

BLANCHARD, KRASNER & FRENCH

David C. Hawkes (SBN 224241)

dhawkes@bkflaw.com

800 Silverado St., 2nd Floor

La Jolla, CA 92037

Telephone: (858) 551-2440

Facsimile: (858) 614-7008

LAW OFFICE OF DAVID A. HUCH

David A. Huch (SBN 222892)

david.a.huch@gmail.com

12223 Highland Ave., Ste. 106-574

Rancho Cucamonga, CA 91739

Telephone: (909) 463-6363

Facsimile: (909) 614-7008

Attorneys for Plaintiff,

FRANCISCO LOPEZ

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

FRANCISCO LOPEZ, Individually
and On Behalf of All Others Similarly
Situated,

Plaintiffs,

v.

VELOCITY TRANSPORT LLC;
AMAZON.COM, LLC; AMAZON
LOGISTICS, INC.; and DOES 1
through 20, inclusive,

Defendants.

Case No. 22CV1414-RSH(KSC)

**JOINT STIPULATION OF CLASS
AND PAGA ACTION
SETTLEMENT AND RELEASE OF
CLAIMS**

District Judge: Robert S. Huie

Mag. Judge: Karen S. Crawford

Complaint Filed: March 17, 2022

Removal: September 19, 2022

Trial Date: None Set

[ADDITIONAL COUNSEL ON FOLLOWING PAGE]

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

Tim L. Johnson, CA Bar No. 265794
tim.johnson@ogletree.com
Nikolas T. Djordjevski, CA Bar No. 294728
nikolas.djordjevski@ogletree.com
Yousaf M. Jafri, CA Bar No. 314773
yousaf.jafri@ogletree.com
4660 La Jolla Village Drive, Suite 900
San Diego, CA 92122
Telephone: 858-652-3100
Facsimile: 858-652-3101

Attorneys for Defendant,
VELOCITY TRANSPORT LLC

WILSON TURNER KOSMO LLP

Rita Leong, CA Bar No. 300058
rleong@wilsonturnerkosmo.com
Brian. G. Lee, CA Bar No. 300990
blee@wilsonturnerkosmo.com
402 West Broadway, Suite 1600
San Diego, CA 92101
Telephone: 619-236-9600
Facsimile: 619-236-9669

Attorneys for Defendants,
AMAZON LOGISTICS, INC. and AMAZON.COM LLC

1 This Joint Stipulation of Class and PAGA Action Settlement and Release of
2 Claims (“Settlement,” “Settlement Agreement,” “Stipulation,” or “Joint
3 Stipulation”) is entered into by and between Plaintiff FRANCISCO LOPEZ
4 (“Plaintiff”), individually and on behalf of the Settlement Class, on the one hand,
5 and Defendants VELOCITY TRANSPORT LLC, AMAZON LOGISTICS, INC.,
6 and AMAZON.COM LLC on the other hand (collectively the “Parties”).

7 This Joint Stipulation of Class and PAGA Action Settlement and Release of
8 Claims shall be binding on Plaintiff, all Participating Class Members, and all
9 Aggrieved Employees, and on Defendants and subject to the definitions, recitals,
10 and terms set forth herein and the approval of the Court.

11 **I. DEFINITIONS**

12 **1. Action or Lawsuit**

13 “Action” or “Lawsuit” means the civil action filed on March 17, 2022 in San
14 Diego County Superior Court, Case No. 37-2022-00010284-CU-OE-CTL and
15 subsequently removed to the United States District Court, Southern District of
16 California, entitled FRANCISCO LOPEZ, Individually and On Behalf of All Others
17 Similarly Situated, Plaintiff, v. VELOCITY TRANSPORT LLC; AMAZON.COM,
18 LLC; AMAZON LOGISTICS, INC.; and DOES 1 through 20, inclusive,
19 Defendants, Case No. 22CV1414-RSH(KSC).

20 **2. Aggrieved Employees**

21 “Aggrieved Employees” means all non-exempt employees of Defendant
22 VELOCITY TRANSPORT LLC in California from March 17, 2021 up to the date
23 of entry of an order granting preliminary approval of this Settlement.

24 **3. Class Counsel**

25 “Class Counsel” means the law firm of Blanchard, Krasner and French and
26 the Law Office of David A. Huch, who, subject to Court approval, shall act as
27 counsel for the Settlement Class.

1 **4. Class Counsel Award**

2 “Class Counsel Award” means attorneys’ fees for Class Counsel’s litigation
3 and resolution of this Lawsuit, and Class Counsel’s expenses and legal costs incurred
4 and to be incurred by Class Counsel in the Lawsuit, including but not limited to,
5 costs associated with documenting the Settlement, securing the Court’s approval of
6 the Settlement, administering the Settlement, and obtaining entry of the Final
7 Approval Order and Final Judgment terminating this Lawsuit.

8 **5. Class Information or Class Data**

9 “Class Information” or “Class Data” means information regarding Settlement
10 Class Members that Defendant VELOCITY TRANSPORT LLC will in good faith
11 compile from their records and provide to the Settlement Administrator within seven
12 (7) calendar days after the Preliminary Approval Date. The Class Information shall
13 be provided in a Microsoft Excel file and shall include: each Settlement Class
14 Member’s full name; last known address; social security number; and dates of
15 employment by Defendant VELOCITY TRANSPORT LLC.

16 **6. Class Member(s), Settlement Class, or Settlement Class Members**

17 “Class Member(s)” or “Settlement Class Members” means all individuals who
18 previously were employed by Defendant VELOCITY TRANSPORT LLC in
19 California as non-exempt employees at any time during the Class Period.

20 **7. Class Period**

21 “Class Period” means the period from March 17, 2018 through to the
22 Preliminary Approval Date.

23 **8. Class Representative or Plaintiff**

24 “Class Representative” or “Plaintiff” means FRANCISCO LOPEZ.

25 **9. Class Representative Service Award**

26 “Class Representative Service Award” means the amount that the Court
27 authorizes to be paid to Plaintiff, in addition to Plaintiff’s Individual Settlement
28 Payment, in recognition of Plaintiff’s efforts and risks in assisting with the

1 prosecution of the Action and in exchange for a general release of claims, at no
2 additional cost to Defendants and subject to Court approval.

3 **10. Compensable Work Weeks**

4 “Compensable Work Weeks” means the number of weeks Settlement Class
5 Member(s) were employed by Defendant VELOCITY TRANSPORT LLC in the
6 State of California during the Class Period. The Compensable Work Weeks shall be
7 calculated by the Settlement Administrator based on Defendant VELOCITY
8 TRANSPORT LLC'S records.

9 **11. Complaint**

10 “Complaint” means the Second Amended Complaint to be filed by Plaintiff
11 in this Action in connection with the Settlement, which will become the operative
12 complaint. As part of the settlement of this Action and for purposes of this settlement
13 only, the Second Amended Complaint will add those causes of action and theories
14 investigated and negotiated for settlement at mediation, including all claims and
15 causes of action asserted in Plaintiff's First Amended Complaint as well as the
16 alleged violations of the California Labor Code identified in the “Notice Re Labor
17 Code Section 2810.3” Class Counsel submitted to the California Labor and
18 Workforce Development Agency on August 1, 2022. Upon stipulation of the parties
19 and approval by the Court, Plaintiff shall then file the Second Amended Complaint.

20 **12. Court**

21 “Court” means the United States District Court for the Southern District of
22 California.

23 **13. Defendants**

24 “Defendants” means Defendants VELOCITY TRANSPORT LLC,
25 AMAZON LOGISTICS, INC., and AMAZON.COM LLC.

26 **14. Effective Date**

27 “Effective Date” of the Settlement means the date on which the Court’s order
28 granting Final Approval of this Joint Stipulation becomes final. Such order becomes

1 final upon the following events: (i) upon the Court issuing the Final Approval Order
2 and Final Judgment granting approval of this Settlement Agreement if no objections
3 to the settlement are filed, or if an objection is filed but is withdrawn prior to the
4 Court's Final Approval Hearing; or (ii) in the event there are any Notices of
5 Objection received by the Settlement Administrator prior to the Final Approval
6 Hearing which are not thereafter withdrawn prior to the hearing, the later of the
7 following events: (a) the day after the last day by which a notice of appeal of the
8 order may be timely filed with the U.S. Court of Appeals, and none is filed; (b) if an
9 appeal is filed and is finally disposed of by ruling, dismissal, denial, or otherwise,
10 the day after the last date for filing a request for further review of the Court of
11 Appeals' decision passes and no further review is requested; (c) if an appeal is filed
12 and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court
13 of Appeals, and further review of the Court of Appeals' decision is requested, the
14 day after the request for review is denied with prejudice and/or no further review of
15 the order can be requested; or (d) if review is accepted, the day the United States
16 Supreme Court affirms the District Court's approval of the Settlement.

17 **15. Final Approval Hearing**

18 "Final Approval Hearing" means a hearing held on Plaintiff's Motion for
19 Final Approval of this Settlement.

20 **16. Final Approval Order**

21 "Final Approval Order" means the order signed and entered by the Court
22 granting final approval of the Parties' Settlement Agreement.

23 **17. Final Judgment**

24 "Final Judgment" means a judgment issued by the Court approving this
25 Settlement Agreement on substantially the same terms as provided here or as may
26 be modified by subsequent written agreement of the Parties and approved by the
27 Court as binding upon the Parties. The Final Judgment shall constitute a judgment
28 respecting the Parties within the meaning and for purposes of California Code of

Civil Procedure sections 577, 581d, and 904.1(a), and on the PAGA claims for purposes of enforcing the rule announced in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009).

18. Maximum Settlement Amount

“Maximum Settlement Amount” means the agreed upon settlement amount of \$602,058 (Six Hundred and Two Thousand and Fifty-Eight Dollars) to be paid in exchange for the release of and in full satisfaction of the Released Claims, which includes any Class Counsel Award, Class Representative Service Award, Class Members’ Individual Settlement Payments, PAGA Payment, and Settlement Administration Costs. The employer’s share of payroll taxes due on the portion of the Class Members’ Individual Settlement Payments that is allocated to wages shall be paid by Defendant VELOCITY TRANSPORT LLC separately and in addition to the Maximum Settlement Amount. No portion of the Maximum Settlement Amount shall revert to Defendants. Any employer payroll taxes to be paid in connection with the Settlement (e.g. FICA, FUTA, payroll taxes, and/or any similar tax or charge – collectively “Employer Taxes”) shall be calculated by the Settlement Administrator. The Settlement Administrator will then be responsible for making appropriate deductions, reporting obligations, and issuing the Individual Settlement Payments.

19. Individual Settlement Payment

“Individual Settlement Payment” means the pro-rata amount paid from the Net Settlement Amount to a Participating Class Member, based upon his/her weeks worked for Defendant VELOCITY TRANSPORT LLC, plus any pro-rata portion of the Aggrieved Employees’ share of the PAGA Payment.

20. LWDA

“LWDA” means the California Labor and Workforce Development Agency.

21. Net Settlement Amount

“Net Settlement Amount” means the portion of the Maximum Settlement Amount remaining after deduction of the Court-approved Class Counsel Award,

1 Class Representative Service Award, payment to the LWDA, and Settlement
2 Administration Costs. The Net Settlement Amount will be distributed to
3 Participating Class Members.

4 **22. Notice of Class Action Settlement**

5 “Notice of Class Action Settlement” means the Notice of Pendency of Class
6 Action Settlement and Hearing Date for Court Approval substantially in the form
7 attached hereto as **Exhibit “A,”** which shall include the Settlement Administrator’s
8 calculation of each Settlement Class Member’s Compensable Work Weeks and
9 anticipated Individual Settlement Payment. It is the notice, approved by the Parties
10 and subject to the Court’s approval, explaining the terms of this Settlement
11 Agreement and the settlement process, which the Settlement Administrator will mail
12 to each Settlement Class Member.

13 **23. Notice of Objection**

14 “Notice of Objection” means a Participating Class Member’s valid and
15 timely written objection to the Settlement Agreement as provided for in Section III,
16 paragraph 9 of this Settlement Agreement.

17 **24. PAGA**

18 “PAGA” refers to the Labor Code Private Attorneys General Act of 2004,
19 codified at Labor Code §§ 2699 et seq.

20 **25. PAGA Payment**

21 “PAGA Payment” means the payment made hereunder to the LWDA pursuant
22 to PAGA, subject to Court approval.

23 **26. PAGA Period**

24 “PAGA Period” means the period from March 17, 2021 up to the date of entry
25 of an order granting preliminary approval of this Settlement.

26 **27. PAGA Period Work Weeks**

27 “PAGA Period Work Weeks” means the number of weeks in which
28 Settlement Class Member(s) were employed by Defendant VELOCITY

TRANSPORT LLC in the State of California during the PAGA Period. Each Aggrieved Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their total PAGA Period Work Weeks by the total weeks worked by all Aggrieved Employees within the PAGA Period. That fraction will then be multiplied by the 25% portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share. These payments to Aggrieved Employees shall be characterized as 100% penalties and will be added to any Individual Settlement Payment provided herein. The PAGA Period Work Weeks shall be calculated by the Settlement Administrator based on Defendant VELOCITY TRANSPORT LLC'S records.

28. Participating Class Members

"Participating Class Members" means those Class Members who did not file a valid and timely Request for Exclusion pursuant to section III, paragraph 1 of this Settlement Agreement.

29. Parties

"Parties" means Plaintiff FRANCISCO LOPEZ and Defendants VELOCITY TRANSPORT LLC, AMAZON LOGISTICS, INC., and AMAZON.COM LLC, collectively.

30. Payment Ratio

"Payment Ratio" refers to Participating Class Members' Individual Settlement Payments, which will be paid on a pro-rata basis and will be determined by the Settlement Administrator based on the start and end dates of each Participating Class Member during the Class Period based on information provided by Defendant VELOCITY TRANSPORT LLC.

31. Preliminary Approval Date

"Preliminary Approval Date" means the date on which the Court enters an order granting preliminary approval of the Settlement Agreement.

1 **32. Released Claims**

2 “Released Claims” includes all claims, debts, liabilities, demands, obligations,
3 damages, and actions or causes of action of any kind, arising under state, federal or
4 local law, whether statutory, common law, or administrative law, and including the
5 Fair Labor Standards Act, at any time during the Class Period, that were or could
6 have been asserted based on the factual allegations in the Complaint and letters
7 previously submitted by Plaintiff to the LWDA on March 17, 2022 and August 1,
8 2022 including (without limitation), claims for failure to pay minimum or overtime
9 wages, failure to provide meal and rest periods or to pay meal and rest period
10 premiums, failure to pay all wages due to discharged or quitting employees, failure
11 to provide accurate itemized wage statements, claims under California Labor Code
12 sections 201 to 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558,
13 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698 et seq, 2802, 2810.3, and the
14 Wage Orders promulgated thereunder, California Business and Professions Code
15 section 17200, et seq.; and claims for injunctive relief, punitive damages, penalties
16 of any nature (including PAGA civil penalties and statutory penalties), interest, fees,
17 and costs.

18 **33. Released Parties**

19 “Released Parties” means Defendants Velocity Transport LLC, Amazon.com
20 LLC, and Amazon Logistics, Inc., and other releasees, including but not limited to
21 their past, present and future officers, owners, directors, employees, shareholders,
22 agents, trustees, representatives, attorneys, administrators, fiduciaries, beneficiaries,
23 subrogees, executors, partners, privies, insurers, parent companies, subsidiaries,
24 divisions, affiliates, predecessors, successors, assigns, as well as any individual or
25 entity that could be alleged to be jointly liable with Defendants for any of the
26 Released Claims.

27 **34. Request for Exclusion**

28 “Request for Exclusion” means a timely letter submitted by a Class Member

1 indicating a request to be excluded from the Settlement as provided for in Section
2 III, paragraph 8 of this Settlement Agreement.

3 **35. Response Deadline**

4 “Response Deadline” means the deadline by which Class Members must mail
5 to the Settlement Administrator a valid Request for Exclusion, a valid Notice of
6 Objection, or submit a dispute of the Class Member’s Compensable Work Weeks
7 indicated in the Notice of Class Action Settlement. The Response Deadline will be
8 forty-five (45) calendar days after the Settlement Administrator mails the Notice of
9 Class Action Settlement to Class Members, unless the 45th day falls on a Sunday or
10 Federal holiday, in which case the Response Deadline will be extended to the next
11 day on which the U.S. Postal Service is open. Under no circumstances, other than
12 those described below will the Settlement Administrator have the authority to extend
13 the deadline for any Class Member to submit a Request for Exclusion, Notice of
14 Objection, or dispute regarding Compensable Work Weeks.

15 **36. Settlement Administrator**

16 “Settlement Administrator” means Simpluris, Inc. or any other third-party
17 class action settlement administrator agreed to by the Parties and approved by the
18 Court for purposes of administering this Settlement pursuant to the terms of this
19 Settlement Agreement, the order granting preliminary approval, and the Final
20 Approval Order and Final Judgment, including, without limitation, printing,
21 distributing, and tracking documents for this Settlement, calculating estimated
22 amounts to be paid to each Participating Class Member and Aggrieved Employee,
23 tax reporting, distributing the appropriate settlement amounts, and providing
24 necessary reports and declarations, and other duties and responsibilities set forth
25 herein to process this Settlement, and as requested by the Parties.

26 **37. Settlement Administration Costs**

27 “Settlement Administration Costs” means the costs approved by the Court to
28 be paid to the Settlement Administrator from the Maximum Settlement Amount for

1 administration of this Settlement, including, if necessary, any such costs in excess
2 of the amount estimated by the Settlement Administrator as being necessary to
3 administer the Settlement.

4 **II. RECITALS**

5 **1. Class Certification, Court Approval and Notice to LWDA.**

6 The Parties stipulate to certification of the Settlement Class for purposes of
7 settlement only. If the Court does not grant either preliminary or final approval of
8 this Settlement, the Parties agree that this stipulation regarding class certification
9 will be revoked and the Parties will return to a point in litigation prior to the
10 execution of this Settlement Agreement. Should the Settlement not become final,
11 for whatever reason, the fact that the Parties were willing to stipulate provisionally
12 to class certification as part of the Settlement shall have no bearing on, and shall
13 not be admissible in connection with, the issue of whether a class should be
14 certified in a non-settlement context. Defendants expressly reserve the right to
15 oppose class certification and/or proactively move to deny certification should this
16 Settlement not be approved by the Court, the Final Approval Order and Final
17 Judgment be reversed on appeal or the Settlement otherwise not become final.
18 Defendants do not consent to certification of the Settlement Class or any class for
19 any purpose other than to effectuate the Settlement of this Action.

20 This Settlement is contingent on approval by the Court, including approval
21 of the amounts to be distributed set forth herein, as required by Labor Code §
22 2699(1)(2). Additionally, Plaintiff will notify the LWDA of this Settlement as
23 required by Labor Code § 2699(1)(2).

24 Although Defendants deny liability, Defendants are agreeing to this
25 Settlement solely to avoid the cost of further litigation. Accordingly, the Parties and
26 their counsel desire to fully, finally, and forever settle, compromise and discharge
27 all disputes and claims arising from or relating to the Action on the terms set forth
28 herein.

1 **2. Settlement of Disputed Claims.**

2 This Agreement is a compromise of disputed claims. Defendants contend that
3 the Released Claims have no merit and do not give rise to liability. Plaintiff and
4 Settlement Class Members have claimed and continue to claim that the Released
5 Claims have merit and give rise to liability on the part of Defendants. This
6 Settlement Agreement is a compromise of disputed claims. Nothing contained in
7 this Settlement Agreement, no documents referred to herein, and no action taken to
8 carry out this Agreement, may be construed or used as an admission by or against
9 the Settlement Class Members, Parties, or the Parties' counsel as to the merits or
10 lack thereof of the claims asserted in this Lawsuit.

11 **III. TERMS OF AGREEMENT**

12 **1. Release Provisions.**

13 **a. Participating Class Members' Release.** Upon the Effective
14 Date, Plaintiff, on behalf of himself and all Participating Class
15 Members, including their heirs, agents, representatives,
16 successors, assigns and estates, shall be deemed to have fully,
17 finally and forever released and discharged Released Parties
18 from any and all causes of action, claims, demands, rights, and
19 liability, alleged or that could have been alleged in the
20 Complaint and letters previously submitted by Plaintiff to the
21 LWDA on March 17, 2022 and August 1, 2022 based on the
22 facts and allegations alleged therein including claims for
23 violations of the California Labor Code and any other local,
24 state, or federal law, statute, regulation or ordinance, including
25 the Fair Labor Standards Act, through the Class Period. This
26 Release specifically includes claims for any wages, statutory
27 penalties, civil penalties, liquidated damages, interest,
28 restitution, attorneys' fees or costs for the claims alleged in the

1 Complaint including but not limited to claims for failure to pay
2 minimum or overtime wages, failure to provide meal and rest
3 periods or to pay meal and rest period premiums, failure to pay
4 all wages due to discharged or quitting employees, failure to
5 provide accurate itemized wage statements; claims under
6 California Labor Code sections 201 to 204, 210, 218.5, 218.6,
7 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1194,
8 1194.2, 1197, 1197.1, 1198, 2698 et seq, 2802, 2810.3, and the
9 Wage Orders promulgated thereunder, California Business and
10 Professions Code section 17200, et seq.; and claims for
11 injunctive relief, punitive damages, penalties of any nature
12 (including PAGA civil penalties and statutory penalties),
13 interest, fees, and costs.

14 **b. Plaintiff's General Release.** In addition, upon the Effective
15 Date, Plaintiff on behalf of himself and his heirs, agents,
16 representatives, successors, assigns and estates will also be
17 deemed to have fully and forever discharged the Released
18 Parties from any and all charges, complaints, claims, liabilities,
19 obligations, promises, agreements, controversies, damages,
20 actions, causes of action, suits, rights, demands, costs, losses,
21 debts, and expenses (including back wages, penalties,
22 liquidated damages, and attorneys' fees and costs actually
23 incurred) of any nature whatsoever, from the beginning of time
24 through the date of his signature on this Settlement Agreement,
25 known or unknown, suspected or unsuspected, including but not
26 limited to all claims arising out of, based upon, or relating to his
27 employment with Defendants, or either of them, or the
28 remuneration for such employment.

1 It is the intent of the Parties that this Agreement satisfy the
2 requirements of the Age Discrimination in Employment Act
3 and Older Workers Benefits Protection Act, 29 U.S.C. sections
4 623 and 626, and accordingly, Plaintiff acknowledges and
5 agrees that he has read and understood the terms of this
6 Settlement Agreement. Plaintiff further acknowledges that he
7 has been given a full opportunity to consult with counsel with
8 respect to this Settlement Agreement and has obtained and
9 considered such legal counsel as he deems necessary and is
10 entering into this Settlement Agreement freely, knowingly,
11 and voluntarily. Plaintiff further acknowledges that he has
12 been given at least 21 days in which to consider whether or not
13 to enter into this Settlement Agreement and, if entering into
14 this Settlement Agreement before the expiration of that period,
15 is doing so at his option, knowingly and voluntarily. The
16 Parties agree that if the Parties change any terms of the
17 Settlement Agreement, the 21-day period will not be restarted
18 but will continue without interruption. Plaintiff understands
19 that he has seven days from date he signs this Agreement to
20 revoke the Settlement Agreement. Any revocation must be
21 received by counsel for Defendants before the expiration of
22 the revocation period. This Settlement Agreement shall
23 become effective and enforceable as to Plaintiff upon
24 expiration of the revocation period.

25 Plaintiff, in his individual capacity, also expressly waives any
26 and all provisions, rights and benefits conferred by any law or
27 principle of common law or equity that is similar, comparable
28 or equivalent, in whole or in part, to California Civil Code

1 section 1542. For the purpose of implementing a full and
2 complete release, Plaintiff expressly acknowledges that this
3 release is intended to include in its effect (without limitation)
4 claims that he did not know or suspect to exist in his favor at
5 the time of execution of this Settlement Agreement, regardless
6 of whether the knowledge of such claims, or the facts upon
7 which they might be based, would materially have affected the
8 Settlement of this matter, and that the consideration given
9 under the Settlement Agreement was also for the release of
10 those claims and contemplates the extinguishment of any such
11 unknown claims. Plaintiff expressly waives the provisions of
12 section 1542 of the Civil Code of California, which provides:

13
14 **A general release does not extend to claims that the creditor**
15 **or releasing party does not know or suspect to exist in his or**
16 **her favor at the time of executing the release and that, if**
17 **known by him or her, would have materially affected his or**
18 **her settlement with the debtor or released party.**

19 Thus, subject to and in accordance with this Settlement
20 Agreement, even if Plaintiff may hereafter discover facts in
21 addition to or different from those he now knows or believes to
22 be true, Plaintiff, upon the Effective Date, shall be deemed to
23 have fully, finally, and forever settled and released any and all
24 claims against the Released Parties that were alleged or could
25 have been alleged in the Action, as well as any other claims,
26 whether known or unknown, suspected or unsuspected,
27 contingent or non-contingent, that now exist, upon any theory of
28 law or equity, including without limitation, conduct which is
negligent, intentional, with or without malice, or a breach of any

duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts.

c. Plaintiff, State of California, and Aggrieved Employee Release. Upon the Effective Date, Plaintiff, on behalf of himself and the State of California, and all Aggrieved Employees, including their heirs, agents, representatives, successors, assigns and estates, shall be deemed to have fully, finally and forever released and discharged the Released Parties from any and all causes of action, claims, demands, rights, and liability arising from, based on, or for any claim for civil penalties under PAGA, Labor Code section 2698 *et seq.* alleged or that could have been alleged in the Complaint as well as any alleged violations asserted in the notices submitted to the LWDA by Class Counsel on March 17, 2022 and August 1, 2022. Plaintiff, the State of California and Aggrieved Employees release all claims for civil penalties for Labor Code violations under PAGA through the PAGA Period

2. Tax Liability.

The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Settlement Class Members are not relying on any statement or representation by the Parties in this regard. Participating Class Members understand and agree that they will be responsible for the payment of taxes and penalties assessed on the payments described herein and will hold the Parties free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages, including the treatment of such payment as not subject to withholding or deduction for payroll and employment taxes. Moreover, this Settlement Agreement is based upon a good faith determination of the Parties to resolve a disputed claim.

1 **3. Circular 230 Disclaimer.**

2 Each Party to this Settlement Agreement (for purposes of this section, the
3 “acknowledging party” and each Party to this Settlement Agreement other than the
4 acknowledging party, an “other party”) acknowledges and agrees that (1) no
5 provision of this Settlement Agreement, and no written communication or disclosure
6 between or among the Parties or their attorneys and other advisers, is or was intended
7 to be, nor shall any such communication or disclosure constitute or be construed or
8 be relied upon as, tax advice within the meaning of United States Treasury
9 Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging
10 party (a) has relied exclusively upon his, her, or its own, independent legal and tax
11 counsel for advice (including tax advice) in connection with this Settlement
12 Agreement, (b) has not entered into this Settlement Agreement based upon the
13 recommendation of any other party or any attorney or advisor to any other party, and
14 (c) is not entitled to rely upon any communication or disclosure by any attorney or
15 adviser to any other party to avoid any tax penalty that may be imposed on the
16 acknowledging party; and (3) no attorney or adviser to any other party has imposed
17 any limitation that protects the confidentiality of any such attorney’s or adviser’s tax
18 strategies (regardless of whether such limitation is legally binding) upon disclosure
19 by the acknowledging party of the tax treatment or tax structure of any transaction,
20 including any transaction contemplated by this Settlement Agreement.

21 **4. No Prior Assignments.**

22 The Parties and their counsel represent, covenant, and warrant that they
23 have not directly or indirectly assigned, transferred, encumbered, or purported to
24 assign, transfer, or encumber to any person or entity any portion of any liability,
25 claim, demand, action, cause of action or right herein released and discharged.

26 **5. Preliminary Approval of Settlement.**

27 Promptly upon execution of this Settlement Agreement, Class Counsel will
28 prepare and provide counsel for Defendants with a draft of Plaintiff’s Motion for

1 Preliminary Approval for review and comment. Such draft will be provided at least
2 five (5) court days prior to the filing of the motion on or before February 12, 2023
3 as required by the Court's order of November 16, 2023. The motion shall seek a
4 preliminary determination by the Court as to the Settlement's fairness, adequacy,
5 and reasonableness and shall apply for the entry of an order:

- 6 a. Scheduling a Final Approval hearing on the question of whether
7 the Settlement, including payment of the Class Counsel Award and
8 Class Representative Service Award, should be finally approved as
9 fair, reasonable and adequate as to the Settlement Class;
- 10 b. Conditionally certifying the Settlement Class for settlement
11 purposes only;
- 12 c. Approving, as to form and content, the proposed Notice of Class
13 Action Settlement;
- 14 d. Approving the manner and method for Settlement Class Members
15 to request exclusion from the Settlement as set forth herein;
- 16 e. Directing the mailing of the Notice of Class Action Settlement, by
17 first class mail to the Class Members; and
- 18 f. Preliminarily approving the Settlement subject only to the
19 objections of Participating Class Members and final review by the
20 Court.

21 All Parties agree to work diligently and cooperatively to have this Settlement
22 presented to the Court for preliminary approval.

23 **6. Settlement Administration Process.**

24 The Parties agree to cooperate in the administration of the Settlement and
25 to make all reasonable efforts to control and minimize the costs and expenses
26 incurred in administration of the Settlement. Without prejudice to any other
27 remedies, the Settlement Administrator shall hold Defendants harmless from and
28 against all liabilities, claims, causes of action, costs, and expenses (including

1 legal fees and expenses) arising out of any failure to timely or properly
2 compensate Participating Class Members as provided for in this Agreement. No
3 person shall have any claim against any of the Released Parties, counsel for
4 Defendants, Plaintiff, the Class Members, Class Counsel, or the Settlement
5 Administrator based on mailings, distributions, and payments made in accordance
6 with or pursuant to this Agreement.

7 **a. Delivery of the Class List.**

8 Upon the Court granting preliminary approval of this Settlement Agreement,
9 Defendant VELOCITY TRANSPORT LLC shall provide the Settlement
10 Administrator with the Class Information within seven (7) calendar days for
11 purposes of mailing the Notice of Class Action Settlement to the Settlement Class
12 Members. No later than three (3) days after receipt of the Class Information, the
13 Settlement Administrator shall notify counsel for the Parties that the list has been
14 received and state the number of Settlement Class Members included in the Class
15 Information.

16 **b. Notice by First Class U.S. Mail.**

17 Upon receipt of the Class Information, the Settlement Administrator will
18 perform a search based on the National Change of Address Database to update and
19 correct any known or identifiable address changes. Within fourteen (14) calendar
20 days of receipt of the Class Information, the Settlement Administrator shall mail
21 copies of the Notice of Class Action Settlement to all Settlement Class Members via
22 regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best
23 judgment to determine the current mailing address for each Settlement Class
24 Member, including performing a skip-trace to identify any updated addresses. The
25 address identified by the Settlement Administrator as the current mailing address
26 shall be presumed to be the best mailing address for each Settlement Class Member.

1 c. **Notice of Class Action Settlement.**

2 All Class Members will be mailed the Notice of Class Action Settlement by
3 first class U.S. mail.

4 d. **Undeliverable Notices.**

5 Any Notice of Class Action Settlement returned to the Settlement
6 Administrator as undeliverable on or before the Response Deadline shall be re-
7 mailed once to the forwarding address affixed thereto. If no forwarding address is
8 provided, the Settlement Administrator shall promptly attempt to determine a correct
9 address by use of skip-tracing, or other search using the name, address and/or social
10 security number of the Settlement Class Member whose notice was undeliverable,
11 and shall then re-mail all returned, undelivered mail within ten (10) calendar days of
12 receiving notice that a notice was undeliverable.

13 **7. Disputes Regarding Compensable Work Weeks.**

14 Participating Class Members may dispute the number of Compensable Work
15 Weeks the Settlement Administrator calculates they were employed during the Class
16 Period by submitting a written dispute to the Settlement Administrator, which should
17 include the (a) case name and number of the Action, Participating Class Member's;
18 (b) full name, signature, address, telephone number, and the last four digits of the
19 Class Member's Social Security Number; (c) the number of Compensable Work
20 Weeks the Participating Class Member contends is correct; and (d) any evidence
21 supporting the Participating Class Member's contention by the Response Deadline.
22 If there is a dispute, the Settlement Administrator will consult with the Parties to
23 determine whether an adjustment is warranted. The Settlement Administrator shall
24 determine the eligibility for, and the amounts of, any Individual Settlement
25 Payments under the terms of this Agreement. The Settlement Administrator's
26 determination of the eligibility for and amount of any Individual Settlement Payment
27 shall be binding upon the Settlement Class Members and the Parties. In the absence
28 of circumstances indicating fraud, manipulation or destruction, Defendant

1 VELOCITY TRANSPORT LLC's records will be given a rebuttable presumption
2 of accuracy.

3 **8. Requests for Exclusion.**

4 Settlement Class Members who wish to exclude themselves from the
5 Settlement must submit a Request for Exclusion by the Response Deadline. Such
6 requests must contain: (1) the case name and number; (2) the full name, address,
7 telephone number, and the last four digits of the Social Security Number of the
8 Settlement Class Member requesting exclusion; (3) a statement expressing that the
9 Settlement Class Member elects to be excluded from the Settlement; and (4) must
10 be signed by the Settlement Class Member; and (5) postmarked stamped by the
11 Response Deadline and returned to the Settlement Administrator at the specified
12 address. The Settlement Administrator will review and make a determination as to
13 the validity and timeliness of the Request for Exclusion Any Settlement Class
14 Member who requests to be excluded from the Settlement will not be entitled to any
15 recovery under the Settlement and will not be bound by the terms of the Settlement
16 of the class claims or have any right to object, appeal, or comment thereon.
17 Settlement Class Members who fail to submit a valid and timely Request for
18 Exclusion on or before the Response Deadline shall be bound by all terms of the
19 Settlement and any Final Judgment entered in this Lawsuit if the Settlement is
20 approved by the Court. No later than seven (7) calendar days after the Response
21 Deadline, the Settlement Administrator shall provide counsel for the Parties with a
22 complete list of all members of the Settlement Class who have submitted a Request
23 for Exclusion, and indicate whether such requests are valid and were timely. Any
24 Class Member who submits a Request for Exclusion is prohibited from making any
25 objection to the Settlement. In the event a Class Member submits both a Notice of
26 Objection and a Request for Exclusion, the Request for Exclusion will govern.

27 **9. Objections.**

28 Plaintiff may not object to the Settlement. Any written objection ("Notice of

1 Objection”) must be mailed to the Settlement Administrator by the Response
2 Deadline. The date of mailing on the envelope shall be deemed the exclusive means
3 for determining that a Notice of Objection was timely received. The Notice of
4 Objection must be signed by the Settlement Class Member and state: (1) the case
5 name and number; (2) the full name, address, telephone number, and the last four
6 digits of their Social Security Number of the Settlement Class Member; (3) the basis
7 for the objection accompanied by any legal support; (4) copies of any papers, briefs,
8 or other documents upon which the objection is based; (5) the identity of the
9 objector’s counsel, if the objector is represented by counsel; and (6) if the Settlement
10 Class Member wishes to be heard at the Final Approval Hearing. The Settlement
11 Administrator must provide a copy of written objections to the Parties within three
12 (3) days of receipt. Class Counsel will ensure that any Notice of Objection received
13 by the Settlement Administrator by the Response Deadline is filed with the Court
14 along with the Motion for Final Approval. Any of the Parties may file a responsive
15 document to any objection before the Final Approval Hearing. Any attorney who
16 will represent an individual objecting to this Settlement must file a notice of
17 appearance with the Court and serve Class Counsel and counsel for Defendants no
18 later than the Response Period Deadline. Class Counsel shall not represent any
19 Settlement Class Members with respect to any such objections.

20 Any Class Member who fails to submit a timely written objection shall be
21 deemed to have waived any objections and shall be foreclosed from making any
22 objection to the Settlement whether by appeal or otherwise.

23 A Class Member who submits a valid Request for Exclusion may not object
24 to the Settlement.

25 **10. No Solicitation of Settlement Objections or Exclusions.**

26 The Parties agree to use their best efforts to carry out the terms of this
27 Settlement. At no time shall any of the Parties or their counsel seek to solicit or
28 otherwise encourage Settlement Class Members to submit either a Notice of

1 Objections to the Settlement or a Request for Exclusion from the Settlement, or to
2 appeal from the Court's Final Approval Order and Final Judgment.

3 **11. Settlement Administrator Reports.**

4 The Settlement Administrator will provide Defendants' counsel and Class
5 Counsel with a weekly report with: (a) the number of Notice of Class Action
6 Settlements mailed and the number remailed and any revised Response Deadlines
7 due to remailing; (b) the number of Participating Class Members who have
8 submitted a dispute of Compensable Work Weeks; and (c) the number of
9 Participating Class Members who have submitted Requests for Exclusion or
10 Notices of Objections and whether they are timely and valid. Additionally, the
11 Settlement Administrator will provide to counsel for the Parties any updated
12 reports regarding the administration of the Settlement Agreement as needed or
13 requested.

14 **12. Certification of Completion.**

15 Within thirty (30) calendar days of completion of administration of the
16 Settlement, the Settlement Administrator will provide a written declaration under
17 oath to certify such completion to the Court and counsel for all Parties.

18 **13. Duties of the Parties Following Final Approval.**

19 Following final approval by the Court of this Settlement Agreement, Class
20 Counsel will prepare a proposed Final Approval Order and Final Judgment for
21 review by counsel for Defendants and submission to the Court:

22 a. Approving the Settlement, adjudging the terms thereof to be
23 fair, reasonable and adequate, and directing consummation of its terms and
24 provisions;

25 b. Approving Class Counsel's application for Class Counsel
26 Award;

27 c. Approving the Class Representative Service Award to the Class
28 Representative; and

d. Entering judgment in this Action, with a reservation of continuing jurisdiction by the Court over the Settlement Agreement and its implementation.

14. Funding and Allocation of Maximum Settlement Amount.

Within seven (7) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendants pursuant to the terms of the Settlement. No later than thirty (30) calendar days after the Effective Date, Defendants shall provide the Maximum Settlement Amount to the Settlement Administrator to fund the Settlement, as set forth in this Settlement Agreement, and the employer's share of payroll taxes due on the portion of the Individual Settlement Payments that is allocated to wages into a Qualified Settlement Fund Account to be established by the Settlement Administrator. Defendants will not be obligated to make any payments contemplated by this Agreement unless and until the Court enters the Final Approval Order and Final Judgment, and after the Effective Date of the Settlement Agreement.

The Parties agree that the Maximum Settlement Amount will qualify and be characterized as a Qualified Settlement Fund ("QSF") under the provisions of the U.S. Treasury Regulations 1.468B-1 and 1.468B-5, and the QSF will be taxed as a separate entity for purposes of all federal, state and local taxes, and further agree to treat the QSF consistent therewith, that the QSF will be considered the employer of the Settlement Class Members/Aggrieved Employees for purposes of determining all tax obligations associated with the QSF and payments under this Agreement. All taxes (including any interest or penalties) arising with respect to income earned by the QSF. All expenses and costs incurred in connection with the operation and implementation of this provision shall be paid from the QSF by the Settlement Administrator.

15. Net Settlement Amount.

The Net Settlement Amount will be determined by the Settlement

Administrator by subtracting the Court-approved Class Counsel Award, Class Representative Service Award, PAGA Payment, and Settlement Administration Costs from the Maximum Settlement Amount. The anticipated Net Settlement Amount is \$326,922. The Parties estimate the amount of the Net Settlement Amount as follows:

Maximum Settlement Amount: \$ \$602,058

Class Representative Service Award: \$ 25,000

Award:

Class Counsel Fees: \$ 200,686

Class Counsel Costs: \$ 9,450

PAGA Payment \$ 20,000

*(\$15,000 to the LWDA and \$5,000
to remain in the Net Settlement
Amount)*

Settlement Administration Costs: \$ 9,620

Anticipated Net Settlement \$ 337,302

Amount

This is a non-reversionary Settlement in which the entire Maximum Settlement Amount includes the Class Counsel Award, Class Representative Service Award, Individual Settlement Payments, PAGA Payment, and Settlement Administration Costs. No portion of the Maximum Settlement Amount will revert to Defendants.

Defendant VELOCITY TRANSPORT LLC's share of payroll taxes due on the portion of the Individual Settlement Payments allocated to wages, including but not limited to Defendant VELOCITY TRANSPORT LLC's FICA and FUTA contributions, shall be paid separately from, and in addition to, the Maximum Settlement Amount.

1 **16. Participating Class Members' Individual Settlement Payments.**

2 Individual Settlement Payments will be paid from the Net Settlement Amount
3 and shall be paid pursuant to the settlement formula set forth herein. Individual
4 Settlement Payments shall be mailed by regular First-Class U.S. Mail to each
5 Participating Class Member's last known mailing address within seven (7) calendar
6 days after Defendants make the final settlement payment. All Individual Settlement
7 Payments will be allocated as follows: twenty percent (20%) as wages, eighty
8 percent (80%) as interest and statutory penalties.

9 **17. Participating Class Member's Payment Ratio.**

10 Participating Settlement Class Members will be paid on a pro-rata basis. A
11 Participating Settlement Class Member's Individual Settlement Payment will be
12 determined based on the number of weeks worked by all Settlement Class Members
13 during the Class Period based on information provided by Defendant VELOCITY
14 TRANSPORT LLC. Defendant VELOCITY TRANSPORT LLC's records are
15 presumed to be accurate as they are normal business records. The Compensable
16 Work Weeks will be calculated by the Settlement Administrator for Settlement Class
17 Members based on data provided by Defendant VELOCITY TRANSPORT LLC.

18 All disputes regarding Compensable Work Weeks will be resolved and
19 decided by the Settlement Administrator, in consultation with all counsel in this
20 Action, and the Settlement Administrator's decision will be final and non-
21 appealable. Prior to distribution of the Class Notice, the Settlement Administrator
22 shall calculate the Individual Settlement Payments to Participating Class Members
23 by the following formula: The amount to be paid per workweek to Participating
24 Class Members will be calculated by the Settlement Administrator by dividing the
25 apportioned Net Settlement Amount by the total number of workweeks worked by
26 all Settlement Class Members during the Class Period and multiplying the workweek
27 value by the number of Compensable Work Weeks worked by each Class Member
28 to arrive at each Class Member's estimated Individual Settlement Payment.

As provided by this formula, the sum total of all Individual Settlement Payments shall not exceed the Net Settlement Amount. Each Class Member's estimated Individual Settlement Payment and the number of Compensable Work Weeks allocated to him or her shall be listed in the Notice of Class Action Settlement sent to that Class Member. Any Class Member who submits a valid and timely Request for Exclusion is not a Participating Class Member and is ineligible to object to the Settlement, participate in the Settlement, or receive payment under the Settlement.

Each Settlement Class Member employed during the PAGA Period will also receive a pro-rata share of the Aggrieved Employees' portion of the PAGA Payment, which shall be calculated by dividing the PAGA Period Work Weeks for the Aggrieved Employee by the Total PAGA Period Work Weeks for all Aggrieved Employees and multiplied by the Aggrieved Employees' portion of the PAGA Payment (\$5,000).

The Parties agree that, as to the PAGA claim, no Class Member or Aggrieved Employee may request exclusion from that portion of the Settlement and, absent an order granting leave to intervene in the Action, no individual has standing to object to this Settlement with respect to the PAGA claim. Any Class Member who is also an Aggrieved Employee and requests exclusion from the Settlement Class will still receive their portion of the PAGA Payment as set forth above and will be bound by the Aggrieved Employee Release set forth above.

18. Form of Payment to Class Member.

The Individual Settlement Payment amount due to each Participating Class Member shall be paid in the form of a check to each Participating Class Member.

19. Unclaimed Settlement Payment(s).

After one hundred and eighty (180) calendar days of the mailing of the Individual Settlement Payment checks, funds attributable to unclaimed, undeliverable, or expired Individual Settlement Payment checks will be transmitted

1 to the State of California Office of the Controller Unclaimed Property Fund in the
2 name of the Participating Class Members and/or Aggrieved Employees who did not
3 cash his/her Settlement check. Participating Class Members and Aggrieved
4 Employees whose checks become void shall, nevertheless, be bound by this
5 Settlement Agreement.

6 **20. Class Representative Service Award.**

7 Plaintiff will request that the Court approve a Class Representative Service
8 Award of up to \$25,000 to Plaintiff. The Class Representative Service Award shall
9 be paid to Plaintiff from the Maximum Settlement Amount within ten (10) calendar
10 days after the Maximum Settlement Amount is provided to the Settlement
11 Administrator. The Settlement Administrator shall issue an IRS Form 1099 – MISC
12 to Plaintiff for his respective Class Representative Service Award. Plaintiff shall be
13 solely and legally responsible to pay any and all applicable taxes on his Class
14 Representative Service Award and shall hold harmless Defendants and Class
15 Counsel from any claim or liability for taxes, penalties, or interest arising as a result
16 of the Class Representative Service Award. The Class Representative Service
17 Award shall be in addition to Plaintiff's Individual Settlement Payment as a
18 Settlement Class Member.

19 Any amount requested by Plaintiff for the Class Representative Service
20 Award and not granted by the Court shall return to the Net Settlement Amount and
21 be distributed to Participating Class Members as provided in this Agreement.

22 **21. Class Counsel Award.**

23 Class Counsel will request that the Court award attorneys' fees in the amount
24 not to exceed thirty-three and one-third percent (33.33%) of the Maximum
25 Settlement Amount. This amount is currently anticipated to be \$200,686. Class
26 Counsel will request that the Court award reimbursement of any reasonable litigation
27 costs or expenses associated with Class Counsel's prosecution of this matter from
28 the Maximum Settlement Amount not to exceed \$9,450. Class Counsel shall be paid

any Court-approved fees and costs no later than ten (10) days after Defendants provide the Maximum Settlement Amount to the Settlement Administrator. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099 – MISC to Class Counsel for the payments made pursuant to this paragraph. This Settlement is not contingent upon the Court awarding Class Counsel any particular amount in attorneys’ fees and costs. Any amount requested by Class Counsel for the Class Counsel Award and not approved by the Court shall become part of the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement. Any Class Counsel Award by the Court that is less than the amounts applied for will not be grounds for Plaintiff or Class Counsel to appeal, otherwise challenge, or withdraw from the Settlement.

22. Settlement Administration Costs.

The Parties agree to allocate an amount not to exceed \$9,620 of the Maximum Settlement Amount for Settlement Administration Costs. The Settlement Administrator shall have the authority and obligation to make payments, credits and disbursements to Settlement Class Members in the manner set forth herein, calculated in accordance with the methodology set out in this Agreement and orders of the Court. The Parties agree to cooperate in the Settlement administration process and to make all reasonable efforts to control and minimize the cost and expenses incurred in administration of the Settlement.

23. Responsibilities of the Settlement Administrator.

The Settlement Administrator shall be responsible for the following: processing, calculating Individual Settlement Payments and Aggrieved Employees’ pro rata shares of the PAGA Payment, and mailing payments to Plaintiff, Class Counsel, Participating Class Members and Aggrieved Employees; printing, and mailing the Notice of Class Action Settlement and tax forms to the Participating Class Members as directed by the Court; receiving and reporting the requests for

1 exclusion and objections submitted by Settlement Class Members; establishing the
2 Qualified Settlement Fund, obtaining appropriate tax identification numbers,
3 remitting any tax payments and requisite reporting documentation to taxing
4 authorities, calculation of applicable payroll withholdings and payroll taxes,
5 providing declaration(s) as necessary in support of preliminary and/or final approval
6 of this Settlement; and other tasks as the Parties mutually agree or the Court orders
7 the Settlement Administrator to perform. The Settlement Administrator shall keep
8 the Parties timely apprised of the performance of all Settlement Administrator
9 responsibilities. The Settlement Administrator shall agree to confidentiality terms as
10 may be required by Defendants regarding personnel and payroll data provided to the
11 Settlement Administrator and shall work with Class Counsel and counsel for
12 Defendants to implement and administer appropriate fraud-prevention policies. The
13 Parties each represent that they do not have any financial interest in the Settlement
14 Administrator or otherwise have a relationship with the Settlement Administrator
15 that could create a conflict of interest

16 **24. Payment of Settlement Administration Costs.**

17 The Settlement Administrator shall be paid the Settlement Administration
18 Costs within ten (10) calendar days after the Maximum Settlement Amount is
19 provided to the Settlement Administrator.

20 **25. Payment to the LWDA.**

21 A total payment of \$20,000 from the Maximum Settlement Amount will be
22 allocated as the PAGA Payment to be paid as penalties under the Labor Code Private
23 Attorneys General Act of 2004, to the LWDA. Seventy-five percent (75%), or
24 \$15,000, of the PAGA Payment will be paid to the LWDA and the remaining twenty-
25 five (25%), or \$5,000, shall be included in the Net Settlement Amount distributed to
26 Settlement Class Members who worked during the PAGA period on a pro-rata basis.

27 **26. Nullification of Settlement Agreement.**

28 In the event: (i) the Court denies preliminary approval of the Settlement; (ii)

the Court denies final approval of the Settlement; (iii) the Court refuses to enter a Final Approval Order and Final Judgment as provided herein; or (iv) the Settlement does not become final for any other reason, this Settlement Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning. However, before terminating the Settlement, the Parties agree to meet and confer in good faith to bring the Settlement into compliance with any Court Order. Should a Party thereafter still wish to terminate the Settlement, the terminating Party shall give to the other Parties (through their counsel) written notice of its decision to terminate no later than ten (10) calendar days after receiving notice that one of the above enumerated events has occurred. If one or more of such events occur causing the Settlement Agreement to become null and void, the Parties shall proceed in all respects as if this Agreement had not been executed, except that any costs already incurred by the Settlement Administrator shall be paid by split evenly between Plaintiff and Defendants. Upon termination, Defendants will cease to have any obligation to pay any portion of the Maximum Settlement Amount and any Settlement funds paid by Defendants shall be returned no later than five (5) business days after one or more of the triggering events leading to nullification occurs. In the event an appeal is filed from the Court's Final Approval Order and Final Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, but any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from the Court's Final Judgment, or any other appellate review, shall be split equally between the Parties to the Settlement Administrator within thirty (30) days of said notification.

27. Rescission of Settlement Agreement (by Defendants)

If more than twenty-five (25) of the Class Members request exclusion from the Settlement, Defendants may, at their election, rescind or void the Settlement and all actions taken in furtherance of it will thereby be null and void. Defendants must

1 exercise this right of rescission or to void the Settlement Agreement, in writing, to
2 Class Counsel and with a copy to the Settlement Administrator within ten (10)
3 business days after the Settlement Administrator notifies the Parties of receipt of
4 more than twenty-five Requests for Exclusion. If the option to rescind or void is
5 exercised, then Defendants shall be solely responsible for all costs of the settlement
6 administration accrued to that point, not to exceed the amount approved by the Court
7 in Preliminary Approval. If Defendants exercise this option, the Parties shall return
8 to their respective positions that existed before the execution of this Settlement
9 Agreement, and no term of this Settlement Agreement or any draft thereof, or the
10 negotiation, documentation, or other part or aspect of the Parties' settlement
11 discussions, shall have any effect or be admissible as evidence for any purpose in
12 the Action, or in any other proceeding.

13 **28. Public Statements.**

14 Plaintiff and Class Counsel shall not hold any press conferences or issue any
15 press releases with respect to this Settlement at any time. Until Plaintiff submits
16 the motion for preliminary approval to the Court, Plaintiff and Class Counsel will
17 keep the terms of this Settlement Agreement confidential. Prior to final approval
18 of this Settlement, Plaintiff and Class Counsel will not discuss this Action or the
19 Settlement or otherwise disclose the terms of this Settlement Agreement to third
20 parties other than Class Members and the Settlement Administrator, except (1) as
21 required by law, (2) as necessary to effectuate this Settlement Agreement, and (3)
22 to the Parties' tax advisors. After final approval of this Settlement, Plaintiff,
23 Defendants, and their respective counsel shall not issue any public statements with
24 respect to the Action or Settlement, except as required by law. The Parties and
25 their counsel shall not engage in any publicity, including website or social media
26 postings, of any type related to the Action, Settlement, or litigation against
27 Defendants. Notwithstanding the specific limitations to public disclosure
28 identified herein, Class Counsel shall not be precluded from disclosing the Parties

1 to the lawsuit and the fact that the matter settled to a Court or other tribunal.
2 Furthermore, nothing herein limits Plaintiff's or any Class Member's ability to
3 communicate with any government agency or otherwise cooperate in any
4 investigation or proceeding that may be conducted by any government agency.

5 **29. No Effect on Employee Benefits.**

6 Defendants shall have fully discharged their obligations to Plaintiff and the
7 Participating Class Members through the remittance of the Maximum Settlement
8 Amount to the Settlement Administrator, regardless of whether the checks for
9 Individual Settlement Payments are actually received and/or negotiated by
10 Participating Class Members. Once the Maximum Settlement Amount is remitted
11 in accordance with this Settlement Agreement, they will be deemed to have
12 satisfied all terms and conditions under this Agreement, shall be entitled to all
13 protections afforded under this Settlement Agreement, and shall have no further
14 obligations under the terms of the Agreement, regardless of what occurs with
15 respect to the further administration of the Settlement. It is expressly understood
16 and agreed that the receipt of such Individual Settlement Payments will not entitle
17 any Participating Class Member to additional compensation or benefits under any
18 company bonus, contest or other compensation or benefit plan or agreement in
19 place during the period covered by the Settlement, nor will it entitle any
20 Participating Class Member to any increased retirement, 401(k) benefits or
21 matching benefits, or deferred compensation benefits. It is the Parties' intent that
22 the Individual Settlement Payments provided for in this Settlement are the sole
23 payments to be made to the Participating Class Members, and that the Participating
24 Class Members are not entitled to any new or additional compensation or benefits
25 as a result of having received the Individual Settlement Payment (notwithstanding
26 any contrary language or agreement in any benefit or compensation plan document
27 that might have been in effect during the period covered by this Settlement).

1 **30. No Admission by Defendants.**

2 The Parties enter into this Settlement Agreement to resolve the dispute that
3 has arisen between them and to avoid the burden, expense and risk of continued
4 litigation. In entering into this Settlement Agreement, Defendants do not admit,
5 and specifically deny, they have violated any state, federal, or local law; violated
6 any regulations or guidelines promulgated pursuant to any statute or any other
7 applicable laws, regulations or legal requirements; breached any contract;
8 violated or breached any duty; engaged in any misrepresentation or deception; or
9 engaged in any other unlawful conduct with respect to Defendant VELOCITY
10 TRANSPORT LLC's employees. Amazon expressly denies it is a joint employer
11 of VELOCITY TRANSPORT LLC's employees. Neither this Settlement
12 Agreement, nor any of its terms or provisions, nor any of the negotiations
13 connected with it, shall be construed as an admission or concession by
14 Defendants of any such violations or failures to comply with any applicable law.
15 Except as necessary in a proceeding to enforce the terms of this Settlement
16 Agreement, this Settlement Agreement and its terms and provisions shall not be
17 offered or received as evidence in any action or proceeding to establish any
18 liability or admission on the part of Defendants or to establish the existence of
19 any condition constituting a violation of, or a non-compliance with state, federal,
20 local or other applicable law.

21 **31. Amendment or Modification.**

22 This Agreement may be amended or modified only by a written instrument
23 signed by counsel for all Parties or their successors-in-interest.

24 **32. Entire Agreement.**

25 This Agreement constitutes the entire Agreement among the Parties, and no
26 oral or written representations, warranties, or inducements have been made to any
27 Party concerning this Agreement or its Exhibits other than the representations,
28 warranties, and covenants contained and memorialized in the Agreement and its

Exhibits. The Parties are entering in to this Agreement based solely on the representations and warranties herein and not based on any promises, representation, and/or warranties not found herein.

33. Authorization to Enter into Settlement Agreement.

Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The person signing this Agreement on behalf of each Defendant represents and warrants that he/she is authorized to sign this Agreement on behalf of each respective Defendant. Plaintiff represents and warrants that he is authorized to sign this Agreement and that he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

34. Binding on Successors and Assigns.

This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

35. California Law Governs.

All terms of this Agreement and the Exhibit hereto shall be governed by and interpreted according to the laws of the State of California.

36. Counterparts.

This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

1 **37. Jurisdiction of the Court.**

2 The District Court shall retain jurisdiction with respect to the interpretation,
3 implementation, and enforcement of the terms of this Agreement and all orders and
4 judgments entered in connection therewith, and the Parties and their counsel hereto
5 submit to the jurisdiction of the Court for purposes of interpreting, implementing,
6 and enforcing the settlement embodied in this Agreement and all orders and
7 judgments entered in connection therewith. All terms of this Agreement are subject
8 to approval by the Court.

9 Upon entry of, and to be included in the Final Approval Order and
10 Judgment, the Court will retain and have continuing jurisdiction under California
11 Code of Civil Procedure section 664.6 to enforce the terms of this Settlement.

12 **38. Invalidity of Any Provision.**

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

17 **39. Plaintiff's Waiver of Right to Be Excluded and Object.**

18 Plaintiff agrees to sign this Settlement Agreement and, by signing this Settlement
19 Agreement, is hereby bound by the terms herein and further waives any right to
20 submit a Request for Exclusion or Notice of Objection.

21 **40. Appeals.**

22 Except for any Class Counsel Award or portion thereof, any Party may
23 appeal any Court order that materially alters the Settlement Agreement's terms.

24 **41. Headings.**

25 The headings and section numbers in this Settlement Agreement are
26 inserted for the reader's convenience, and in no way define, limit, construe or
27 describe the scope or intent of the provisions of this Settlement Agreement.

1 **42. Waiver.**

2 No waiver of any condition or covenant contained in this Settlement
3 Agreement or failure to exercise a right or remedy by any of the Parties hereto
4 will be considered to imply or constitute a further waiver by such party of the
5 same or any other condition, covenant, right or remedy.

6 **43. Enforcement Actions.**

7 In the event of a dispute concerning the enforcement of any provision of
8 this Settlement Agreement or breach of a term of this Settlement Agreement,
9 notice must be mailed to counsel for all Parties. Upon receipt, counsel for the
10 Parties shall meet and confer in a good faith attempt to resolve the dispute for
11 period not to exceed ten (10) days. In the event those efforts are unsuccessful, the
12 dispute shall be submitted to mediator Scott Slater Markus, Esq. If the mediation
13 is not successful and one or more of the Parties institutes any legal action or other
14 proceeding against any other Party or Parties to enforce the provisions of this
15 Settlement Agreement or to declare rights and/or obligations under this
16 Settlement Agreement, the successful Party or Parties will be entitled to recover
17 from the unsuccessful Party or Parties reasonable attorneys' fees and costs,
18 including expert witness fees incurred in connection with any enforcement
19 actions.

20 **44. Mutual Preparation.**

21 The Parties have had a full opportunity to negotiate the terms and conditions
22 of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
23 construed more strictly against one party than another merely by virtue of the fact
24 that it may have been prepared by counsel for one of the Parties, it being recognized
25 that, because of the arm's-length negotiations between the Parties, all Parties have
26 contributed equally to the preparation of this Settlement Agreement.

1 **45. Representation By Counsel.**

2 The Parties acknowledge that they have been represented by counsel
3 throughout all negotiations that preceded the execution of this Settlement
4 Agreement, and that this Settlement Agreement has been executed with the
5 consent and advice of counsel, and reviewed in full. Further, Plaintiff and Class
6 Counsel warrant and represent that there are no liens on the Settlement
7 Agreement.

8 **46. Cooperation and Execution of Necessary Documents.**

9 All Parties will cooperate in good faith and execute all documents to the
10 extent reasonably necessary to effectuate the terms of this Settlement Agreement.

11 **47. Integration Clause.**

12 This Settlement Agreement contains the entire agreement between the Parties
13 relating to the Settlement and transactions contemplated hereby, and all prior or
14 contemporaneous agreements, understandings, representations, and statements,
15 whether oral or written and whether by a party or such party's legal counsel, are
16 merged herein. No rights hereunder may be waived except in writing.

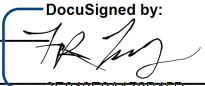
17 WHEREFORE, the Parties execute this Agreement on the dates set forth
18 below.

19 **IT IS SO AGREED:**

20 Dated: 1/24/2024

21 By: _____

22 FRANCISCO LOPEZ

DocuSigned by:

3E040E0A178B45D...

23 Dated: _____

24 _____
25 VELOCITY TRANSPORT LLC

26 By: _____
27
28

45. Representation By Counsel.

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

46. 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 Settlement Agreement.

47. Integration Clause.

This Settlement Agreement contains the entire agreement between the Parties relating to the Settlement and transactions contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

WHEREFORE, the Parties execute this Agreement on the dates set forth below.

IT IS SO AGREED:

Dated: _____

By: _____

FRANCISCO LOPEZ

DocuSigned by: 1/31/2024

Dated: ABDIKARIM HUSSEIN

Dated: ABDIKARIM HUSSEIN

1B85E346179F48D
VELOCITY TRANSPORT LLC

1B85E346179F48D
VELOCITY TRANSPORT LLC

By: ABDIKARIM HUSSEIN

By: ABDIKARIM HUSSEIN

Dated: _____

AMAZON LOGISTICS, INC.
AMAZON.COM, LLC
By: _____

APPROVED AS TO FORM:

Dated: _____

BLANCHARD, KRASNER & FRENCH

By: _____
David C. Hawkes

Dated: _____

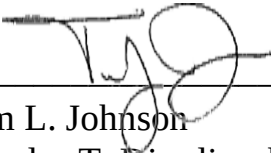
LAW OFFICE OF DAVID A. HUCH

By: _____
David A. Huch

Attorneys for Plaintiffs and the Proposed
Class

Dated: February 1, 2024

OGLETREE DEAKINS NASH

By:  _____
Tim L. Johnson
Nikolas T. Djordjevski
Yousaf M. Jafri
Attorneys for Defendant
VELOCITY TRANSPORT LLC

Dated: _____

WILSON TURNER KOSMO

By: _____
Rita M. Leong
Brian G. Lee
Attorneys for Defendants
AMAZON LOGISTICS, INC. and
AMAZON.COM LLC

Dated: February 5, 2024

DocuSigned by:
Eane Brown
DDF214FDD377494
AMAZON LOGISTICS, INC.
AMAZON.COM, LLC
By: Authorized Representative

APPROVED AS TO FORM:

Dated: 1/24/2024

BLANCHARD, KRASNER & FRENCH

DocuSigned by:
David Hawkes
4784CA27A3A9495...
By: David C. Hawkes

Dated: 1/24/2024

LAW OFFICE OF DAVID A. HUCH

DocuSigned by:
David Huch
01C787C7447B447...
By: David A. Huch

Attorneys for Plaintiffs and the Proposed
Class

Dated: _____

OGLETREE DEAKINS NASH

By: _____
Tim L. Johnson
Nikolas T. Djordjevski
Yousaf M. Jafri
Attorneys for Defendant
VELOCITY TRANSPORT LLC

Dated: 1/25/2024

WILSON TURNER KOSMO

DocuSigned by:
Rita Leong
781829838352426...
By: Rita M. Leong
Brian G. Lee
Attorneys for Defendants
AMAZON LOGISTICS, INC. and
AMAZON.COM LLC

EXHIBIT "A"
(CLASS NOTICE)

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

FRANCISCO LOPEZ, Individually and On Behalf of
All Others Similarly Situated,

Plaintiffs,

vs.

VELOCITY TRANSPORT LLC; AMAZON.COM,
LLC; AMAZON LOGISTICS, INC.; and DOES 1
through 20, inclusive,

Defendants.

Case No. 3:22-cv-1414-RSH (KSC)

NOTICE OF CLASS ACTION SETTLEMENT

To: All individuals who previously were employed by Defendant Velocity Transport LLC (“Velocity”) in California as non-exempt employees at any time during the period of March 17, 2018 to <<PRELIM APPROVAL DATE>>.

**PLEASE READ THIS NOTICE CAREFULLY AS YOUR LEGAL RIGHTS MAY BE AFFECTED
WHETHER YOU ACT OR NOT**

This Notice explains that a settlement has been reached in the case entitled *Francisco Lopez v. Velocity Transport LLC, et al*, Case No. 3:22-cv-1414-RSH (KSC) (“Lawsuit”), which has been preliminarily approved by the Court as fair, reasonable, and adequate (“Settlement”). You may be entitled to money from the Settlement.

The purpose of this Notice is to provide you with a brief description of the class and representative action Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment, and you will be mailed your share of the Settlement funds.

Velocity’s records show that you were employed by Velocity as a non-exempt employee in California at some time from March 17, 2018, through <<PRELIM APPROVAL DATE>> (the “Class Period”). The Court ordered that this Notice of Class Action Settlement (“Notice”) be sent to you because you may be entitled to money under the Settlement and because the Settlement may affect your legal rights.

What is this case about?

Plaintiff Francisco Lopez (“Plaintiff”) brought this Lawsuit against Velocity, Amazon.com LLC, and Amazon Logistics, Inc. (“Amazon”), asserting claims on behalf of himself and all former non-exempt employees of Velocity who worked in California at any time during the Class Period (“Settlement Class Members” or “Settlement Class”). Plaintiff is known as the “Class Representative,” and his attorneys, who also represent the interests of all Settlement Class Members, are known as “Class Counsel.”

In the Lawsuit, Plaintiff alleges that Velocity and Co-Defendants Amazon (collectively, “Defendants”): (1) failed to pay overtime compensation; (2) failed to pay minimum wages; (3) failed to provide meal periods or pay meal period premiums in lieu thereof; (4) failed to authorize and permit all rest periods or pay rest period premiums in lieu thereof; (5) failed to provide accurate, itemized wage statements; (6) failed to timely pay wages upon separation of employment. The Lawsuit also alleges (7) Amazon is a “client employer” that is allegedly liable for “labor contractor” Velocity’s failure to pay wages; (8) Velocity and Amazon engaged in unlawful and unfair business practices; and (9) Velocity and Amazon are liable for civil penalties under the Private Attorneys General Act (“PAGA”).

Defendants dispute all of Plaintiff’s alleged claims, deny that they have done anything wrong, are confident that they have strong legal and factual defenses to Plaintiff’s alleged claims, assert that they have always properly complied with all applicable laws and regulations, and deny that they owe Settlement Class Members any wages, restitution, penalties, or any other damages. Defendants further contend that their conduct is and has been lawful at all times, and

that Plaintiff's alleged claims lack merit and do not meet the requirements for class certification. Amazon specifically denies it is liable as joint or client employer in any way to Plaintiff or Velocity's employees. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability by Defendants, which expressly deny all liability.

The Court has not ruled on the merits of Plaintiff's alleged claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiff's alleged claims. After Velocity provided relevant information and documents to Class Counsel to evaluate Plaintiff's alleged claims, the Settlement was reached at mediation after good faith, arm's length negotiations between the parties, through their attorneys. To avoid additional expense, inconvenience, disruption of further litigation and the uncertainty of continuing litigation, the parties concluded that it is in the best interests of the parties and the Settlement Class Members to settle the Lawsuit on the terms summarized in this Notice.

The Class Representative and Class Counsel support the Settlement and have concluded that this Settlement is fair, adequate, and reasonable, having assessed Defendants' defenses to potential liability, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

Who are the Attorneys?

Attorneys for Plaintiff and Settlement Class Members:

BLANCHARD, KRASNER & FRENCH

David C. Hawkes (SBN 224241)
dhawkes@bkflaw.com
800 Silverado St., 2nd Floor
La Jolla, California 92037
Tel: (858) 551-2440
Fax: (858) 551-2434

LAW OFFICE OF DAVID A. HUCH

David A. Huch (SBN 222892)
david.a.huch@gmail.com
12223 Highland Ave., Ste. 106-574
Rancho Cucamonga, California 91739
Tel: (909) 463-6363
Fax: (909) 614-7008

Attorneys for Velocity:

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

Tim L. Johnson, CA Bar No. 265794
tim.johnson@ogletree.com
Nikolas T. Djordjevski, CA Bar No. 294728
nikolas.djordjevski@ogletree.com
Yousaf M. Jafri, CA Bar No. 314773
yousaf.jafri@ogletree.com
4660 La Jolla Village Drive, Suite 900
San Diego, CA 92122
Telephone: 858-652-3100
Facsimile: 858-652-3101

Attorneys for Amazon:

WILSON TURNER KOSMO LLP

Rita Leong, CA Bar No. 300058
rleong@wilsonturnerkosmo.com
Brian G. Lee, CA Bar No. 300990
blee@wilsonturnerkosmo.com
402 West Broadway, Suite 1600
San Diego, CA 92101
Telephone: 619-236-9600
Facsimile: 619-236-9669

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class – for settlement purposes only – of all individuals who previously were employed by Velocity in California as non-exempt employees at any time from March 17, 2018, through <<PRELIM APPROVAL DATE>>. Settlement Class Members who do not submit a valid and timely Request for Exclusion from the Settlement pursuant to the procedures set forth below in this Notice will be bound by the Settlement and will release their claims against Defendants, as described below in the “Release” section.

Subject to final Court approval, \$602,058.00 (the “Maximum Settlement Amount”) will be paid to fully resolve all claims in the Lawsuit, including payments to Settlement Class Members, Class Counsel's attorneys' fees and

expenses, Settlement Administration Costs, payment to the California Labor and Workforce Development Agency (“LWDA”) for its share of PAGA civil penalties, and the Class Representative’s Service Award. The Maximum Settlement Amount will be funded no later than 30 days after the final approval of the Settlement (assuming no objections or appeals).

The following deductions from the Gross Settlement Amount will be requested by Plaintiff:

Settlement Administration Costs. The Court has approved Simpluris, Inc. to function as the “Settlement Administrator,” who is sending this Notice to you and who will perform many other duties relating to the administration of the Settlement. The Court has approved setting aside up to \$9,620 from the Maximum Settlement Amount to pay the settlement administration costs.

Class Counsel’s Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Maximum Settlement Amount. Settlement Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount (which is currently estimated to be \$200,686) as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel will also ask for reimbursement of up to \$9,450 for verified costs which were incurred by Class Counsel in connection with the Lawsuit.

Class Representative’s Service Award. Class Counsel will ask the Court to award up to \$25,000.00 to Plaintiff as the Class Representative’s service award. This is meant to compensate Plaintiff for his service and extra work provided on behalf of the Settlement Class Members and for a separate and broader release of claims.

PAGA Payment to the LWDA and Aggrieved Employees. The parties have agreed to allocate \$20,000.00 of the Maximum Settlement Amount as PAGA civil penalties. Per Labor Code section 2699(i), 75% of such penalties (\$15,000.00) will be payable to the LWDA for its share of PAGA penalties, and the remaining 25% (\$5,000.00) will be payable to the all non-exempt employees of Velocity in California from March 17, 2021 through <<PRELIM APPROVAL DATE>> (the “Aggrieved Employees”).

Calculation of Settlement Class Members’ Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion (described below) based on the following formula:

- (i) First, the Settlement Administrator will distribute the 25% share of PAGA civil penalties (\$5,000.00) to Aggrieved Employees proportionally based on the number of work weeks each worked for Velocity in California from March 17, 2021, through <<PRELIM APPROVAL DATE>> (the “PAGA Period”). This payment is referred to as the “PAGA Payment” on your Notice of Settlement Award.
- (ii) The remainder of the Net Settlement Amount will be distributed to participating Settlement Class Members based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member’s total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class Members during the Class Period. This payment is referred to as the “Estimated Individual Settlement Payment” on your Notice of Settlement Payment.

Individual Settlement Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members who did not submit a valid and timely Request for Exclusion. Each participating Settlement Class Member who receives an Individual Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. The Settlement Administrator will distribute any funds resulting from checks not cashed within the 180-day check cashing deadline to the State Controller of California to be deposited in the California Unclaimed Property Fund, in the name(s) of the Settlement Class Member(s) whose check(s) were not cashed.

Allocation and Taxes. Each Individual Settlement Payment will be allocated as 80% penalties and interest, and 20% wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class Members an IRS Form 1099 (for amounts paid as penalties and interest) and IRS Form W2 (for amounts paid as wages). Payments made to Aggrieved Employees will be attributed 100% to penalties and paid via an IRS Form 1099. The Settlement Administrator will be responsible for calculating and withholding all employee-share employment taxes and other legally required withholdings from each Individual Settlement Payment. Settlement Class Members will be responsible for paying appropriate taxes due on the Individual Settlement Payment each receives. The Settlement Administrator, Defendants and their counsel, and Plaintiff and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments received under the Settlement.

Release. If the Court approves the Settlement, each Settlement Class Member who has not submitted a timely and valid Request for Exclusion will fully release and discharge Defendants Velocity Transport LLC, Amazon.com LLC and Amazon Logistics, Inc., and their past, present and future officers, owners, directors, employees, shareholders, agents, trustees, representatives, attorneys, administrators, fiduciaries, beneficiaries, subrogees, executors, partners, privies, insurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, assigns, as well as any individual or entity that could be alleged to be jointly liable with Defendants (collectively “Released Parties”) from all claims (with the exception of the PAGA Released Claims defined below), debts, liabilities, demands, obligations, damages, and actions or causes of action of any kind, arising under state, federal or local law, whether statutory, common law, or administrative law, and including the Fair Labor Standards Act, at any time during the Class Period, that were or could have been asserted based on the factual allegations in the operative Complaint and letters previously submitted by Plaintiff to the LWDA on March 17, 2022 and August 1, 2022 including (without limitation), claims for failure to pay minimum or overtime wages, failure to provide meal and rest periods or to pay meal and rest period premiums, failure to pay all wages due to discharged or quitting employees, failure to provide accurate itemized wage statements, claims under California Labor Code sections 201 to 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 246, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698 et seq, 2802, 2810.3, and the Wage Orders promulgated thereunder, California Business and Professions Code section 17200, et seq.; and claims for injunctive relief, punitive damages, penalties of any nature (including PAGA civil penalties and statutory penalties), interest, fees, and costs (collectively, the “Released Claims”). The time period covered by this release is the Class Period.

Aggrieved Employees, including their heirs, agents, representatives, successors, assigns and estates, regardless of whether they opt-out of the Settlement, shall be deemed to have fully, finally and forever released and discharged the Released Parties from any and all causes of action, claims, demands, rights, and liability arising from, based on, or for any claim for civil penalties under PAGA, Labor Code section 2698 *et seq.* alleged or that could have been alleged in the operative Complaint as well as any alleged violations asserted in the notices submitted to the LWDA by Class Counsel on March 17, 2022 and August 1, 2022 (collectively the “PAGA Released Claims”). The time period covered by this release is the PAGA Period.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your Individual Settlement Payment, which has been calculated for you based on the formula set forth above, as stated in the accompanying Notice of Settlement Payment. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Settlement Payment. Your estimated Individual Settlement Payment is based on the proportionate number of work weeks that you worked during the Class Period and PAGA Period. The information contained in Velocity’s records regarding this information, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Settlement Payment. If you disagree with the information in your Notice of Settlement Payment, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Settlement Payment. Any disputes, along with supporting documentation, must be postmarked no later than **<<45 Days after Settlement Administrator mails the Notice>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Settlement Administrator will consult with the parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments. The Settlement Administrator’s determination of the eligibility for and amount of any Individual Settlement Payment shall be binding upon the Settlement Class Members and the parties.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written “Request for Exclusion” letter postmarked no later than **<<45 Days after Settlement Administrator mails the Notice>>**, with your name, address, telephone number, last four digits of your social security number, and your signature. The Request for Exclusion must state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *LOPEZ v. VELOCITY TRANSPORT LLC* LAWSUIT FILED IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA, CASE NO. 3:22-cv-01414. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator at **<<ADMINISTRATOR CONTACT INFO>>**. If the Request for Exclusion does not contain all of the foregoing requirements and/or is not timely submitted, it will not be deemed valid for exclusion from the Settlement. Any person who submits a valid and timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class Member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement (except for any payment of PAGA civil penalties, if applicable). **Do not submit both a Dispute 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. If you submit a Request for Exclusion, you may not object to the Settlement.

Aggrieved Employees may not opt-out of the release of PAGA claims and will thus receive payment for their share of PAGA civil penalties even if they request exclusion from the Settlement and do not receive a class portion of their Individual Settlement Payment.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection (“Notice of Objection”) to the Settlement Administrator. Your written objection should include your name, address, telephone number, last four digits of your social security number, your signature, as well as contact information for any attorney representing you regarding your objection, the Lawsuit case name and number (which is *Lopez v. Velocity Transport LLC*, United States District Court for the Southern District of California, Case No. 3:22-cv-01414), each specific reason in support of your objection, any legal or factual support for each objection together with any evidence in support of your objection, and state if you wish to be heard at the Final Approval Hearing. Written objections must be postmarked on or before **<<45 Days after Settlement Administrator mails the Notice >>**.

You may also appear at the Final Approval Hearing currently scheduled for **<<FINAL APPROVAL HEARING DATE/TIME>>** in Department **XXX** of the United States District Court for the Southern District of California, located at **XXX** to object to the Settlement. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing if you wish to be heard at the Final Approval Hearing. You have the right to either appear or through your own attorney at this hearing. If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on **<<FINAL APPROVAL HEARING DATE/TIME>>**, in Department **XXX** of the United States District Court for the Southern District of California, located at **XXX**. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. The Court also will be asked to rule on Class Counsel’s Attorneys’ Fees and Expenses, the Class Representative Service Award, the Settlement Administration Costs, PAGA Payment to the LWDA, and the Individual Settlement Payments to the Settlement Class Members. **You are not required to attend the Final Approval Hearing.**

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may view the online docket for this case using the online search at **XXX** and inputting the case number (3:22-cv-01414). You may also contact Class Counsel using the contact information listed above for more information.

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

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections to the Settlement Administrator is <<45 Days after Settlement Administrator mails the Notice >>.

NOTICE OF SETTLEMENT PAYMENT

LOPEZ v. VELOCITY TRANSPORT LLC, ET AL.
U.S.D.C. SOUTHERN DISTRICT OF CALIFORNIA, CASE NO. 3:22-cv-01414

Please complete, sign, date and return this form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, or (2) you wish to dispute any of the information listed in Section (III), below. It is your responsibility to keep your current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Estimated Individual Settlement Payment:

According to Velocity's records:

- (a) You worked _____ work weeks for Velocity as a non-exempt employee in California between March 17, 2018 and <<PRELIM APPROVAL DATE>>;
- (b) There were _____ total work weeks worked by Velocity's non-exempt employees in California between March 17, 2018 and <<PRELIM APPROVAL DATE>>;
- (c) You worked _____ work weeks for Velocity as a non-exempt employee in California between March 17, 2021 and <<PRELIM APPROVAL DATE>>; and
- (d) There were _____ total work weeks worked by Velocity's non-exempt employees in California between March 17, 2021 and <<PRELIM APPROVAL DATE>>.

Based on the above, your Individual Settlement Payment is estimated to be \$_____.

(IV) If you disagree with items (a) - (d) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this form:

If you dispute the above information from Velocity's records, those records will control unless you are able to provide documentation that establishes that Velocity's records are mistaken. If there is a dispute about whether Velocity's information or yours is accurate, the Settlement Administrator will consult with the parties to resolve the dispute and the Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments as described in the Notice.

ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED NO LATER THAN <<45 DAYS AFTER SETTLEMENT ADMINISTRATOR MAILS THE NOTICE>>.

Signature: _____

Date: _____