement Administrator" means Phoenix Settlement Administrators, or any other
24 third-party class action settlement claims administrator jointly selected by the Parties. The Parties
25 each represent that they do not have any financial interest in the Settlement Administrator or
26 otherwise have a relationship with the Settlement Administrator that could create a conflict of
27 interest.

28 34. "Settlement Administration Costs" means the costs payable to the Settlement

1 Administrator for administering this Settlement. The Settlement Administration Costs shall be paid
2 from the Gross Settlement Fund as approved by the Court. The Settlement Administration Costs
3 are currently estimated to be Ten Thousand Dollars (\$10,000).

4 35. "Settlement Class Members" means all Class Members who do not submit valid and
5 timely Requests for Exclusion. A Class Member's status as a Settlement Class Member is separate
6 and independent of that Class Member's status as an Aggrieved Employee.

7 **B. DENIAL OF LIABILITY**

8 1. **Conditional Nature of Agreement.** This Agreement and the settlement it evidences
9 are made in compromise of disputed claims. The Parties enter into this Agreement and associated
10 settlement on a conditional basis. If the Court does not enter the Final Approval Order and
11 Judgment or the Effective Date does not occur, this Agreement shall be deemed null and void *ab*
12 *initio*. To the extent this Agreement is not approved or the Effective Date does not occur, Defendant
13 does not waive, but rather expressly reserves, all rights to challenge all causes of action alleged in
14 the Action upon all procedural and factual grounds, as well as asserting any and all other potential
15 defenses or privileges.

16 2. **No Admission of Liability.** Defendant denies any and all claims asserted or that
17 could have been asserted on behalf of the Class and Aggrieved Employees and deny all wrongdoing
18 whatsoever. This Agreement is not a concession or admission, and will not be used against
19 Defendant as an admission or indication with respect to any claim of any fault, concession, or
20 omission by Defendant, or of the appropriateness of class action certification in this Action except
21 for the purposes of settlement. Regardless of whether the Settlement is finally approved, neither the
22 Agreement, nor any document, statement, proceeding, or conduct related to this Agreement, nor any
23 reports or accounts thereof, shall in any event be construed as, offered or admitted in evidence as,
24 received as, or deemed to be, evidence of a presumption, concession, indication, or admission by
25 Defendant of any liability, fault, wrongdoing, omission, concession, or damage, including the
26 appropriateness of class certification in the Action or pursuing representative claims in the Action,
27 or the manageability of the Action.

28 **C. AMENDMENT OF COMPLAINT & CERTIFICATION OF CLASS**

3. **Amendment of the Complaint.** In connection with this Settlement, Plaintiffs shall seek leave to a Second Amended Class and Representative Action Complaint (“Second Amended Complaint”), which shall add the PAGA claims asserted in the related matter of *Jose Valencia, et al. v. Sentinel Transportation, LLC*, Santa Barbara Superior Court Case No. 22CV01684 (“PAGA Action”). The Parties further stipulate to request dismissal of the PAGA Action without prejudice. Defendant will be deemed to have denied all material allegations of the Second Amended Complaint and shall not be required to respond to the Second Amended Complaint unless (1) the Court denies with prejudice Plaintiffs’ Motion for Final Approval of the Settlement, (2) the appropriate appellate court fails to uphold or affirm the Settlement, or (3) the Settlement Agreement is otherwise terminated. The Second Amended Complaint shall be deemed the operative Complaint for purposes of defining the scope of the Class, Released Class Claims and Released PAGA Claims. If the Settlement is not approved, Defendant reserves the right to challenge the Second Amended Complaint as well as any class status.

4. **Stipulation to Class Certification.** The Parties agree that, for settlement purposes only, the Court shall certify a Class consistent with this Agreement. For purposes of settlement only, Plaintiffs’ counsel may be appointed as Class Counsel, and Plaintiffs may be appointed as Class Representatives. The Parties agree that nothing in this Agreement, including the Parties’ agreement regarding certification for settlement purposes, is in any way an admission that class certification is proper and that evidence of this limited stipulation for settlement purposes only will not be deemed admissible in this or any other proceeding for any reason. If the Court does not approve the Settlement, the stipulation to certification will be void.

D. RELEASE OF CLAIMS

1. Release of Claims by Settlement Class Members.

1.1 Upon the payment of the Gross Settlement Fund, Plaintiffs and all Settlement Class Members who are members of the Driver Class (as well as their spouses, agents, heirs, executors, administrators, trustees, and/or permitted assigns), hereby do and shall be deemed to have fully, finally and forever released, settled, compromised, relinquished and discharged, to the fullest extent possible, the Released Parties from all claims that were, or that could have been, pled in the Second

1 Amended Complaint, based on the facts and theories alleged in the Action, for violation of Labor
2 Code §§ 201, 202, 203, 204, 226, 510, 1174, 1194, 1198, 1199 and 2802, and that accrued during
3 the Class Period. The release includes a release of statutory penalties, interests, attorneys' fees, and
4 costs.

5 1.2 Upon the payment of the Gross Settlement Fund, Plaintiffs and all Settlement Class
6 Members who are members of the Wage Statement Class (as well as their spouses, agents, heirs,
7 executors, administrators, trustees, and/or permitted assigns), hereby do and shall be deemed to
8 have fully, finally and forever released, settled, compromised, relinquished and discharged, to the
9 fullest extent possible, the Released Parties from all claims that were, or that could have been, pled
10 in the Second Amended Complaint for violation of Labor Code § 226(a), based on Defendant's
11 alleged failure to accurately display the applicable hourly rate for "Base Pay" and corresponding
12 number of hours worked, and that accrued during the period of March 8, 2021, through December
13 1, 2023. The release includes a release of statutory penalties, interests, attorneys' fees, and costs.

14 2. **Release of Claims by Aggrieved Employees.** Upon the payment of the Gross
15 Settlement Fund, Plaintiffs and all Aggrieved Employees (as well as their spouses, agents, heirs,
16 executors, administrators, trustees, and/or permitted assigns), hereby do and shall be deemed to
17 have fully, finally and forever released, settled, compromised, relinquished and discharged, to the
18 fullest extent possible, the Released Parties from all claims for civil penalties or other remedies
19 recoverable under Labor Code § 2698, *et seq.* (PAGA), which were, or that could have been, pled in
20 the Second Amended Complaint and/or the LWDA Letters sent by Plaintiffs, dated January 20,
21 2022 and February 24, 2022, based on the facts and theories stated in the Action, for violation of
22 Labor Code §§ 201, 202, 203, 204, 226, 510, 1174, 1194, 1198, 1199 and 2802, and that accrued
23 during the PAGA Period. The release includes a release of civil penalties, attorneys' fees, and
24 costs.

25 3. **Release of Claims by Plaintiffs.** As a condition to obtaining the Enhancement
26 Payment provided for herein, Plaintiffs (on behalf of themselves and their spouse, agents, heirs,
27 executors, administrators, trustees, and/or permitted assigns) also agree to a general release of any
28 and all claims against Defendant and Released Parties—which shall include without limitation any

1 and all claims which in any way relate to his employment with Defendant, under State or Federal
2 law, in tort, common law, statute, contract, or equity, whether pled in the Second Amended
3 Complaint or not, including but not limited to any claims under the FLSA, Title VII, ADA, FEHA,
4 ADEA, PAGA, California Labor Code, or any Industrial Welfare Commission Wage Order—now
5 existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence
6 from the beginning of time to the date of execution hereof, except for those claims that may be
7 prohibited by law, such as claims for workers’ compensation benefits. Plaintiffs further expressly
8 waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of
9 Section 1542 of the California Civil Code, which provides: “**A general release does not extend to**
10 **claims that the creditor or releasing party does not know or suspect to exist in his or her favor**
11 **at the time of executing the release and that, if known by him or her, would have materially**
12 **affected his or her settlement with the debtor or released party.”**

13 **E. MONETARY TERMS OF SETTLEMENT**

14 1. **Funding of the Gross Settlement Fund.** Within thirty (30) calendar days following
15 the Effective Date, Defendant shall deposit the Gross Settlement Fund into a Qualified Settlement
16 Fund (“QSF”) to be established as a trust by the Settlement Administrator for the purpose of
17 administering the Settlement. The Parties agree that the amounts held in the QSF will at all times
18 be treated as a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1, *et seq.*
19 The Parties further agree that for purposes of Section 468B of the Internal Revenue Code of 1986,
20 as amended (the “Code”) and the Treasury Regulations promulgated thereunder, Defendant shall be
21 treated as the “transferor” within the meaning of Treasury Regulation § 1.468B-1(d)(1), and that the
22 Settlement Administrator shall be the “administrator” of the QSF within the meaning of Treas. Reg.
23 § 1.468B-2(k)(3). The Parties agree that the Settlement Administrator shall, in establishing the
24 trust, make any such elections as necessary or advisable to carry out the “relation back election” (as
25 defined in Treas. Reg. § 1.468B-1(j)(2)(i) back to the earliest permitted date. Such elections shall
26 be in compliance with the procedures and requirements contained in such regulations. It shall be
27 the responsibility of the Settlement Administrator to timely and properly prepare and deliver the
28 necessary documentation for signature by all necessary Parties, and to cause the appropriate filing

to occur. The Parties intend that the transfers to the trust described in this Section will satisfy the “all events test” and the “economic performance” requirement of Code § 461(h)(1) and Treas. Reg. § 1.461-1(a)(2). The Settlement Administrator shall be responsible for filing tax returns for the trust, if appropriate, including application for employer identification numbers in accordance with Treas. Reg. § 1.468B-2(k)(4).

2. **The Gross Settlement Fund.** Defendant shall pay the sum of the Gross Settlement Fund as specified in this Agreement, which shall be used to pay: (1) Individual Settlement Class Payments; (2) Attorneys’ Fees and Costs; (3) Enhancement Payments to each Plaintiff; (4) Settlement Administration Costs; and (5) the PAGA Settlement Amount. The Parties agree that this is a non-reversionary Settlement and that no portion of the Gross Settlement Fund shall revert to Defendant. In no event shall Defendant be required to pay more than the Gross Settlement Fund as specified in this Agreement, with the exception of employer-side payroll taxes owed on Individual Settlement Payments classified as wages.

3. **Escalator Clause.** The Gross Settlement Fund is based on Defendant’s representation that Class Members worked 19,843 pay periods during the Class Period. In the event the actual number of pay periods worked by Class Members during the Class Period exceed 21,828 pay periods (i.e. increases by more than ten percent (10%)), Defendant shall at its option either (a) agree to increase the Gross Settlement Fund on a proportionate basis for the percentage increase over ten percent (10%), or (b) agree to shorten and close the Class Period on the date that is closest to without exceeding 21,828 pay periods so as to eliminate the need to increase the Gross Settlement Fund. If Defendant elects to shorten the Class Period, the PAGA Period will also close on the date that the Class Period closes. Defendant shall notify Class Counsel of its election within seven (7) calendar days of being notified by the Administrator that this clause has been triggered.

4. **Attorneys’ Fees and Costs.** Defendant agrees not to oppose any application or motion by Class Counsel for Attorneys’ Fees and Costs, both of which will be paid from the Gross Settlement Fund, provided that such application or motion is consistent with this Agreement. It is understood by Class Counsel that the Court has final discretion in any fee award. If the Court approves a lesser amount of Attorney’s Fees and Costs than those sought by Class Counsel, any

amount disallowed by the Court shall be added to the Net Settlement Amount and distributed to Settlement Class Members, as provided for in this Agreement. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel reflecting the awarded attorneys' fees, costs, and expenses.

5. **Enhancement Payment.** Defendant agrees not to oppose any application or motion for a separate Enhancement Payment to each Class Representative, which will be paid from the Gross Settlement Fund, provided that such application or motion is consistent with this Agreement. Each Class Representative's Enhancement Payment shall be in addition to their respective Individual Settlement Payment and Individual PAGA Payment. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on the Enhancement Payment made pursuant to this Agreement and will indemnify and hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payments. In the event that the Court reduces or does not approve the requested Enhancement Payment, Plaintiffs shall not have the right to revoke this Agreement. Any portion of the Enhancement Payments not approved by the Court will become part of the Net Settlement Amount and distributed to Settlement Class Members.

6. **Settlement Administration Costs and Process.** The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Fund. The Settlement Administrator shall provide the following services:

- a. Verify the last known address for each Class Member through a generally utilized, national address update database prior to mailing the Notice Packet;
- b. Conduct additional address searches for mailed Notice Packets that are returned as undeliverable and, to the extent new and more current addresses are found, also reprint and re-mail Notice Packets accordingly;
- c. Print and mail the Notice Packet;
- d. Establish and maintain a Qualified Settlement Fund;
- e. Calculate the amount of the Individual Settlement Payments and the Individual PAGA Payments;

- 1 f. Print and issue settlement checks to Aggrieved Employees and Settlement
2 Class Members;
- 3 g. Required tax reporting, including the preparation of W-2 and 1099 Forms;
- 4 h. Establish and maintain a toll-free informational telephone support line to assist
5 Class Members who have questions regarding the Notice Packet;
- 6 i. Field inquiries from Class Members;
- 7 j. Administer any Requests for Exclusion; and
- 8 k. Provide declarations and/or other information to the Court as requested.

9 The actions of the Settlement Administrator shall be governed by the terms of this Agreement, any
10 orders from the Court, and any agreement by counsel of record regarding communications with the
11 Settlement Administrator. The Parties agree to cooperate in the administration of the Settlement and
12 to make all reasonable efforts to control and minimize the costs and expenses incurred in the
13 administration of the Settlement.

14 7. **PAGA Settlement Amount.** Subject to Court approval, the Parties agree that the
15 PAGA Settlement Amount, Fifty Thousand Dollars (\$50,000) from the Gross Settlement Fund, will
16 be designated for satisfaction of Plaintiffs' and Aggrieved Employees' PAGA claims. Pursuant to
17 PAGA, the LWDA Payment (*i.e.* seventy-five percent (75%) of the PAGA Settlement Amount)
18 shall be paid to the LWDA. The Net PAGA Payment (*i.e.* twenty-five percent (25%) of the PAGA
19 Settlement Amount) shall be distributed to Aggrieved Employees. Should the Court alter the
20 amount of the PAGA Settlement Amount, such allocation will not result in an increase in the Gross
21 Settlement Fund.

22 8. **Net Settlement Amount.** The Net Settlement Amount shall be used to satisfy
23 Individual Settlement Payments to Settlement Class Members in accordance with the terms of this
24 Agreement. No portion of the Net Settlement Amount shall revert or be retained by Defendant.

25 9. **Individual Settlement Payment Calculations.** The Settlement Administrator shall
26 calculate the Individual Settlement Payments by first dividing the Net Settlement Amount by the
27 total number of pay periods worked by all Class Members during the Class Period. That value
28 will then be multiplied by the number of pay periods that each respective Class Member worked

1 during the Class Period. Settlement Class Members are entitled to 100% of the Net Settlement
2 Amount. If there are any timely submitted Requests for Exclusion, the Settlement Administrator
3 shall proportionately increase the Individual Settlement Payments for each Settlement Class
4 Member so that the amount actually distributed to Settlement Class Members equals 100% of the
5 Net Settlement Amount.

6 10. **Individual PAGA Payment Calculations.** The Settlement Administrator shall
7 calculate the Individual PAGA Payments by first dividing the Net PAGA Payment by the total
8 number of pay periods worked by all Aggrieved Employees during the PAGA Period. That value
9 will then be multiplied by the number of pay periods that each respective Aggrieved Employee
10 worked during the PAGA Period. Aggrieved Employees are entitled to 100% of the Net PAGA
11 Payment. Defendant maintains no reversionary right to any portion of the Net PAGA Payment.

12 11. **No Credit Toward Benefit Plans.** The Individual Settlement Payments and
13 Individual PAGA Payments made under this Settlement shall not be utilized to calculate any
14 benefits under any employee benefit plans to which any Class Members may be eligible, including,
15 but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, long-term
16 incentive plans, vacation plans, sick leave plans, PTO plans, or any other benefit plan. Rather, it is
17 the Parties' intention that this Settlement will not affect any rights, contributions, or amounts to
18 which any Class Members may be entitled under any employee benefit plans.

19 **F. ADMINISTRATION OF SETTLEMENT**

20 1. **Delivery of the Class List.** Within thirty (30) calendar days after the Court issues
21 the Preliminary Approval Order, Defendant shall provide the Class List to the Settlement
22 Administrator. The Class List shall only be used by the Settlement Administrator for the purpose of
23 calculating Individual Settlement Payments and Individual PAGA Payments, notifying the Class
24 Members of the Settlement, and for mailing payments to Settlement Class Members and Aggrieved
25 Employees pursuant to this Agreement. Contact information, including addresses for the Class
26 Members, shall not be disclosed to Class Counsel, Plaintiffs or to any other third party. The Class
27 List shall be kept confidential by the Settlement Administrator.

28 2. **Notice by First-Class U.S. Mail.** Within fifteen (15) calendar days after receiving

the Class List from Defendant, the Settlement Administrator will perform a search using the National Change of Address (“NCOA”) Database for information to update and correct for any known or identifiable address changes, and then mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List, or any updated addresses resulting from the NCOA scrub. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security Number of the Class Member involved, and will then perform a single re-mailing. Unless the Settlement Administrator receives a Notice Packet returned from the United States Postal Service as non-deliverable, the Notice of Settlement shall be deemed mailed and received by the Class Member to whom it was sent on the initial date the Notice of Settlement is mailed by the Settlement Administrator.

3. **Notice Packets.** All Class Members will be mailed a Notice Packet. Each Notice Packet will contain: (a) information regarding the nature of the Action; (b) a summary of the Agreement’s principal terms; (c) the Class definition; (d) the total number of pay periods each respective Class Member worked for Defendant during the Class Period according to Defendant’s records; (e) each Class Member’s estimated Individual Settlement Payment and Individual PAGA Payment; (f) the dates which comprise the Class Period and PAGA Period; (g) instructions on how to submit a Request for Exclusion to the non-PAGA portion of the settlement or Notices of Objection; (h) the deadlines by which the Class Member must postmark Requests for Exclusions or postmark Notices of Objection to the Settlement; (i) the claims to be released, as set forth herein; and (j) the date for the Final Approval hearing set by the Court as of the date the Notice of Settlement is mailed.

4. **Disputed Claims.** In the event that Class Members have a dispute as to the data provided by the Defendant, Class Members will have the opportunity to provide documentation

1 and/or an explanation. Defendant's records relating to any such dispute are presumed to be accurate
2 and correct unless a Class Member provides documentary evidence that Defendant's records are
3 incorrect, and the Class Member bears the burden of proof. Defendant will evaluate the evidence
4 submitted by the Class Member, and will make the final decision as to the dispute at its sole
5 discretion following a conference with Class Counsel. The decision shall be binding on the Class
6 Member and no additional rights of appeal shall exist.

7 5. **Request for Exclusion Procedures.** Any Class Member wishing to opt-out from
8 the portion of the Settlement must sign and postmark a written Request for Exclusion to the
9 Settlement Administrator on or before the Response Deadline—*i.e.* forty-five (45) calendar days
10 from the initial mailing of the Notice Packet by the Settlement Administrator, unless the 45th day
11 falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the
12 next day on which the U.S. Postal Service is open. The date of the postmark on the return mailing
13 envelope will be the exclusive means to determine whether a Request for Exclusion has been timely
14 submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will
15 certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were
16 timely submitted. All Class Members who do not submit a valid and timely Request for Exclusion
17 will be deemed Settlement Class Members and will be entitled to receive an Individual Settlement
18 Payment.

19 6. **Settlement Terms Bind All Class Members Who Do Not Opt Out.** Any Class
20 Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid
21 Request for Exclusion, regardless of whether they cash their settlement check, will be bound by all
22 of its terms, including those pertaining to the Released Class Claims and Released PAGA Claims,
23 as well as any Judgment that may be entered by the Court if it grants final approval to the
24 Settlement. Class Members may not opt out of the portion of the Settlement relating to the
25 settlement and release of claims under PAGA. Even if a Class Member opts out of the Settlement,
26 that Class Member will receive a check for the Individual PAGA Payment representing his or her
27 allocation of the Net PAGA Payment and will be bound by the PAGA portion of the release as well
28 as any Judgment that may be entered by the Court if it approves the Settlement, regardless of

1 whether they cash their settlement check.

2 7. **Objection Procedures.** To object to the Settlement, a Class Member must postmark
3 a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline—
4 *i.e.* forty-five (45) calendar days from the initial mailing of the Notice Packet by the Settlement
5 Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response
6 Deadline will be extended to the next day on which the U.S. Postal Service is open, or appear at the
7 Final Approval hearing. The Notice of Objection must be signed by the Class Member and contain
8 all information required by this Agreement. The postmark date will be deemed the exclusive means
9 for determining that the Notice of Objection is timely. Class Members will have a right to appear at
10 the Final Approval hearing in order to raise objections orally, or have their written Notices of
11 Objection heard by the Court. Class Members who fail to object in the manner specified above will
12 be deemed to have waived all objections to the Settlement and will be foreclosed from making any
13 objections and seeking any adjudication or review, whether by appeal or otherwise, to the
14 Agreement. At no time will any of the Parties or their counsel seek to solicit or otherwise
15 encourage Class Members to submit written objections to the Settlement or appeal from the Final
16 Approval Order. Class Counsel will not represent any Class Members with respect to any such
17 objections to this Settlement, as such representation would create a conflict of interest. Plaintiffs
18 will neither submit a Request for Exclusion nor Notice of Objection to the Settlement.

19 8. **Revocation of Settlement Agreement by Defendant.** In the even that more than
20 fifteen percent (15%) of Class Members submit a timely and valid Request for Exclusion,
21 Defendant will have the right, but not the obligation, to revoke and void this Agreement at its
22 discretion. Defendant must exercise the option to rescind within five (5) business days of
23 Defendant's Counsel receiving notification from the Settlement Administrator that more than
24 fifteen percent (15%) of Class Members have submitted timely and valid Requests for Exclusion
25 from the Settlement. If Defendant exercises this right to void the Agreement, then the Parties will
26 have no further obligations under the Agreement, including, without limitation, any obligation by
27 Defendant to pay the Gross Settlement Fund, or any amounts that otherwise would have been owed
28 under this Agreement, except that Defendant shall pay all Settlement Administration Costs incurred

by the Settlement Administrator up to the date of Defendant's notice to rescind. In the event the Settlement is terminated, the Parties shall proceed in all respects as if this Agreement had not been executed. The Parties agree that they will not encourage any Class Member to object to the Settlement or to opt out.

9. **Certification Reports.** The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion or valid Notices of Objection; (b) the Net Settlement Amount claimed by Settlement Class Members; and (c) whether any Class Member has submitted a challenge to any information contained in their Notice Packet. The Settlement Administrator will also provide Class Counsel and Defendant's Counsel with a report of the calculations of the Individual Settlement Payments for each Settlement Class Member and the Individual PAGA Payments for each Aggrieve Employee prior to distributing any payments under this Agreement. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement as needed or requested.

G. DISTRIBUTION OF GROSS SETTLEMENT FUND & TAX TREATMENT

1. **Settlement Distributions.** Within fifteen (15) calendar days after the deposit of the Gross Settlement Fund, the Settlement Administrator shall distribute funds from the Gross Settlement Fund pursuant to the terms of this Agreement to (a) all Settlement Class Members; (b) all Aggrieved Employees; (c) the LWDA; (d) the Class Representatives; and (e) Class Counsel. The Settlement Administrator will then also issue a payment to itself for the Court-approved Settlement Administration Costs incurred in connection with the Settlement. The Settlement Administrator shall issue payments to Settlement Class Members and Aggrieved Employees in the form of a check, and, to the extent possible, the Settlement Administrator shall combine Individual Settlement Payments and Individual PAGA Payments into a combined payment in order to issue a single check to each Settlement Class Member and Aggrieved Employee and thereby reduce administrative costs. Plaintiffs and Class Counsel agree to provide the Settlement Administrator with any documents or information required for distribution of the Enhancement Payments and Attorneys' Fees and Costs approved by the Court.

1 2. **Uncashed Settlement Checks.** Any checks issued by the Settlement Administrator
2 will be negotiable for one hundred and eighty (180) calendar days after the postmarked date of their
3 initial mailing. All uncashed or undeliverable settlement checks will expire after one hundred and
4 eighty (180) calendar days. Those funds represented by settlement checks returned as undeliverable
5 and those settlement checks remaining un-cashed for more than one hundred and eighty (180)
6 calendar days after issuance will be transmitted to the following *cy pres* recipient: Legal Aid at
7 Work. The Settlement Administrator shall direct such funds in compliance with California Code of
8 Civil Procedure § 84, or as otherwise directed by the Final Approval Order.

9 3. **Certification of Completion.** Upon completion of administration of the Settlement,
10 the Settlement Administrator will provide a written declaration under oath to certify such
11 completion to the Court and counsel for all Parties.

12 4. **Tax Treatment of Settlement Payments.** All Individual Settlement Payments shall
13 be allocated as follows: ten percent (10%) to wages and subject to the withholding of all applicable
14 local, state and federal taxes including payroll taxes; and ninety percent (90%) as penalties and
15 interest associated with unpaid wages and other claims asserted, neither of which will be subject to
16 any withholdings. Individual PAGA Payments shall be allocated as 100% to penalties. The amount
17 of payment shall be reported on IRS Forms W-2 and 1099, as appropriate, by the Settlement
18 Administrator.

19 5. **Tax Forms to Class Counsel and Plaintiffs.** The Settlement Administrator will
20 issue an IRS Form 1099 to Plaintiffs, Class Counsel, and applicable governmental authorities for
21 the payment of Attorneys' Fees and Costs and the Enhancement Payments in the amount approved
22 by the Court. Plaintiffs and Class Counsel each agree to hold Defendant harmless from and against
23 any damage or penalty incurred by Defendants as a result of any taxing authority assessing any tax
24 or penalty upon Defendant as a consequence of any tax being due and unpaid on each of their
25 portions of the Gross Settlement Fund.

26 6. **Administration of Taxes by the Settlement Administrator.** The Settlement
27 Administrator will be responsible for issuing to Plaintiffs, Class Members, Class Counsel, and
28 applicable governmental authorities any IRS Forms W-2 and 1099 or other tax forms as may be

1 required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will
2 also be responsible for forwarding all taxes and penalties to the appropriate government authorities.

3 7. **Tax Liability.** The Parties have had an opportunity to consult with independent tax
4 counsel. The Parties are not giving any tax advice in connection with the settlement or any
5 payments to be made pursuant to the Agreement. The Parties do not intend anything contained in
6 this Agreement to constitute legal advice regarding the taxability of any amount paid hereunder, nor
7 shall anything in this Agreement be relied upon as such. By participating in the settlement or
8 receiving a payment, Plaintiffs, each Settlement Class Member, and each Aggrieved Employee
9 shall agree to be solely and legally responsible for paying all other applicable taxes on their
10 respective payments and shall indemnify and hold harmless any other Party from any claim or
11 liability for taxes, penalties, or interest arising as a result of the payments.

12 8. **Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR
13 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO
14 THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
15 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
16 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
17 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
18 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
19 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
20 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR
21 PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
22 EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
23 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
24 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
25 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
26 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
27 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
28 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE

ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

H. COURT APPROVAL OF SETTLEMENT

1. **Preliminary Approval Hearing.** Plaintiffs will obtain a hearing before the Court to request preliminary approval of the Settlement, and the entry of a Preliminary Approval Order that: (a) conditionally certifies the Class for settlement purposes only, (b) preliminarily approves the Settlement, and (c) sets a date for a Final Approval hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit this Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice of Settlement document, attached as Exhibit A. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval with review by and in consultation with Defendant's Counsel before filing.

2. **Final Approval Hearing.** Following expiration of the deadlines to postmark Requests for Exclusion or Notices of Objection to the Settlement, and with the Court's permission, a Final Approval Hearing will be conducted to determine whether to grant final approval of the Settlement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the LWDA Payment; (c) Net PAGA Payment; (d) the Attorneys' Fees and Costs; (e) the Enhancement Payments; and (f) all Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval with review by and in consultation with Defendant's Counsel before filing. Class Counsel will also be responsible for drafting the Attorneys' Fees and Costs and Enhancement Payment application to be heard at the Final Approval Hearing.

3. **Entry of Judgment and Continued Jurisdiction.** Upon final approval of the

1 Settlement by the Court or after the Final Approval Hearing, the Parties will present the Judgment
2 to the Court for its approval. After entry of the Judgment, the Court will have continuing
3 jurisdiction until all payments and obligations provided for in the Settlement have been fully
4 executed solely for purposes of addressing: (a) the interpretation and enforcement of the terms of
5 the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may
6 be appropriate under court rules or as set forth in this Agreement.

7 **I. ADDITIONAL TERMS AND CONDITIONS**

8 1. **No Prior Assignments.** The Parties and their counsel represent, covenant, and
9 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to
10 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
11 action, cause of action, or right herein released and discharged.

12 2. **Nullification of Settlement Agreement.** In the event that: (a) the Court does not
13 finally approve the Settlement as provided herein; (b) Defendant withdraws from or terminates the
14 Settlement, or (c) the Settlement does not become final for any other reason, then this Agreement
15 and all the terms and agreements contained herein, and any documents generated to bring it into
16 effect, will be null and void, and all amounts deposited into the QSF will be returned to Defendant,
17 except as otherwise specified in the Agreement. Any order or judgment entered by the Court in
18 furtherance of this Settlement will likewise be treated as void from the beginning, and the Parties
19 will be returned to their respective positions as if no settlement had been contemplated.

20 3. **Confidentiality and Publicity.** Plaintiffs and Class Counsel agree to keep this
21 Settlement and its terms strictly confidential before the motion for Preliminary Approval. Neither
22 Plaintiffs nor Class Counsel, directly or indirectly, shall issue a press release or hold a press
23 conference, publish information about the Settlement on any website, or otherwise publicize the
24 Settlement. Plaintiffs and Class Counsel agree not to respond to any press inquiries concerning the
25 Settlement except to respond, if necessary, that the matter was resolved. Notwithstanding the
26 preceding, Class Counsel may refer to the matter and publicly available information in other court
27 proceedings.

28 4. **Waiver of Certain Appeals.** The Parties agree to waive appeals and to stipulate to

1 class certification for purposes of this Settlement only, with the sole and limited exceptions that
2 either Party may appeal any court order that materially alters the Agreement's terms, and Class
3 Counsel may appeal an order from the Court, if any, which reduces its requested Attorneys' Fees
4 and Costs.

5 5. **Use of Best Efforts.** The Parties and their counsel will cooperate with each other
6 and use their best efforts to effect and implement all terms and conditions of the Settlement and to
7 exercise their best efforts to accomplish the foregoing terms and conditions of the Settlement. If the
8 Parties are unable to reach agreement on the form or content of any document needed to implement
9 the Settlement, or on any supplemental provisions that may become necessary to effectuate the
10 terms of this Settlement, the Parties may seek the assistance of the Court to resolve such
11 disagreement.

12 6. **Waiver.** No waiver of any condition or covenant contained in this Agreement or
13 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
14 constitute a further waiver by such party of the same or any other condition, covenant, right or
15 remedy.

16 7. **Enforcement Action.** In the event that one or more of the Parties institutes any
17 legal action or other proceeding against any other Party or Parties to enforce the provisions of this
18 Settlement or to declare rights and/or obligations or adjudicate any breaches under this Settlement,
19 the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties
20 reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any
21 enforcement actions. Before bringing an enforcement action, the Parties agree to meet and confer
22 in good faith in an attempt to resolve any issues related to the terms of this Agreement prior to the
23 filing of any enforcement action.

24 8. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms
25 and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly
26 against one party than another merely by virtue of the fact that it may have been prepared by
27 counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
28 between the Parties, all Parties have contributed to the preparation of this Agreement.

1 9. **Captions.** The captions and section numbers in this Agreement are inserted for the
2 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
3 provisions of this Agreement.

4 10. **Exhibits Incorporated by Reference.** The terms of this Settlement include the
5 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set
6 forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

7 11. **Entire Agreement.** This Agreement and any attached Exhibits constitute the
8 entirety of the Parties' settlement terms, and replace any prior settlement agreements between the
9 Parties. No other prior or contemporaneous written or oral agreements may be deemed binding on
10 the Parties. Except as otherwise provided herein, each party shall bear its own costs and attorneys'
11 fees.

12 12. **Invalidity of Any Provision.** Before declaring any provision of this Agreement
13 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
14 consistent with applicable precedents so as to define all provisions of this Agreement valid and
15 enforceable.

16 13. **Severability.** Except as provided below, if any provision of this Agreement is held
17 to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and
18 deleted from this Agreement, and neither that provision nor its severance and deletion shall affect
19 the validity of the remaining provisions.

20 14. **California Law Governs.** All terms of this Agreement and Exhibits hereto will be
21 governed by and interpreted according to the laws of the State of California.

22 15. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties
23 warrant and represent they are expressly authorized by the Parties whom they represent to negotiate
24 this Settlement and to take all appropriate action required or permitted to be taken by such Parties
25 pursuant to this Agreement to effectuate its terms and to execute any other documents required to
26 effectuate the terms of this Agreement.

27 16. **Representation by Counsel.** The Parties acknowledge that they have been
28 represented by counsel throughout all negotiations that preceded the execution of this Agreement,

and that this Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Agreement or on any amounts to be paid to them under the Agreement's terms.

17. **Acknowledgement that the Settlement Is Fair and Reasonable.** The Parties believe this Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations through an impartial and experienced mediator, and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

18. **All Terms Subject to Final Court Approval.** All amounts and procedures described in this Agreement herein, other than those relating to Preliminary Approval, will be subject to final Court approval.

19. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Agreement.

20. **Amendment or Modification.** This Agreement may be amended or modified only by a written instrument, to be signed either by authorized representatives of all Parties (including their counsel) or their respective successors-in-interest.

21. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

22. **Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

23. **Execution and Counterparts.** This Agreement is subject only to the execution of all Parties. However, the Agreement may be executed in one or more counterparts, including through electronic signatures such as DocuSign (so long as supporting documents verifying the

identity and nature of the electronic signature are maintained and provided upon request). All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

24. **Notice to Parties.** Whenever this Settlement requires or contemplates that one party, the Court, or the Settlement Administrator shall or may give notice to another, notice shall be provided by email, facsimile, and/or next-day (excluding Sundays and Court holidays) express delivery service as follows:

DEFENDANT

Michael S. Chamberlin
Nicholas D. Poper
BAKER & HOSTETLER LLP
11601 Wilshire Boulevard, Suite 1400
Los Angeles, CA 90025-0509
Telephone: 310.820.8800
Facsimile: 310.820.8859
mchamberlin@bakerlaw.com
npoper@bakerlaw.com

PLAINTIFFS

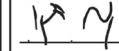
Larry W. Lee
Kristen M. Agnew
Nicholas Rosenthal
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile
lwlee@diversitylaw.com
kagnew@diversitylaw.com
nrosenthal@diversitylaw.com

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SIGNATURES

READ CAREFULLY BEFORE SIGNING

DocuSigned by:



4998CA4B05C644D...

Jose Valencia, Plaintiff

Date: 1/16/2024

DocuSigned by:



968348EBCE5C4EE...

Brandon Jeroue, Plaintiff

Date: 1/16/2024

DocuSigned by:



DCF43937CADA4CF...

Todd Porter, Vice President – Safety and Regulatory

On Behalf of Sentinel Transportation, LLC

Date: 1/29/2024 | 9:54 AM PST

APPROVED AS TO FORM

By:



Kristen M. Agnew

Attorneys for Plaintiffs and the Class

Date: 1/17/2024

By:



Michael Chamberlin

Nicholas D. Poper

Attorneys for Defendant

Date: 1/29/2024

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT (“NOTICE”)

IF YOU ARE A CURRENT OR FORMER NON-EXEMPT EMPLOYEE OF SENTINEL TRANSPORTATION, LLC IN THE STATE OF CALIFORNIA AND WORKED IN A DRIVER POSITION AT ANYTIME FROM MARCH 8, 2018 TO DECEMBER 1, 2023 (“DRIVER CLASS”) AND/OR RECEIVED THE PAYMENT OF “BASE PAY” WAGES DURING THE PERIOD OF MARCH 8, 2021 TO DECEMBER 1, 2023 (“WAGE STATEMENT CLASS”) YOU MAY BE ABLE TO COLLECT MONEY FROM A CLASS ACTION SETTLEMENT.

The Santa Barbara County Superior Court (“Court”) authorized this Notice to be sent by Phoenix Settlement Administrators (“Settlement Administrator”). This is not an advertisement. This is not a solicitation from a lawyer.

DEFENDANT CANNOT AND WILL NOT RETALIATE AGAINST YOU IN ANY WAY FOR PARTICIPATING IN THIS SETTLEMENT.

«BarcodeString»
SIMID «SIMID»

ATTN: «FirstName» «LastName»
«Address1» «Address2»
«City» «Abbrev» «Zip»

YOU ARE ESTIMATED TO RECEIVE APPROXIMATELY

Individual PAGA Payment: \$ ____

Individual Settlement Payment: \$ ____

THROUGH THIS CLASS ACTION SETTLEMENT

- Jose Valencia and Brandon Jeroue (“Named Plaintiffs”) have sued Sentinel Transportation, LLC (“Defendant” or “Sentinel”) on behalf of themselves and all other similarly situated employees.
- The parties to the lawsuit have reached a tentative settlement, and the Court has preliminarily approved it.
- The settlement resolves the lawsuit.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

You Can DO NOTHING

You will receive a payment from the settlement. If you do nothing, you continue your participation in this lawsuit, and you will be impacted by the outcome of this case. You will receive a settlement payment; however, you will **lose** any rights to sue Defendant separately for the same legal claims made in the lawsuit. The estimated amount of your settlement payment is shown above. To receive your settlement payment, all you need to do is keep the Settlement Administrator informed of your current mailing address. Once the Court grants final approval of the settlement, the Settlement Administrator will mail your check to the address on file for you.

You Can ASK TO BE EXCLUDED FROM THE CLASS SETTLEMENT

(Deadline: [RESPONSE DEADLINE])

If you ask to be excluded from the class settlement, you will get no payment from the class settlement, but you will **keep** any rights to sue Defendant separately for the same legal claims made in this lawsuit. However, you may not request exclusion from the settlement of the PAGA claim. **Important: You cannot ask to be excluded and still get a class settlement payment.**

You Can OBJECT TO THE SETTLEMENT

(Deadline: [RESPONSE DEADLINE])

If you do not like the class settlement, you can send a written objection to the Settlement Administrator by the deadline. If your objection is overruled, you will still be bound by the terms of the settlement and will receive a settlement payment. **Important: If you object to the settlement, you cannot also ask to be excluded.**

THESE RIGHTS AND OPTIONS—AND THE DEADLINES TO EXERCISE THEM—ARE EXPLAINED IN THIS NOTICE.

The Court is in charge of this lawsuit and still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals, if any, are resolved. **Please be patient.**

1. Why Should You Read this Notice?

You should read this Notice because you may be entitled to money from a class action settlement.

2. What is this Lawsuit About?

In the lawsuit, the Named Plaintiffs claim that Defendant failed to: (i) reimburse Driver Class Members for the costs associated with the use of their personal cellular phones for work-related purposes, and the maintenance of work-required clothing, including fire resistant clothing; (ii) pay minimum, regular overtime, and/or reporting time pay wages to Driver Class Members, on shifts where employees reported to work and had their shifts cancelled; and (iii) identify the applicably hourly rate of pay for “Base Pay” wages and corresponding number of hours worked on wage statements issued to Wage Statement Class Members.

Defendant denies the allegations in the lawsuit and denies it has engaged in any wrongdoing. Defendant asserts that it complied with all legal requirements but is resolving this action in order to avoid the costs of further legal proceedings.

3. Why is this a Class Action?

This lawsuit is a class action. In a class action, one or more persons, called a class representative (in this case, Jose Valencia and Brandon Jeroue), sue on behalf of people who allegedly have similar claims. All these people are a class or class members. One case resolves the issues for all class members, except for those who exclude themselves from the class. The Santa Barbara County Superior Court is in charge of the case. The lawsuit is known as *Jose Valencia et. al. v. Sentinel Transportation, LLC*, Case No. 22CV00951.

4. Why is There a Settlement?

The Court did not decide in favor of Named Plaintiffs or Defendant. Named Plaintiffs think they could have won at trial. Defendant thinks that it would have won at trial. But there was no trial. Instead, both parties agreed to a settlement. That way, they avoid the cost of litigation, and the individuals potentially affected will get compensation. The class representative and the attorneys think the settlement is best for Class Members.

5. How Do I Know If I Am Part of the Settlement?

The Court has decided that the following individuals are Class Members: (1) all current and former non-exempt or hourly paid employees of Sentinel who worked in a driver position in California at any time from March 8, 2018, through December 1, 2023 (“Driver Class” or “Driver Class Members”); and (2) all current and former

non-exempt or hourly paid employees of Sentinel in California who received “Base Pay” at any time from March 8, 2021, through December 1, 2023 (“Wage Statement Class” or “Wage Statement Class Members”). The Court has also decided that the following individuals are “Aggrieved Employees” under the California Private Attorneys General Act, California Labor Code § 2698, *et seq.*, and such Aggrieved Employees will also be considered part of the settlement: all current and former non-exempt or hourly paid employees of Sentinel who worked in California from January 20, 2021 through December 1, 2023.

6. What Does the Settlement Provide?

The proposed settlement provides for a payment by Defendant of \$565,000.00 to fully and finally resolve all claims in the lawsuit (referred to as the “Gross Settlement Fund”). The total amount to be distributed to Class Members who can be located, and who do not exclude themselves from the class settlement, will be the value of the Gross Settlement Fund after deducting the following (the “Net Settlement Amount”): (a) settlement administration costs not to exceed \$10,000.00; (b) class representative service award to Named Plaintiffs not to exceed \$20,000.00 (*e.g.* \$10,000 each) for their work and efforts in prosecuting this case, and for undertaking the risk of costs (in the event the outcome of this lawsuit was not favorable); (c) Class Counsel’s attorneys’ fees not to exceed \$188,333.33; (d) Class Counsel’s actual litigation costs and expenses as supported by declaration not to exceed \$20,000.00; and (f) payment of \$37,500.00 for PAGA penalties to the Labor and Workforce Development Agency and Aggrieved Employees. **Class Counsel’s attorneys’ fees and costs, and Named Plaintiffs’ class representative service award remain subject to Court approval.**

No portion of the Net Settlement Amount will be returned to Defendant under any circumstances.

7. How Much Will My Payment Be?

Your estimated share of the settlement of class claims is shown above and is based on the number of pay periods you worked for Defendant during the period of March 8, 2018, through December 1, 2023 (“Class Period”), as compared to the total number of pay periods worked by all Class Members during that Class Period. Based upon Defendant’s records, the number of pay periods you worked during the Class Period is determined to be **.

If you worked during the period of January 20, 2021, through December 1, 2023 (“PAGA Period”), you are an “Aggrieved Employee.” As an Aggrieved Employee you will receive a pro rata share of the Net PAGA Payment (\$12,500.00). Your estimated share of the Net PAGA Payment is shown above and is based on the number of pay periods you worked for Defendant during PAGA Period, as compared to the total number of pay periods worked by all Aggrieved Employees during the PAGA Period. Based upon Defendant’s records, the number of pay periods you worked during the PAGA Period is **.

If this information appears correct, you do not need to do anything further to receive your settlement payment. If you disagree with the number of pay periods assigned to you, see below (Question 9).

8. How Do I Get a Payment?

To qualify for payment, you do not need to do anything. The Settlement Administrator will mail you a check within approximately seventy-five days after the Court enters a judgment based on this settlement, but possibly later depending on whether there is any appeal of the judgment entered by the Court.

9. What If I Believe the Information is Inaccurate?

If you believe the number of pay periods you worked for Defendant during the Class Period and/or PAGA Period is inaccurate, you may dispute it by sending a letter to **[ADMINISTRATOR'S ADDRESS]** no later than **[RESPONSE DEADLINE]**. Be sure to include your name, address, telephone number, last four digits of your Social Security Number, and a statement as to what and why you are disputing. Also attach a copy of any documentation you want to include to support your dispute.

10. What Am I Giving Up to Get a Settlement Payment?

Unless you request to be excluded from the class settlement, you remain a part of the Settlement Class, and that means you cannot sue, continue to sue, or be part of any other lawsuit against Defendant for any legal claims that are based on the facts alleged by Named Plaintiffs in the lawsuit. Specifically, you will be giving up or “releasing” Defendant from the claims described below:

- a) Settlement Class Members who are members of the Driver Class (as well as their spouses, agents, heirs, executors, administrators, trustees, and/or permitted assigns), shall be deemed to have fully, finally and forever released, settled, compromised, relinquished and discharged, to the fullest extent possible all claims that were, or that could have been, pled in the Second Amended Complaint, based on the facts and theories alleged in the action, for violation of Labor Code §§ 201, 202, 203, 204, 226, 510, 1174, 1194, 1198, 1199 and 2802, and that accrued during the Class Period. The release includes a release of statutory penalties, interest, attorneys’ fees, and costs.
- b) Settlement Class Members who are members of the Wage Statement Class (as well as their spouses, agents, heirs, executors, administrators, trustees, and/or permitted assigns), shall be deemed to have fully, finally and forever released, settled, compromised, relinquished and discharged, to the fullest extent possible all claims that were, or that could have been, pled in the Second Amended Complaint for violation of Labor Code § 226(a), based on Defendant’s alleged failure to accurately display the applicable hourly rate for “Base Pay” and corresponding number of hours worked, and that accrued during the period of March 8, 2021, through December 1, 2023. The release includes a release of statutory penalties, interest, attorneys’ fees, and costs.
- c) Aggrieved Employees (as well as their spouses, agents heirs, executors, administrators, trustees, and/or permitted assigns), shall be deemed to have fully, finally and forever released, settled, compromised, relinquished and discharged all claims for civil penalties or other remedies recoverable under Labor Code § 2698, *et seq.* (PAGA), which were, or that could have been, pled in the Second Amended Complaint and/or the LWDA Letters sent by Plaintiffs, dated January 20, 2022 and February 24, 2022, based on the facts and theories stated in the action, for violation of Labor Code §§ 201, 202, 203, 204, 226, 510, 1174, 1194, 1198, 1199 and 2802, and that accrued during the PAGA Period.

11. How Do I Exclude Myself from the Settlement?

To exclude yourself from the class settlement (also referred to as “opt-out”), you must mail a letter to the Settlement Administrator saying that you want to be excluded from the *Jose Valencia et. al. v. Sentinel Transportation, LLC* settlement.

Be sure to include your name, address, telephone number, last four digits of your Social Security Number, and your signature. You must mail your exclusion letter postmarked no later than **[RESPONSE DEADLINE]**, to the Settlement Administrator at **[ADMINISTRATOR’S ADDRESS]**.

If you submit a timely and valid “opt-out” request, you will no longer be a member of the Class and you will not receive any money from the class portion of the settlement, or be able to object to the settlement, but you will not be legally bound by anything that happens regarding the class action portion of this lawsuit. You will keep any rights to sue (or continue to sue) Defendant in the future for the class claims made in this lawsuit, at your own expense.

You may not opt-out, or request to be excluded, from the settlement of the PAGA claim. Thus, even if you submit a timely and valid “opt-out” request, you will still receive an Individual PAGA Payment and will be deemed to have released the PAGA claims. Your estimated Individual PAGA Payment is shown above.

12. If I Don’t Exclude Myself, Can I Sue Defendant or Get Money from the Settlement?

If you do not exclude yourself from the settlement, you cannot sue Defendant for any of the claims that this settlement resolves. If you have a pending lawsuit against Defendant, speak to your lawyer in that case immediately. You may have to exclude yourself from this case to continue on with your own lawsuit. Remember, the exclusion deadline is **[RESPONSE DEADLINE]**.

If you exclude yourself from the Settlement, you will not receive any money from the settlement of the class action claims in this matter.

13. How Do I Tell the Court that I Don’t Believe that the Settlement is Fair?

If you are a Class Member and you do not exclude yourself from the class settlement, you can object to the settlement if you believe that the settlement is unfair or inadequate. You can give reasons why you think the Court should not approve the settlement. If you object and follow the procedures set out in this section, your objection will be considered.

If you decide to object to the proposed settlement, you may do so in writing. All objections must be signed by you and must include: (1) your full name, signature, address, and telephone number; (2) a written statement of the basis for your objection; and (3) any copies of papers, briefs, or documents upon which the objection is based. You must mail your objection postmarked no later than **[RESPONSE DEADLINE]**, to the Settlement Administrator at **[ADMINISTRATOR’S ADDRESS]**.

You may also appear at the Final Approval hearing in order to raise objections orally (see section 17 below for details as to when this hearing will take place). You may appear either in person or through an attorney at your own expense.

14. What is the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself, on the other hand, is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you. However, if you file an objection, you will still receive settlement benefits under the settlement if it is approved by the Court. **Do not submit both an Objection and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

15. Do I Have a Lawyer in this Case?

The Court decided that the law firms of Diversity Law Group and Polaris Law Group, which represents the Named Plaintiffs, are also qualified to represent you and all Class Members. You will not be charged for these lawyers. This law firm is referred to as "Class Counsel." If you want to be represented by your own lawyer, you may hire one at your own expense.

16. How Will the Attorneys for the Class and the Class Representative be Paid?

The attorneys for the Named Plaintiffs and the Class will be paid from the Gross Settlement Fund. Class Counsel will ask for up to \$188,333.33 in attorneys' fees and for actual litigation costs incurred up to a maximum of \$20,000.00, the actual amount of which will be determined by the Court at the final approval hearing (see section 17 below for details as to when this hearing will take place). Class members (like you) do not have to pay the fees and costs of Class Counsel. **If you elect, however, to hire your own lawyer, you have to make your own arrangements to compensate your lawyer.**

If approved by the Court, a service payment for the Named Plaintiffs of an amount up to \$10,000.00 each (*e.g.* \$20,000.00 total) will be paid from the Gross Settlement Fund for their work and efforts in prosecuting this case, and for undertaking the risks of costs (in the event the outcome of this lawsuit was not favorable).

17. Notice of Hearing on Final Approval and Objections to Class Action Settlement.

The Court has preliminarily approved the settlement and will hold a final approval hearing to decide whether to give final approval to the settlement. This hearing will be held before the Honorable James F. Rigali on [REDACTED], 2024, at [REDACTED] a.m., in Department 2 of the Superior Court of California for the County of Santa Barbara, located at [REDACTED], to determine whether the proposed settlement is fair, reasonable, and adequate, and whether it should be finally approved by the Court. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take. The final approval hearing may be continued without further notice. The Court may adjourn or continue the hearing from time to time, without further notification, as the Court may direct.

Once final approval is granted by the Court, the Court will enter judgment against Defendant, and all Class Members who have not requested exclusion will be deemed to have waived the Released Claims set forth above.

18. How Do I Get More Information?

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by contacting Class Counsel.

19. What is the Contact Information for the Court and Class Counsel?

The addresses for the Court and Class Counsel are as follows:

COURT	CLASS COUNSEL
Clerk of Court Santa Barbara County Superior Court 	DIVERSITY LAW GROUP, P.C. Larry W. Lee – lwlee@diveristylaw.com Kristen M. Agnew – kagnew@diversitylaw.com Nicholas Rosenthal – nrosnethal@diversitylaw.com 515 S. Figueroa Street, Suite 1250 Los Angeles, California 90071 Telephone: (213) 488-6555 Polaris Law Group William L. Marder - bill@polarislawgroup.com 501 San Benito Street, Suite 200 Hollister, CA 95023 Telephone: (831) 531-4214

WHAT IF I HAVE QUESTIONS?

If you have any questions about the settlement, you may contact the Settlement Administrator:

Jose Valencia et. al v. Sentinel Transportation, LLC

c/o _____

Address

City, CA, Zip

Toll-Free Phone Number: 

PLEASE DO NOT TELEPHONE DEFENSE COUNSEL, THE COURT, OR THE OFFICE OF THE COURT CLERK FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.