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Attorneys for Plaintiff Salvador Ramos and on behalf of the Proposed Class

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

SALVADOR RAMOS, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

WHITE LINE SYSTEMS, LLC, a Texas
Limited Liability Company, DRIVEN 2
DRIVE LEASING, LLC, a Texas Limited
Liability Company, and DOES 1 through
20, inclusive;

Defendants.

Case No.: CIVSB2216314
*[Assigned to Hon. Jessica Morgan, Dept. S26,
for all purposes]*

**DECLARATION OF BRIAN MANKIN IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL**

Hearing

Date: February 22, 2024
Time: 8:30 a.m.
Dept.: S26

Complaint filed: July 27, 2022

I, Brian J. Mankin, state and declare:

1. I am an attorney licensed to practice before all of the courts of the State of California. Within our firm, I am a partner and manage the employment practice. I represent Plaintiff Salvador Ramos in this action and I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of this Class Action Settlement. If called as a witness, I could and would competently testify thereto.

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1 **COUNSEL’S EXPERIENCE**

2 2. I have been a member, in good standing, of the State Bar of California since 2001.
3 I am admitted to practice in the United States District Courts for the Central and Southern
4 District of California and the Ninth Circuit Court of Appeal and have tried cases in various
5 courts in California.

6 3. I have handled well over 500 employee vs. employer litigation matters during my
7 23 years in practice. Over the last 16 years, my practice has almost entirely consisted of
8 representing employees, the majority of which has included class action and representative
9 action wage and hour matters. In total, I have handled over 250 class action and representative
10 action wage/hour cases, and have been appointed by the court as class counsel and have received
11 final court approval and judgment in over half of those actions to date, and anticipate receiving
12 final approval in many more of those in the future.

13 4. As part of these settlements and judgments, I have recovered in excess of \$250
14 million in damages for my clients and the class members (who often work as nurses, ambulance
15 drivers, technicians, warehouse workers, truck drivers, sales, professional occupations and
16 countless other trades). My team and I once held the record for the largest known PAGA-only
17 case in California’s history - a \$12.5 million-dollar court approved settlement, which followed
18 extensive litigation, summary adjudication and writs to the CA Supreme Court against a Fortune
19 50 company (*Garcia v. Macy’s*, Los Angeles Superior Court).

20 5. I have tried two major class and PAGA cases against Fortune 100 companies. In
21 2018, I was lead counsel in a PAGA case that my firm tried in the Orange County Superior Court
22 and received a \$425,000 judgment. In 2019, I was co-counsel in a class action case against
23 Walmart in District Court, wherein the jury awarded Plaintiffs and the class over \$6 million.
24 Both cases were appealed, and the Walmart jury verdict was ultimately upheld by the Ninth
25 Circuit Court of Appeal.

26 6. I was named by the LA Times as one “Southern California Leading Lawyers” in
27 the May 2023 issue of Consumer Attorney’s of Southern California (a recognition given to 17
28 employment/labor law attorneys in 2023). Additionally, over the last five consecutive years, I

have been selected by my peers as a “Super Lawyer” in Employment Litigation, a distinction that only 5% of lawyers receive.

BRIEF SUMMARY OF THE SETTLEMENT

7. Following a productive mediation session, Plaintiff Salvador Ramos and Defendants (collectively, the “Parties”) reached a settlement and approved a Class and Representative Action Settlement Agreement and Release of Claims resolving the wage and hour claims of the putative class (the “Settlement Agreement”). (Attached hereto as **Exhibit A**). The Settlement Agreement seeks to fully release and discharge Defendants from the claims brought against them in this matter in exchange for Defendants’ agreement to pay a Total Settlement Amount of \$825,000 on a non-reversionary, non-claims made basis (each Class Member will receive his/her share of the Net Settlement Amount without having to submit a claim form or taking action, except for those who opt-out). Plaintiff seeks to represent a class of similarly situated individuals defined as: “all current and former truck drivers who were employed by Defendants White Line Systems, LLC, and Driven 2 Drive Leasing, LLC in California at any time from July 27, 2018, through March 4, 2023” (the “Class Period”).

8. Under the terms of the Settlement Agreement, Defendants will not oppose Class Counsel’s application for a reasonable award of attorneys’ fees not to exceed one-third of the Settlement Amount, Class Counsel’s litigation expenses not to exceed \$20,000, Settlement Administrator Costs of \$8,350, PAGA penalties of \$50,000 (of which \$37,500 or 75% will be paid to the LWDA and the remaining \$12,500 or 25% will be paid pro-rata to the PAGA Members), and a Service Payment not to exceed \$7,500 for Plaintiff. After subtracting the agreed-upon deductions from the Gross Settlement Amount, it is estimated that \$464,150 will be available to the Class Members who do not opt-out of the settlement, as follows:

<i>Settlement Amount</i>	\$ 825,000.00
Attorneys’ Fees (1/3)	\$ 275,000.00
Litigation Costs (not to exceed)	\$ 20,000.00
Administrator Costs	\$ 8,350.00
PAGA Penalties	\$ 50,000.00
Class Representative Service Award	\$ 7,500.00
<i>Net Settlement Amount</i>	\$ 464,150.00

1 9. Assuming 520 Class Members, the average payment to each class member will be
2 approximately \$892.60 (\$464,150 / 520). Of course, the actual payment will be calculated on a
3 pro-rata basis according to the number of Weeks Worked by each Class Member. Assuming an
4 estimated 21,683 Weeks Worked, each Workweek will have a value of approximately \$21.41 on
5 average. In addition, the PAGA Members (*i.e.*, individuals who worked during the PAGA
6 Period of June 23, 2021, through March 4, 2023), will receive a pro rata share of the \$12,500
7 PAGA Penalties (accounting for 25% of the total \$50,000 allocation). Moreover, there are
8 approximately 318 PAGA Members who collectively worked approximately 10,400 pay periods
9 during the PAGA Period.

10 10. Each Class Member will receive the Class Notice, explaining the nature of the
11 case, and the process for participating, objecting and opting-out, and advising of his/her estimated
12 settlement payment and the number of Workweeks he/she is credited with working during the
13 Class Period and pay periods worked during the PAGA Period (attached hereto as **Exhibit B**).

14 **PROCEDURAL BACKGROUND**

15 11. My office has performed considerable work and diligently investigated and
16 prosecuted this case to a successful conclusion. Our work has resulted in the creation of a
17 significant settlement fund for the benefit of the Class. We efficiently communicated and
18 exchanged information informally with Defense counsel which enabled the parties to
19 successfully settle the case at mediation. Because of the risks involved in litigating the case and
20 the contested legal and factual issues, I believe this settlement to be fair, reasonable, and
21 adequate.

22 12. After being retained by Plaintiff, we sent a June 23, 2022, letter to Defendant
23 requesting the production of his personnel file and timekeeping records in order to further
24 evaluate his wage and hour claims. That same day, we submitted a letter to the California Labor
25 Workforce Development Agency (the “LWDA”) for civil penalties under the Private Attorney
26 General Act of 2004 (the “PAGA”), which is attached hereto as **Exhibit C**.

27 13. On July 27, 2022, Plaintiff filed a class action complaint in the Court. Thereafter,
28 the LWDA declined to assert jurisdiction over the PAGA claims, so on September 15, 2022,

1 Plaintiff filed a first amended complaint that added related claims under PAGA. The operative
2 First Amended Complaint alleges claims for: (1) failure to pay minimum and regular wages, (2)
3 failure to pay for nonproductive time under Labor Code § 226.2, (3) failure to reimburse for
4 business expenses, (4) failure to timely pay final wages, (5) failure to provide accurate itemized
5 wage statements, (6) unfair and unlawful competition pursuant to Business and Professions Code
6 §17200 *et seq*, and (7) related PAGA claims.

7 14. Defendant retained counsel began to defend the case. After discussions amongst
8 counsel, the Parties agreed to hold off on formal discovery and attend private mediation. In
9 preparation for the mediation, the Parties informally exchanged documents and information that
10 allowed both sides to calculate the potential damages and evaluate potential risk, including
11 policies and procedures pertaining to each claim alleged, and statistics relating to the number of
12 current and former employees, number of shifts, pay periods worked and other things. In this
13 regard, Defendant provided a random sampling of timekeeping and payroll records of the Class
14 Members. This robust sampling enabled both parties to take a deep dive into the claims.
15 Additionally, during this process, Plaintiff and his counsel analyzed, researched, and investigated
16 the potential issues, including matters related to the calculation of damages, trial, and appellate
17 issues and risks.

18 15. The Parties mediated on June 6, 2023 with David Phillips, an experienced class
19 action wage and hour mediator. The matter did not settle at mediation; however, Mr. Phillips
20 issued a mediator's proposal, which was ultimately accepted by the Parties. The Parties
21 memorialized the terms of the settlement in a long-form Settlement Agreement. The Parties now
22 seek the Court's preliminary approval of the Settlement.

23 **THE WAGE AND HOUR CLAIMS, CLASS COUNSEL'S INVESTIGATION, AND**
24 **EVALUATION OF THE SETTLEMENT**

25 16. The handling attorney, Misty Lauby, extrapolated the following data points with
26 our retained based upon detailed data obtained through informal discovery and information
27 exchanges through the date of mediation: (1) 520 class members, (2) 21,150 workweeks, (3)
28 108,646 shifts worked, and (4) approximately 10,789 wage statements during the PAGA Period

1 (although the final numbers provided in the Class Data by Defendants may vary slightly).

2 17. Plaintiff alleges that his strongest claims were for unpaid wages and valued the
3 various claims at approximately \$1,629,690 (108,646 shifts x 1 unpaid hour x \$15 minimum
4 wage). However, Defendants raised a host of strong defenses both as to class certification and
5 on the merits. For instance, Defendants argued that any assessing the number of unpaid hours
6 would require exactly the type of individualized assessments that preclude class certification.
7 Defendants also argued that its piece-rate pay structure also complied with California law
8 pursuant to *Ayala v. U.S Xpress Enterprises, Inc.* (C.D. Cal., June 9, 2020), 2020 WL 3071707
9 because the pay structure was intended to and did cover all delivery-related tasks for the entire,
10 including non-productive time. Because of these strong defenses and substantial risk in
11 continued litigation, Plaintiff assigned a 45% risk at class certification and another 45% risk on
12 the merits, leading to a risk-adjusted value for the wage claims of \$492,981.

13 18. These unpaid wage claims then gave rise to Plaintiff's claim for waiting time
14 penalties, which had a maximum value of \$2,706,905 based on 397 *former* Class Members (397
15 former Class Members since June 10, 2019 x \$227.28 avg. per day flat rate x 30). However,
16 Defendant argued that it would defeat Plaintiff's unpaid wage claims and, because the waiting
17 time penalty claims were derivative of the unpaid wages, Plaintiff's Labor Code § 203 would
18 fail. Additionally, Defendant argued that even if the Court determined that some or all unpaid
19 wage claims had merit, waiting time penalties would be inappropriate because any violations
20 were not "willful", and Defendant had a "good faith" belief in the legality of its practices. For
21 these reasons, Plaintiff applied the same class certification and merits risks from above (45%
22 each), leading to a risk-adjusted value for the § 203 claims of \$818,839.

23 19. Plaintiff then contends that wage statement violated the labor code directly by
24 failing to include the correct hours worked by the Class Members and the rate at which the
25 drivers were paid. Based on data and information gathered prior to mediation, Plaintiff alleges
26 that there were 10,789 violative wage statements provided to 318 Class Members during the
27 statutory period dating back to July 27, 2021. As such, the maximum potential damages under §
28 226(e) was \$1,063,000 ((318 Class Members x \$50 = 15,900) + (10,789 wage statements – 318 x

100 = 1,047,100)). But this maximum figure ignores several risks and defenses. For example, Defendant raised many defenses, including that: (a) they are not required to include hours worked and rate for flat rate drivers, (b) all required information under § 226(a) could be “easily ascertained” from the wage statements and thus there were no violations, (c) the omissions, if any, were not “knowing and intentional” so no liability would attach, (d) Plaintiff and the Class would be unable to show the requisite “injury” to impose liability, and (e) even if there were violations, Plaintiff’s maximum number didn’t take into account the \$4,000 cap on damages for each Class Member, thus reducing the number of potential violations. Most of these defenses went to the merits, not to defeating class certification. Thus, Plaintiff assigned a small risk at the class certification of 20% stage but applied a 50% risk on the merits, resulting in risk-adjusted value for the wage statement claim of \$425,200.

20. As for Plaintiff’s claims under Labor Code § 2802 (failure to reimburse), Plaintiff assigned a maximum value of \$42,300 based on \$2 unreimbursed cell phone expenses per workweek (\$2 x 21,150 workweeks during the class period). But these claims also faced strong defenses, as Defendant argued that it reimbursed the Class Members \$25 per month for all cell phone expenses and that the Class Members were not required to use their cell phones for work purposes. Indeed, Defendant argued that the opposite was true since the trucks all had an onboard computer system that was fully capable of handling any necessary communications (without a Class Member needing to use their cell phone). Based on these defenses, Plaintiff assigned a 50% risk at class certification and a 75% risk on the merits, leading to a risk-adjusted value of \$5,287.

21. In sum, when factoring in the defenses and risks of ongoing litigation, Plaintiff estimates the risk-adjusted class recovery as follows:

• Unpaid Wage Claims	\$	492,981
• Waiting Time Penalty Claims	\$	818,839
• Wage Statement Claims	\$	425,200
• Unreimbursed Expense Claims	<u>\$</u>	<u>5,287</u>
• Total Risk Adjusted Penalties and Damages	\$	1,742,307

1 22. The reasonableness of the settlement is apparent from the fact that the proposed
2 settlement is only at a 53% discount from the risk-adjusted class damages and penalties. And
3 while the PAGA civil penalty would have a maximum value in the seven figures, this figure fails
4 to acknowledge that courts have wide latitude to reduce the amount of civil penalties “based on
5 the facts and circumstances of a particular case” and if “to do otherwise would result in an award
6 that is unjust, arbitrary and oppressive, or confiscatory.” Labor Code § 2699(e)(2). Moreover,
7 Defendant argued against the merits of the underlying claims and particularly that the
8 “willfulness” standard and/or “good faith” defenses mitigated the civil penalty claims and
9 rendered any such penalties as uncertain. Defendant also argued that it is improper to stack civil
10 penalty claims on top of the underlying claim. For these reasons, the Parties submit that the
11 agreed-upon settlement is fair and reasonable.

12 **THE SETTLEMENT IS FAIR, JUST, AND REASONABLE**

13 23. The settlement was the product of extensive arm’s length negotiations, facilitated
14 by an experienced mediator. Though cordial and professional, the settlement negotiations were
15 adversarial and non-collusive in nature. The settlement reached is the product of substantial
16 effort by the parties and their counsel. Although we believed that there was a possibility of
17 certifying the claims, we recognized the potential risk, expense, and complexity posed by
18 litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or
19 on the damages awarded, and/or on an appeal that can take several more years to litigate.

20 24. The settlement will result in a fair payment to each class member based on the
21 number of Weeks Worked by each Class Member. As set forth hereinabove, Plaintiff and his
22 counsel have diligently investigated the claims and defenses on behalf of the Class Members and
23 worked to achieve a resolution of the claims to maximize the recovery by avoiding further
24 expenditure of attorneys’ fees and costs. After evaluating the significant risks attendant with
25 further litigation described above and weighing them against the benefits of a known
26 compromise and settlement as set forth in the Settlement Agreement, settlement on the terms
27 agreed to is believed to be in the best interest of Plaintiff and the Class, and is a fair and
28 reasonable resolution of the claims alleged.

1 25. Plaintiff's counsel brought to bear a great deal of experience in negotiating the
2 settlement of this case. As detailed herein, Plaintiff's counsel engaged in the necessary discovery
3 and investigation, making it possible to exercise informed judgment throughout the settlement
4 process, including significant document review (e.g. documents pertaining to Defendant's
5 policies and procedures, personnel documents, among others), and conducted an extensive
6 analysis of the detailed class-wide data provided by Defendant.

7 26. Based on my experience in other cases, including wage and hour matters, I
8 believe I am qualified to evaluate the class claims and viability of defenses in this class action.
9 In this case, the recovery for each class member is reasonable, fair, and adequate, and a
10 settlement at this time is in the best interests of the class. The settlement provides each class
11 member with compensation for the alleged violations when viewed in relation to the costs and
12 risks inherent in obtaining class certification and proceeding to trial.

13 27. Plaintiff's counsel, as well as Defendant's counsel, fully endorse the terms and
14 conditions of the settlement as set forth in the abovementioned Settlement Agreement.

15 28. Of course, the settlement amount represents a compromise figure, taking into
16 account the various risks surrounding class certification and the merits of Defendant's asserted
17 defense. Nevertheless, the settlement provides for fair and adequate payments to the class
18 members, with no reversion to Defendant.

19 **PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENTS**

20 29. Plaintiff seeks an enhancement payment of \$7,500, which I believe is fair and
21 warranted given the time and effort he devoted to this case. His efforts included providing
22 factual background for the Class and PAGA complaint; providing documents and information
23 about Defendant's compensation plan; participating in phone calls to discuss litigation and
24 settlement strategy; making himself available throughout the litigation to assist with analyzing
25 the claims and defenses; helping Class Counsel prepare for the mediation; and reviewing the
26 settlement documents. The Class Representative also assumed significant risk in bringing this
27 litigation—namely, had he lost, he could have been ordered to pay Defendant's costs.

28 ///

1 **ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE**
2 **REQUESTED FEES AND COSTS**

3 30. As set forth above, I have handled over 250 class and representative actions, have
4 been appointed as class counsel and have successfully resolved over half of those class actions,
5 and many others remain pending and will successfully resolve in the future.

6 31. When this case was taken on a contingency fee basis, with my firm agreeing to
7 assume responsibility for all litigation costs, the ultimate result was far from certain. In the
8 course of this litigation, my firm paid all costs including filing fees, court costs, research fees,
9 and mediation costs. There was never a guarantee that my firm would recoup those expenditures.

10 32. It is my experience that attorney fee awards of one-third of a common fund
11 settlement is the standard in California. In this case, Plaintiff's counsel agreed to seek one-third
12 of the Settlement Amount for attorneys' fees. Defendant does not oppose this fee request. The
13 fee is further warranted because it is within the range of reasonableness typically awarded in
14 class actions. My firm's costs are reasonably capped at \$20,000 and will be based on the actual
15 amount of costs incurred at the time of final approval.

16 **SETTLEMENT ADMINISTRATOR**

17 33. The parties request that the Court appoint ILYM Group to serve as the Settlement
18 Administrator. ILYM is experienced in administering class action settlements, and has provided
19 a flat-fee proposal to administer this settlement for \$8,350.

20 **SUBMISSION TO THE LWDA**

21 34. Plaintiff has concurrently submitted the settlement and the motion for preliminary
22 approval to the LWDA in accordance with Labor Code § 2699(1)(2). The proof of submission is
23 attached hereto as **Exhibit D**.

24 **EXHIBITS AND CONCLUSION**

25 35. A true and correct copy of the Settlement Agreement is attached as Exhibit A.

26 36. The proposed Class Notice is attached as Exhibit B.

27 37. The LWDA Notice letter is attached as Exhibit C.

28 38. The proof of submission to the LWDA is attached as Exhibit D.

1 39. For the foregoing reasons, it is respectfully requested that the Court grant
2 preliminary approval of the settlement as being fair, reasonable, and in the best interests of the
3 class, as well as preliminarily approve the requested attorneys' fees, costs, and enhancement
4 payment to the Class Representative.

5 I declare under penalty of perjury under the laws of the State of California that the
6 foregoing is true and correct. Executed on January 29, 2024, at Riverside, California.

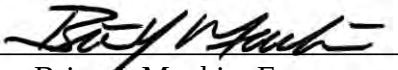
7
8 By: 
9 Brian J. Mankin, Esq.

EXHIBIT “A”

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

SALVADOR RAMOS, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

WHITE LINE SYSTEMS, LLC, a Texas
Limited Liability Company, DRIVEN 2
DRIVE LEASING, LLC, a Texas Limited
Liability Company, and DOES 1 through 20,
inclusive;

Defendants.

Case No.: CIVSB2216314
*[Assigned to Hon. Jessica Morgan, Dept S26,
for all purposes]*

**CLASS AND REPRESENTATIVE
ACTION SETTLEMENT AGREEMENT
AND RELEASE OF CLAIMS**

1 This Class and Representative Action Settlement Agreement and Release of Claims
2 (“Agreement”) encompasses the action *Salvador Ramos v. White Line Systems, LLC et al.*, the
3 Superior Court of California for the County of San Bernardino, Case No. CIVSB2216314.

4 This Agreement is entered into by and between Plaintiff Salvador Ramos (“Plaintiff”),
5 individually and on behalf of all others similarly situated, and on behalf of the State of California
6 in his capacity as private attorney general, on one hand, and Defendants White Line Systems,
7 LLC, and Driven 2 Drive Leasing, LLC (collectively, “Defendants”), on the other hand,
8 (together with Plaintiff, the “Parties”).

9 This Agreement is intended by the Parties to fully, finally and forever resolve, discharge
10 and settle the “Released Class Claims” and “Released PAGA Claims” (as defined below) on a
11 class and representative basis pertaining to the “Released Parties” (as defined below) upon and
12 subject to the terms and conditions contained herein. This Agreement, which is contingent upon
13 final Court approval, contains the essential terms of the Parties’ agreement. Plaintiff and Class
14 Counsel believe, and the Parties have agreed, that the settlement set forth in this Agreement
15 confers substantial benefits upon the Class, PAGA Members, and the State of California.

16 **A. Definitions**

17 1. “Action” or “Lawsuit” means and refers to the case entitled *Salvador Ramos v.*
18 *White Line Systems, LLC, et al.*, San Bernardino County Superior Court, Case No.
19 CIVSB2216314, which was commenced on July 27, 2022.

20 2. “Administrator” means and refers to ILYM Group, the third-party class action
21 settlement administrator agreed to by the Parties, and approved by the Court, that will provide
22 the Notice to the Class Members and distribute the settlement amounts as described in this
23 Agreement.

24 3. “Administration Costs” means the amounts payable from the Total Settlement
25 Amount to the Administrator for administering this Settlement, including, but not limited to,
26 printing, distributing, and tracking documents for this Settlement, tax reporting, and deposit of
27 the employee and employer share of payroll taxes, unclaimed property due diligence, reporting
28 and remittance obligations, distributing the Total Settlement Amount, and providing necessary

reports and declarations, as requested by the Parties. The Administration Costs shall be paid from the Total Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Administrator as being the maximum costs necessary to administer the Settlement.

4. "Agreement" or "Settlement Agreement" or "Settlement" shall mean this Class Action and PAGA Settlement Agreement and Release of Claims.

5. "Class" means: all current and former truck drivers who were employed by Defendants in California at any time during the Class Period. Defendants represent that approximately 520 Class Members collectively worked approximately 21,683 Work Weeks in California during the Class Period.

6. "Class Member(s)" refers to individual members of the Class.

7. "Class Counsel" refers to Brian Mankin and Misty Lauby of Lauby, Mankin & Lauby LLP.

8. "Class Counsel Award" means attorneys' fees for Class Counsel's litigation and resolution of the Action and Class Counsel's expenses and legal costs incurred in connection with the Action.

9. "Class Data" means information regarding Class Members that Defendants will diligently and in good faith compile from their records and provide to the Administrator on one spreadsheet which shall include, for each Class Member, the individual's full name; last known address; employee ID number, Social Security number; total Weeks Worked during the Class Period and total PAGA Pay Periods worked during the PAGA Period.

10. "Class Period" means the period of July 27, 2018, through March 4, 2023.

11. "Class Representative" or "Plaintiff" means and refers to Plaintiff Salvador Ramos.

12. "Complaint" refers to the operative first amended class and PAGA representative action complaint on file in the Action.

13. "Court" (or "Judge") means the California Superior Court, County of San Bernardino.

1 14. “Defendants” refers collectively to Defendants White Line Systems, LLC, and
2 Driven 2 Drive Leasing, LLC. As of March 4, 2023, Defendants ceased operations in California,
3 which represents the end date for the Class Period and PAGA Period.

4 15. “Defendants’ Counsel” or “Defense Counsel” means and refers to Ogletree,
5 Deakins, Nash, Smoak & Stewart, P.C.

6 16. “Effective Date” means the latest of the following dates: (i) sixty-five (65)
7 calendar days following the date the Court enters an order granting Final Approval and
8 judgment, assuming no appeal is filed; or (ii) if a timely appeal is filed, then the date of final
9 resolution of that appeal or other collateral attack (including any requests for rehearing and/or
10 petitions for certiorari), resulting in final judicial approval of the Settlement.

11 17. “Final Approval” refers to the order of the Court granting final approval of this
12 Settlement Agreement and entering a judgment approving this Agreement on substantially the
13 terms provided herein or as may be modified by subsequent agreement of the Parties.

14 18. “Individual Class Payment” refers to each Participating Class Member’s share of
15 the Net Settlement Amount, as further discussed in Paragraph 51(c) below.

16 19. “Individual PAGA Payment” means the amounts paid from the PAGA Payment
17 to PAGA Members that shall in the aggregate comprise 25% of the PAGA Payment, namely
18 \$12,500, as consideration for settlement of claims for civil penalties under PAGA, as further
19 discussed in Paragraph 50(c) below.

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

21 21. “LWDA PAGA Payment” means the payment to be made to the LWDA as its
22 75% share of the PAGA Payment, namely \$37,500, as consideration for settlement of claims for
23 civil penalties under PAGA.

24 22. “Net Settlement Amount” means the Total Settlement Amount less Court-
25 approved Class Counsel Award, Service Award, PAGA Payment and Administration Costs.

26 23. “Notice” means the notice of proposed class action settlement that the
27 Administrator will mail to the Class Members and which will advise each Class Member of the
28 terms of this Agreement and the settlement process and his or her estimated Individual Class

1 Payment and Individual PAGA Payment and will further advise of the setting of a Final
2 Approval Hearing. The Notices shall be mailed in English only.

3 24. "Objecting Class Member" means a Class Member, other than Plaintiff, who
4 submits a valid and timely objection to the terms of this Agreement, pursuant to Paragraph 71(c)
5 below.

6 25. "PAGA" refers to the Labor Code Private Attorneys General Act of 2004, Labor
7 Code § 2699 *et seq.*

8 26. "PAGA Members" means all current and former truck drivers who were
9 employed by Defendants in California at any time during the PAGA Period.

10 27. "PAGA Notice Letters" refers to the June 23, 2022 PAGA Notice Letters filed by
11 Plaintiff with the LWDA.

12 28. "PAGA Payment" means a gross payment in the aggregate of \$50,000 that is
13 comprised of the LWDA PAGA Payment and all of the Individual PAGA Payments to PAGA
14 Members in settlement of all claims for PAGA civil penalties as defined in this Agreement.

15 29. "PAGA Period" means the period of June 23, 2021, through March 4, 2023.

16 30. "Participating Class Member" means those Class Members who do not submit a
17 valid and Request for Exclusion.

18 31. "Parties" or "Settling Parties" mean Plaintiff and Defendants, collectively.

19 32. "Preliminary Approval Date" means the date on which the Court issues an order
20 granting preliminary approval of the proposed Settlement.

21 33. "Preliminary Approval Order" means the judicial Order to be entered by the
22 Court, upon the application or motion of the Plaintiff, preliminarily approving this Settlement
23 and providing for the issuance of the Notice to the Class, an opportunity to opt out of the
24 Settlement, an opportunity to submit timely objections to the Settlement, and setting a final
25 approval hearing on the fairness of the terms of Settlement, including approval of attorneys' fees
26 and costs. Provided that the motion is consistent with the terms herein, Defendants will not
27 object to Plaintiff's motion for preliminary approval but will be provided with an opportunity to
28 review and comment upon the motion before it is filed.

1 34. “QSF” means the Qualified Settlement Fund established by the Administrator for
2 the benefit of the Participating Class Members and PAGA Members, and from which the
3 settlement payments shall be made.

4 35. “Released Class Claims” shall mean any and all claims and/or causes of action as
5 well as the predicate claims based on the facts alleged in the Action, or that reasonably could
6 have been alleged based upon the factual allegations in the original and amended Complaints and
7 the PAGA Notice Letters, including all of the following: (a) all class claims alleging violations
8 of California Labor Code sections 200, 201, 202, 203, 204, 208, 210, 218.6, 221-223, 226, 226.2,
9 226.3, 256, 558, 1194, 1197, 1197.1 and 2802; (b) any and all claims for failure to pay minimum
10 and regular wages; (c) any and all claims for failure to pay for nonproductive time under Labor
11 Code § 226.2; (d) any and all claims for failure to reimburse for business expenses; (e) any and
12 all claims for failure to timely pay final wages; (f) any and all claims for improper or inaccurate
13 itemized wage statements, including any alleged violations of Labor Code Section 226(a)(1)-(9)
14 based on the facts alleged in the Action, and including claims for injuries suffered therefrom; (g)
15 any and all claims for unreimbursed business expenses, including, but not limited to, expenses
16 incurred for personal cell phone usage; (h) any and all claims under the Business and Professions
17 Code (including Section 17200 *et seq.*) premised on the facts, claims and causes of action alleged
18 in the Action, and (i) all other claims or penalties under the wage and hour laws pleaded in the
19 Action; and all damages, penalties, interest and other amounts recoverable under all claims under
20 California and federal law, to the extent permissible, including but not limited to the California
21 Labor Code as to the facts alleged in the Action, and the applicable Wage Orders as to the facts
22 alleged in the Action. The period of the Release shall extend to the limits of the Class Period.

23 36. “Released PAGA Claims” shall mean all claims and causes of action for PAGA
24 civil penalties against the Released Parties that were alleged or that could have been alleged
25 based on the facts asserted in the Action as well as in the PAGA Notice Letters for violations of
26 Labor Code sections 200, 201, 202, 203, 204, 208, 210, 218.6, 221-223, 226, 226.2, 226.3, 256,
27 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802 and 2699 *et seq.*, and sections of
28 the applicable wage order, as well as any claims for attorneys’ fees, litigation costs, and interest

1 allocated to those claims. The Released PAGA Claims include: (a) any and all claims for civil
2 penalties for failure to pay minimum and regular wages; (b) any and all claims for civil penalties
3 for failure to pay for nonproductive time under Labor Code § 226.2; (c) any and all claims for
4 civil penalties for failure to reimburse for business expenses; (d) any and all claims for civil
5 penalties for failure to timely pay final wages; (e) any and all claims civil penalties for improper
6 or inaccurate itemized wage statements, including any alleged violations of Labor Code Section
7 226(a)(1)-(9) based on the facts and legal theories contained in the PAGA Notice Letters; (f) any
8 and all claims civil penalties for unreimbursed business expenses, including, but not limited to,
9 expenses incurred for personal cell phone usage; and (f) all other claims for civil penalties
10 recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* based on the
11 facts or claims alleged in the Complaint. Under *Robinson v. Southern Counties Oil Co.*, 53
12 Cal.App.5th 476 (2020), the Released PAGA Claims apply to all PAGA Members, regardless of
13 whether they request exclusion from the class. The Released PAGA Claims do not release any
14 PAGA Members' claims for wages or statutory penalties.

15 37. "Released Parties" means Defendants White Line Systems, LLC, Drive 2 Drive
16 Leasing, LLC, and their present and former parents, shareholders, owners, members,
17 predecessors, successors, all affiliates, subsidiaries, plans, agents (including any investment
18 bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers,
19 directors and employees), and any other third party who may be legally responsible for any of
20 the claims asserted in the Action or in any of the PAGA Notice Letters, and their respective
21 present and former members, officers, directors, insurers, managers, supervisors, employees,
22 agents, and stockholders.

23 38. "Release" shall mean the release and discharge of the Released Class Claims by
24 Plaintiff and all Participating Class Members and their assignees.

25 39. "Request for Exclusion" means a Class Member's submission of a written request
26 to be excluded from the Class Settlement signed by the Class Member. Specific details of how to
27 submit a "Request for Exclusion" will be provided by the Class Notice.
28

1 40. “Response Deadline” is thirty (30) calendar days from the date the Notice is
2 mailed to the Class Members.

3 41. “Service Payment” or “Service Award” means the amount approved by the Court
4 to be paid to Class Representative Salvador Ramos in addition to his Individual Class Payment
5 and Individual PAGA Payment.

6 42. “Total Settlement Amount” means Eight Hundred Twenty-Five Thousand Dollars
7 (\$825,000.00) which is the total amount to be paid by Defendants, exclusive of Defendants’
8 obligation to separately fund their respective shares of payroll taxes, as further discussed in
9 Paragraph 50(a) below. The Total Settlement Amount will be used to pay Individual Class
10 Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Award,
11 Service Award and Administration Costs. This Total Settlement Amount is an all-in amount
12 without any reversion to Defendants. Defendants will fund the Total Settlement Amount as
13 outlined in Paragraph 73 below.

14 43. “Work Weeks” or “Weeks Worked” means all calendar weeks in which the Class
15 Member was employed by Defendants in California as a truck driver and worked at least one
16 shift during the week. For purposes of calculating Weeks Worked, there will no fractional
17 calculations (*i.e.*, a situation where an individual worked only one shift during a week does not
18 equal 1/7th of a Work Week, it counts as one Work Week).

19 **B. General Terms**

20 44. On July 27, 2022, Plaintiff filed a putative class action in the San Bernardino
21 County Superior Court, alleging Class Claims, including: (a) failure to pay minimum and regular
22 wages, (b) failure to pay for nonproductive time under Labor Code § 226.2, (c) failure to
23 reimburse for business expenses, (d) failure to timely pay final wages, and (e) failure to provide
24 accurate itemized wage statements; and (f) unfair and unlawful competition. On September 15,
25 2022, Plaintiff filed a First Amended Complaint, adding related claims under PAGA.

26 45. Defendants and the Released Parties deny any liability or wrongdoing of any kind
27 associated with the claims asserted in the Action, dispute the damages and penalties claimed by
28 Plaintiff, and further contend that, for any purpose other than settlement, Plaintiff’s claims are

1 not appropriate for class or representative treatment. This Settlement is a compromise of disputed
2 claims. Nothing contained in this Settlement, no documents referred to herein, and no action
3 taken to carry out this Settlement, shall be construed or used as an admission by or against
4 Defendants or any of the other Released Parties as to the merits or lack thereof of the claims
5 asserted in the Action. Defendants and the other Released Parties contend, among other things,
6 that, at all times, they have complied with all applicable state, federal and local laws related to
7 the Class Members' employment. Nevertheless, Defendants have entered into this Settlement to
8 avoid the cost, risk and inconvenience of further litigation. Nothing contained in this Settlement,
9 nor the fact of this Settlement itself, shall be construed or deemed as an admission of liability, or
10 wrongdoing on the part of Defendants or any of the other Released Parties, or an admission that
11 class or representative action treatment would be allowed outside the settlement context.
12 Pursuant to California Evidence Code sections 1152 and 1154, this Settlement shall be
13 inadmissible in evidence in any proceeding; except that the Settlement may be filed and used in
14 this litigation or any related litigation as necessary to approve, interpret, or enforce this
15 Settlement, or in any subsequent action against or by Defendants to support a stay of such
16 subsequent action, or to establish a defense of res judicata, collateral estoppel, release, good faith
17 settlement, judgment bar, or reduction, or any other theory of claim preclusion or issue
18 preclusion or similar defense or counterclaim by any of the Released Parties.

19 46. The Class Representative believes he can proceed with the representative and
20 class claims, that the Action is meritorious, and that class certification is appropriate.

21 47. The Parties have conducted a thorough investigation into the facts of the Action.
22 This includes conducting an extensive exchange of informal discovery, including Defendants'
23 written policies and practices and confirmation regarding the uniform payroll and timekeeping
24 practices for Class Members. Class Counsel is both knowledgeable about and has done
25 extensive research with respect to the applicable law and potential defenses to the claims of the
26 Class. Class Counsel has diligently pursued an investigation of the Class Members' claims
27 against Defendants. Based on the foregoing data and on their own independent investigation and
28 evaluation, Class Counsel is of the opinion that the settlement with Defendants for the

consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendants, and numerous potential appellate issues.

48. On June 6, 2023, Plaintiff and Defendants participated in a full-day mediation with David Phillips, a well-respected wage-and-hour mediator. At the conclusion of mediation, Mr. Phillips issued a mediator's proposal. Approximately two weeks later, the Parties accepted the mediator's proposal and reached the Settlement detailed herein.

49. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts to be performed or judgment to be entered pursuant to the terms of the Settlement and Agreement, shall be construed as an admission by Defendants of any wrongdoing or violation of any statute or law or liability on the claims or allegations in the Action.

50. Stipulation for Class Certification. For settlement purposes only, Defendants will stipulate that the Class Members described herein who do not Request Exclusion from the Class may be conditionally certified as a Class. This stipulation to certification is in no way an admission that class action certification is proper and shall not be admissible in this or in any other action except for the sole purposes of enforcing this Agreement. Should, for whatever reason, the Court fail to issue Final Approval, the Parties' stipulation to class certification as part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not be admissible in connection with, the issue of whether certification would be appropriate in a non-settlement context. Defendants expressly reserve their rights and declare that they would continue to oppose class certification and the substantive merits of the case should the Court fail to issue Final Approval. Plaintiff expressly reserves his rights and declares that he will continue to pursue class certification and a trial should the Court fail to issue Final Approval.

C. Terms of Settlement

51. The financial terms of the Settlement are as follows:

(a) Total Settlement Amount: The Parties agree to settle this Action for Eight Hundred Twenty-Five Thousand Dollars (\$825,000) (the "Settlement Amount"), which shall be

1 jointly and severally owed and paid by Defendants. The Total Settlement Amount is the
2 maximum amount that will be paid, and includes Individual Class Payments, PAGA Payment,
3 Class Counsel Award, the Service Payment to the Class Representative, all Settlement
4 Administration Costs, and interest. Defendants shall separately pay the employer's share of
5 applicable payroll tax obligations due on the wage portions of the Individual Class Payments,
6 which shall be reported through the Settlement Administrator. The release provisions of this
7 Agreement will not take effect until Defendants have paid in full the First Installment Payment
8 of the Total Settlement Amount provided that Plaintiff retains the right to seek to void such
9 effect of the release in the event Defendants default on any subsequent installment payments as
10 such payments are set forth in this Agreement. In the event Plaintiff establishes a payment
11 default, the release provisions of this Agreement will not take effect until Defendants have paid
12 the Total Settlement Amount in full.

13 (b) Net Settlement Amount: The "Net Settlement Amount" is defined as the
14 Total Settlement Amount less the Class Counsel Award, the Service Payment to the Class
15 Representative as awarded by the Court, the Administration Costs, and PAGA Payment. If the
16 Court reduces the Attorneys' Fees and Costs Award, Service Award or Administrator Costs, or
17 either increases or decreases the amount allocated to the PAGA Penalties, the difference shall be
18 placed in the Net Settlement Amount and allocated to the Class.

19 (c) The Individual Class Payment for each Class Member will be calculated
20 by the Administrator using the Class Data provided by Defendants as follows. Compensable
21 workweeks will be all Weeks Worked by the Class Members during the Class Period. The
22 dollars per compensable work week will be calculated by dividing the total Weeks Worked by
23 Class Members into the Net Settlement Amount to determine a per work week value
24 ("Workweek Value"). The Workweek Value will be multiplied by the number of Weeks
25 Worked by a Participating Class Member during the Class Period to determine the distribution
26 for a Participating Class Member. If there are any timely submitted Requests for Exclusion, the
27 Administrator shall proportionately increase the Individual Class Payments for each Participating
28 Class Member so that the amount actually distributed to Participating Class Members equals

1 100% of the Net Settlement Amount.

2 (d) Allocation of Individual Class Payments: The Individual Class Payments
3 to Participating Class Members will be allocated as follows: 20% will be allocated as wages
4 subject to withholding of all applicable local, state and federal taxes; and 80% will be allocated
5 for interest and statutory penalties (pursuant to, *e.g.*, California Labor Code sections 203, 210,
6 226) from which no taxes will be withheld. The Administrator will issue to each Participating
7 Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect
8 to the wage allocation and a Form 1099 with respect to the penalties and interest allocations.
9 Participating Class Members assume full responsibility and liability for any employee taxes
10 owed on their Individual Class Payment.

11 (e) Service Payment to Class Representative: The amount, if any, awarded to
12 the Class Representative as a Service Payment will be set by the Court in its discretion, not to
13 exceed \$7,500, in exchange for the service that Plaintiff performed on behalf of the Class.
14 Defendants agree not to oppose this request. The Service Payment to Plaintiff will be paid out of
15 the Settlement Amount. The Class Representative will be issued an IRS Form 1099 in
16 connection with this payment. Plaintiff shall be solely and legally responsible to pay all
17 applicable taxes on this payment. The Parties agree that any amount awarded as the Service
18 Payment to Plaintiff less than the requested amount shall not be a basis for Plaintiff or Class
19 Counsel to void this Settlement Agreement. In the event that the Court reduces or does not
20 approve the requested Service Payment, Plaintiff and Class Counsel shall not have the right to
21 modify or revoke the Settlement, or to appeal such order, nor will Plaintiff or Class Counsel
22 seek, request or demand an increase to the Total Settlement Amount on that basis. Should the
23 Court approve a lesser amount for the Service Payment, the difference shall be added to the Net
24 Settlement Amount to be distributed to the Participating Class Members.

25 (f) Class Counsel Award: Defendants agree to not oppose a request by Class
26 Counsel to the Court for an award of attorneys' fees of one-third of the Settlement Amount, plus
27 reasonable litigation costs not to exceed \$20,000 ("Attorney's Fees and Cost Award").
28 Defendants agree not to oppose any contention by Class Counsel that attorneys' fees should be

1 based on the common fund theory. The Class Counsel Award shall be paid from the Settlement
2 Amount, and, except for this award, Defendants shall have no further obligation to pay any
3 attorneys' fees, costs, or expenses to Class Counsel. Should the Court approve a lesser amount
4 than what is sought by Class Counsel, the difference shall be added to the Net Settlement
5 Amount to be distributed to the Participating Class Members. Any Court order awarding less
6 than the amount sought by Class Counsel shall not be grounds to rescind the Settlement
7 Agreement or otherwise void the Settlement. In the event that the Court reduces or does not
8 approve the requested Class Counsel Award, Plaintiff and Class Counsel shall not have the right
9 to modify or revoke the Settlement, or to appeal such order, nor will Plaintiff or Class Counsel
10 seek, request or demand an increase to the Total Settlement Amount on that basis. The
11 Administrator shall issue to Class Counsel an IRS Form 1099 reflecting the amount of attorneys'
12 fees and costs awarded by the Court.

13 (g) Administration Costs: The fees and other charges of the Administrator
14 will be paid from the Total Settlement Amount in the amount approved by the Court, and not
15 exceed \$8,350 based on the Administrator's all-in proposal.

16 (h) PAGA Payment: The Parties agree that \$50,000 is allocated as the PAGA
17 Payment, and is to be paid from the Total Settlement Amount, subject to Court approval. Of this
18 amount, \$37,500 (75%) shall be paid to the LWDA in satisfaction of civil penalties under the
19 Private Attorney General Act of 2004 ("PAGA") and \$12,500 (25%) will form the Individual
20 PAGA Payments to the PAGA Members, which shall be calculated and allocated pro-rata on a
21 Pay Period basis, which will be treated entirely as civil penalties and shall be reported as
22 required on an IRS Form 1099. Class Counsel shall give proper notice to the LWDA of the
23 Settlement.

24 (i) Tax Liability: Class Counsel, Defendants and Defense Counsel make no
25 representations as to the tax treatment or legal effect of settlement amounts called for hereunder,
26 and Plaintiff and the Class Members are not relying on any statement or representation by Class
27 Counsel or Defendants in this regard. Plaintiff, Participating Class Members, and PAGA
28 Members understand and agree that they will be solely responsible for the payment of any taxes

1 and penalties assessed on their respective Individual Class Payments and Individual PAGA
2 Payments, described herein. Forms 1099 will be distributed in the manner required by the
3 Internal Revenue Code of 1986 (the “Code”) and consistent with this Agreement. If the Code,
4 the regulations promulgated thereunder, or other applicable tax law, is changed after the date of
5 this Agreement, the processes set forth in this Section may be modified in a manner to bring
6 Defendants into compliance with any such changes. Plaintiff, Participating Class Members,
7 PAGA Members and Class Counsel understand and agree that they will be solely responsible for
8 the reporting and payment of any taxes and penalties assessed on their respective payments
9 described herein. Defendants make no representation, and it is understood and agreed that
10 Defendants have made no representation, as to the taxability of any Participating Class Members
11 of any portion of the Individual Settlement Payments, as to any PAGA Members regarding the
12 Individual PAGA Payments, the payment of attorneys’ fees and expenses to Class Counsel, or
13 the payment of the Service Payment to the Class Representative. The Class Notice will advise
14 each Class and PAGA Member to seek his/her own personal tax advice prior to acting in
15 response to the Class Notice.

16 (j) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS
17 AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY”
18 AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING
19 PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO
20 PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR
21 DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND
22 OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH
23 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
24 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
25 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
26 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS
27 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
28 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO

1 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY
2 OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT
3 ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
4 ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY
5 THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
6 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
7 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR
8 ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS
9 LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF
10 THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING
11 ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

12 (k) "Non-Reversionary" Settlement. This is a "non-reversionary" settlement.
13 Under no circumstances will any portion of the Total Settlement Amount revert to Defendants.
14 Participating Class Members and PAGA Members will not have to make a claim in order to
15 receive an Individual Class Payment or Individual PAGA Payment. Distributions, in the form of
16 Individual Class Payment or Individual PAGA Payments will be made directly to each
17 Participating Class Member and PAGA Member. The Administrator shall be responsible for
18 accurately and timely reporting and remittance obligations with respect to unclaimed funds as a
19 result of a Participating Class Member and/or PAGA Member not cashing any checks delivered
20 pursuant to the Settlement by the check cashing deadline, as set forth herein.

21 (l) Class Counsel and Plaintiff believe that the Settlement is fair and
22 reasonable and will so represent same to the Court.

23 **D. Release by the Participating Class Members**

24 52. Upon entry of the Final Approval Order and Defendants funding of the Total
25 Settlement Amount and the required employer-side payroll taxes, and except as to such rights or
26 claims as may be created by this Agreement, Plaintiff and the Participating Class Members will
27 forever completely release and discharge the Released Parties from the Released Class Claims
28 for the Class Period.

1 53. Each Participating Class Member will be deemed to have made the foregoing
2 Release as if by manually signing it.

3 54. Class Representative, on behalf of himself and the Class, acknowledges and
4 agrees that the claims for unpaid wages and untimely payment of wages in the Action are
5 disputed, and that the payments set forth herein constitute payment of all sums allegedly due to
6 them with respect to such claims. Class Representative, on behalf of himself and the Class,
7 acknowledges and agrees that Labor Code § 206.5 is not applicable to the Parties or Settlement.
8 Labor Code § 206.5 provides in pertinent part as follows: "An employer shall not require the
9 execution of any release of any claim or right on account of wages due, or to become due, or
10 made as an advance on wages to be earned, unless payment of those wages has been made."

11 **E. Release of PAGA Claims**

12 55. Upon entry of the Final Approval Order and Defendants' funding of the
13 Settlement Amount and the required employer-side payroll taxes, Plaintiff, the LWDA and
14 PAGA Members shall completely release and discharge the Released Parties from the Released
15 PAGA Claims for the PAGA Period.

16 56. Regardless of submitting a valid Request for Exclusion, neither Plaintiff nor any
17 PAGA Member shall have the right to opt-out or otherwise exclude themselves from releasing
18 the Released PAGA Claims.

19 57. It is the intent of the Parties that the Final Approval Order shall have full
20 equitable and collateral estoppel and res judicata effect to the fullest extent permitted by law.

21 **F. Release by Plaintiff and Class Representative**

22 58. Class Representative does hereby, for himself and his former and present
23 spouses/domestic partners, agents, attorneys, heirs, successors, beneficiaries, devisees, legatees,
24 executors, administrators, trustees, conservators, guardians, personal representatives, and assigns
25 forever and completely release and discharge the Released Parties from any and all charges,
26 complaints, claims, liabilities, obligations, promises, agreements, controversies, damages,
27 actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including
28 back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest,

1 attorneys' fees, and costs) of any nature whatsoever, from the beginning of time through the
2 execution of this Agreement, whether known or unknown, suspected or unsuspected, including
3 but not limited to all claims arising out of, based upon, or relating to Class Representative's
4 employment with Defendants or the remuneration for or termination of such employment (the
5 "Class Representative's Claims").

6 59. Without limiting the generality of the foregoing, this general release by Plaintiff
7 includes all federal, state and local statutory claims, federal and state common law claims
8 (including but not limited to those for contract, tort and equity), including without limitation the
9 Americans with Disabilities Act, Age Discrimination in Employment Act, Title VII of the Civil
10 Rights Act of 1964 (as amended), 42 USC sec. 1981, 42 USC sec. 1983, the Fair Labor
11 Standards Act, the Employment Retirement Security Income Act of 1974, the California
12 Constitution, the California Fair Employment and Housing Act, the California Unfair
13 Competition Act (California Business and Professions Code section 17200 et seq.), and the
14 California Labor Code.

15 60. Plaintiff agrees that there is a risk that any injury that he may have suffered by
16 reason of the Released Parties' relationship with him might not now be known, and there is a
17 further risk that said injuries, whether known or unknown at the date of this Settlement
18 Agreement, might possibly become progressively worse, and that as a result thereof further
19 damages may be sustained. Nevertheless, Plaintiff agrees to forever and fully release and
20 discharge the Released Parties, and understands that by the execution of this Settlement
21 Agreement no further claims for any such injuries that existed at the time of the execution of this
22 Settlement Agreement may ever be asserted by Plaintiff with respect to claims arising in the time
23 period from the beginning of time to the execution of this Settlement Agreement.

24 61. Plaintiff expressly waives and relinquishes all rights and benefits afforded by
25 Section 1542 of the Civil Code of the State of California and does so understanding and
26 acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code
27 of the State of California states:
28

1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
2 THAT THE CREDITOR OR RELEASING PARTY DOES NOT
3 KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT
4 THE TIME OF EXECUTING THE RELEASE AND THAT, IF
5 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
6 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR
7 OR RELEASED PARTY.

8 Notwithstanding the provisions of Section 1542, and for the purpose of implementing a
9 full and complete release and discharge of all parties, Class Representative expressly
10 acknowledges that this Settlement Agreement is intended to include in its effect, without
11 limitation, all claims that Class Representative knew of, as well as all claims that he does not
12 know or suspect to exist in his favor against the Released Parties, or any of them, for the time
13 period from the beginning of time to the execution of this Settlement Agreement, and that this
14 Settlement Agreement contemplates the extinguishment of any such Class Representative's
15 Claims. Notwithstanding the above, the general release by Class Representative shall not extend
16 to claims for workers' compensation benefits (including Workers Comp. Case ADJ 11781204),
17 claims for unemployment benefits, or other claims that may not be released by law.

18 ADEA Waiver: Without limiting the scope of this Agreement, Plaintiff agrees that this
19 Agreement constitutes a knowing and voluntary waiver of any and all rights or claims that exist
20 or that he may claim to have under the Age Discrimination in Employment Act of 1967
21 ("ADEA"). Plaintiff acknowledges that he has been advised by this writing, as required by the
22 Older Workers' Benefit Protection Act: (i) his waiver and release does not apply to any rights or
23 claims that may arise after he signs this Agreement; (ii) he should consult with an attorney prior
24 to executing this Agreement; (iii) he has at least twenty-one (21) days to consider this Agreement
25 (although he may by his own choice execute this Agreement earlier); (iv) he has seven (7) days
26 following his execution of this Agreement to revoke the Agreement; and (v) this Agreement shall
27 not be effective until the next business day following the expiration of this 7-day revocation
28 period. Plaintiff may revoke this Agreement only by giving Defendant formal, written notice of
his revocation of this Agreement, addressed to: Douglas J. Farmer, Esq., at Ogletree, Deakins,
Nash, Smoak & Stewart, P.C., One Embarcadero Center, Suite 900, San Francisco, California

94111. In the event Plaintiff revokes the waiver of ADEA claims, he understands and agrees that he will not be entitled to a Service Payment.

G. Interim Stay of Proceedings

62. Pending completion of all of the prerequisites necessary to effectuate this Settlement, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action except such as is necessary to effectuate the Settlement.

H. Notice Process

63. Appointment of Administrator. The Parties have agreed to the appointment of the Administrator to perform the duties of a settlement administrator, including mailing the Notice, using standard devices to obtain forwarding addresses, independently reviewing and verifying documentation associated with any claims or opt-out requests, resolving any disputes regarding the calculation or application of the formula for determining the Individual Class Payment and Individual PAGA Payments, drafting and mailing the settlement checks to Participating Class Members and PAGA Members, issuing all necessary tax forms, preparing declarations and reports for the Parties and the Court, and performing such other tasks as set forth herein or as the Parties mutually agree or that the Court orders.

64. Disputes Regarding Administration. Any and all disputes relating to administration of the Settlement by the Administrator (except for disputes regarding Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until Plaintiff and Defendants notify the Court that all payments and obligations contemplated by this Agreement have been fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of Court intervention. The Administrator shall also be responsible for issuing to Plaintiff, Participating Class Members, and PAGA Members, and Class Counsel any Tax Forms as may be required by law for all amounts paid pursuant to this Agreement.

65. Class Data. Within fourteen (14) days after entry of the Preliminary Approval Order, Defendants shall provide the Class Data to the Administrator. The Administrator will run a check of the Class Members' addresses against those on file with the U.S. Postal Service's

1 National Change of Address List. The Class Data provided to the Administrator will remain
2 confidential and will not be used or disclosed to anyone, except as required by applicable tax
3 authorities, pursuant to Defendants' express written consent, or by order of the Court. Although
4 Class Counsel will not be provided with the list of Class Data, nothing herein shall prevent Class
5 Counsel from communicating with Class Members regarding the Action and Settlement.

6 66. Total Workweeks. At least 5 days prior to mailing the Notice, the Administrator
7 shall provide a spreadsheet to Class Counsel and Defense Counsel containing a preliminary
8 calculation of all payments to be paid from the Settlement Amount, including the estimated
9 Individual Class Payments to each Class Member and Individual PAGA Payments to each
10 PAGA Member (a person's name shall be redacted and a control number used in place of the
11 name).

12 67. Notice. The Notice, as approved by the Court, shall be sent by the Administrator
13 to the Class Members, by first class mail, in English only, within ten (10) calendar days
14 following the Administrator's receipt of the Class Data. The Administrator shall use standard
15 devices, including a skip trace, to obtain forwarding addresses of Class Members if any
16 envelopes are returned.

17 68. Returned Notice Packets. The Administrator will take steps to ensure that the
18 Notice is received by all Class Members, including utilization of the National Change of Address
19 Database maintained by the United States Postal Service to review the accuracy of and, if
20 possible, update a mailing address. Notices will be re-mailed to any Class Member for whom an
21 updated address is located within ten (10) calendar days following both the Administrator
22 learning of the failed mailing and its receipt of the updated address. The Notice shall be identical
23 to the original Notice, except that it shall notify the Class Member that the exclusion (opt-out)
24 request or objection must be returned by the later of the Response Deadline or fifteen (15) days
25 after the remailing of the Notice.

26 69. Presumption Regarding Receipt of Notice. It will be conclusively presumed that
27 if an envelope has not been returned to Administrator by the Response Deadline that the Class
28 Member received the Notice.

1 70. Disputes Regarding Class Data. Class Members are deemed to participate in the
2 Settlement unless they opt-out, and PAGA Members may not opt out of the Released PAGA
3 Claims. The Notice will inform Class Members of his/her estimated Individual Class Payment
4 and Individual PAGA Payment, as well as the number of weeks he/she worked during the Class
5 Period and the PAGA Period. Class Members may dispute their Weeks Worked if they feel they
6 should be credited with more Weeks Worked in the Class Period and/or PAGA Period in
7 California than Defendants' records show by timely submitting evidence to the Administrator.
8 Defendants' records will be presumed determinative absent reliable evidence to rebut
9 Defendants' records, but the Administrator will evaluate the evidence submitted by the Class
10 Member and provide the evidence submitted to Class Counsel and Defense Counsel who agree to
11 meet and confer in good faith about the evidence to determine the Class Member's actual
12 number of Work Weeks and estimated Individual Class Payment and Individual PAGA Payment.
13 If Class Counsel and Defense Counsel are unable to agree, they agree to submit the dispute to the
14 Court to render a final decision. Class Members and PAGA Members will have until the
15 Response Deadline to dispute Weeks Worked, object or opt out, unless extended by the Court.

16 71. Declaration of Due Diligence. The Administrator shall provide counsel for the
17 Parties, at least twenty-five (25) days prior to the final approval hearing, a declaration of due
18 diligence and proof of mailing with regard to the mailing of the Notice.

19 72. Class Members' Rights. Each Class Member will be fully advised of the
20 Settlement, the ability to object to the settlement, and the ability to opt-out or request exclusion
21 from the Class portion of the Settlement. The Notice will inform the Class Members of the
22 Court-established deadlines for filing objections or requesting exclusion from the Settlement in
23 accordance with the following guidelines:

24 (a) Requests for Exclusion from Class. Any Class Member, other than
25 Plaintiff, may request to be excluded from the Class by submitting a "Request for Exclusion" to
26 the Administrator, postmarked on or before the Response Deadline. The Request for Exclusion
27 should state:
28

1 “I WISH TO BE EXCLUDED FROM THE CLASS IN THE
2 RAMOS V. WHITE LINES LAWSUIT. I UNDERSTAND THAT
3 IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT
4 CLASS, I WILL NOT RECEIVE MY INDIVIDUAL CLASS
5 PAYMENT FROM THIS LAWSUIT.”

6 To be valid, any Request for Exclusion must include the full name, address, telephone
7 number, last four digits of the social security number or date of birth, and signature of the Class
8 Member requesting exclusion. The Request for Exclusion must be returned by mail to the
9 Administrator at the specified address set forth in the Notice. Any such Request must be made in
10 accordance with the terms set forth in the Notice. A Request for Exclusion will be timely only if
11 postmarked by the Response Deadline, unless the Parties otherwise agree in writing. Any Class
12 Member who timely requests exclusion in compliance with these requirements: (i) will not have
13 any rights under this Agreement, including the right to object, appeal or comment on the
14 Settlement; (ii) will not be entitled to receive the Individual Class Payment under this
15 Agreement; and (iii) will not be bound by this Agreement, or the Judgment. Any Class Member
16 who is a PAGA Member who requests timely exclusion will still be subject to the Released
17 PAGA Claims to the fullest extent permitted by law and receive an Individual PAGA Payment.
18 All Parties and their counsel, including Defendants’ respective members, member managers,
19 owners, officers, and directors, shall not encourage or solicit opt-outs or objections, directly or
20 indirectly, through any means.

21 (b) Binding Effect on Participating Class Members. All Participating Class
22 Members will: (i) be bound by the terms and conditions of this Agreement, the Judgment, and
23 the releases set forth herein; and (ii) except as otherwise provided herein, will be deemed to have
24 waived all objections and oppositions to the fairness, reasonableness, and adequacy of the
25 Settlement.

26 (c) Objections to Settlement. Any Class Member, other than Plaintiff, who
27 does not submit a valid and timely Request for Exclusion may object to the terms of this
28 Agreement. To object, a Class Member shall inform the Administrator, in writing, of his or her

1 objection which must be postmarked by the Response Deadline at the address set forth in the
2 Notice. Such objection shall include the Objecting Class Member's full name, address,
3 telephone number, last four digits of the social security number or date of birth, signature, and
4 dates of employment with Defendant, in addition to the case name and number, the basis for the
5 objection, including any legal support and each specific reason in support of the objection, as
6 well as any documentation or evidence in support thereof, and, if the Objecting Class Member is
7 represented by counsel, the name and address of his or her counsel. The Administrator shall
8 provide objections, if any, to Class Counsel and Defense Counsel within three (3) calendar days
9 of receipt, and the Administrator shall attach the same to its declaration of due diligence and file
10 with the Court prior to the Final Approval Hearing. An Objecting Class Member remains
11 eligible to receive monetary compensation from the Settlement. Plaintiff and Defendants shall
12 not be responsible for any fees, costs, or expenses incurred by an Objecting Class Member
13 and/or his or her counsel related to any objections to the Settlement. Submitting an objection
14 does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by
15 becoming a party of record by timely and properly intervening or filing a motion to vacate the
16 judgment under Code of Civil Procedure § 663.

17 (d) Failure to Object. Any Class Member who does not timely and properly
18 become a party of record by intervening or filing a motion to vacate the judgment waives any
19 and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding
20 and appellate proceeding, such as a motion to vacate judgment, motion for new trial, a motion
21 under California Code of Civil Procedure section 473, and extraordinary writs.

22 (e) Responses to Objections. Counsel for the Parties may file a response to
23 any objections submitted by an Objecting Class Member at least five (5) court days before the
24 date of the Final Approval Hearing.

25 (f) Class Members will have until the Response Deadline to object or submit
26 a Request for Exclusion to the Administrator by U.S. Mail. The Administrator shall disclose
27 jointly to Class Counsel and Defense Counsel what objections or Requests for Exclusion were
28 timely submitted on a weekly basis, and upon the request of Class Counsel or Defense Counsel.

1 73. Funding of the Total Settlement Amount. Defendants will fund the Total
2 Settlement Amount as follows: (a) one-half (50%) by the later of 10 days after the Effective Date
3 or June 10, 2024; (b) one-quarter (25%) by the later of 10 days after the Effective Date or
4 September 10, 2024; (c) the final one-quarter (25%) by the later of 10 days after the Effective
5 Date or December 10, 2024. Defendants shall wire the installment payments to an account to be
6 established and maintained by the Administrator. The Administrator shall establish and maintain
7 a Qualified Settlement Fund for the collection and administration of settlement funds. The
8 Administrator will establish and circulate a schedule of the due dates for the installment
9 payments. Upon full funding of the Total Settlement Amount, the Administrator will prepare
10 calculations as to the employer-side payroll taxes that Defendants shall separately fund.

11 74. Distribution of Funds. No later than ten (10) calendar days after the deposit of the
12 Total Settlement Amount is fully completed by Defendants the Administrator shall mail the
13 Individual Class Payments to the Participating Class Members, the Individual PAGA Payments
14 to the PAGA Members, the payment to Class Counsel for the Class Counsel Award, any Service
15 Payment to the Class Representative, the payment to the LWDA for its share of the PAGA
16 Payment, and will pay itself the Administration Costs.

17 75. Deadline for Cashing Settlement Checks. Participating Class Members and
18 PAGA Members shall have 180 calendar days after mailing by the Administrator to cash their
19 settlement checks. The release will be binding upon all Participating Class Members who do not
20 cash their checks within the 180-day period. In the event that any settlement check is returned to
21 the Administrator within 180 days of mailing, the Administrator will, within five (5) business
22 days of receipt of the returned settlement check, perform a skip trace to locate the individual, and
23 notify Defense Counsel and Class Counsel of the results. If a new address is located by these
24 means, the Administrator will have ten (10) business days to re-issue the check. Neither
25 Defendants, Defense Counsel, Class Counsel, Plaintiff, nor the Administrator will have any
26 liability for lost or stolen settlement checks, forged signatures on settlement checks, or
27 unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event a
28 Participating Class Member and/or PAGA Member notifies the Administrator that he or she

believes that a settlement check has been lost or stolen, the Administrator shall immediately stop payment on such check. If the check in question has not been negotiated prior to the stop payment order, the Administrator will issue a replacement check.

(a) If any Participating Class Member's check is not cashed within the time periods noted above, the check will be void and a stop-payment will be issued, and the Administrator shall issue the unclaimed funds to the California State Controller's Office in the name of the Class Member.

(b) If any PAGA Member's check is not cashed within the time periods noted above, the check will be void and a stop-payment will be issued, and the Administrator shall issue the unclaimed funds to the California State Controller's Office in the name of the PAGA Member.

I. No Effect on Employee Benefits: The Service Payment, Individual Settlement Payments and Individual PAGA Payments shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any employee benefits (*e.g.*, vacations, holiday pay, retirement plans, etc.) of the Plaintiff, Participating Class Members and PAGA Members. The Parties agree that any Service Payment, Individual Settlement Payments, and Individual PAGA Payments paid to Plaintiff, Participating Class Members and PAGA Members under the terms of this Settlement do not represent any modification of any previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendants. Further, any Service Payment, Individual Settlement Payments and Individual PAGA Payments shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.

J. Duties of the Parties Prior to the Court's Approval

76. Promptly after execution of this Agreement, Plaintiff will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

(a) Approving as to form and content the proposed Notice;

(b) Directing the mailing of the Notice by first class mail to the Class Members;

(c) Preliminarily approving this Settlement;

(d) Preliminarily certifying the class for purposes of this Settlement;

(e) Advising the LWDA of the proposed Settlement; and

(f) Scheduling the Final Approval Hearing on the issue of whether this Settlement should be finally approved as fair, reasonable and adequate.

K. Duties of the Parties Following Court's Final Approval

77. In connection with the Final Approval Hearing provided for in this Agreement, Class Counsel shall submit a proposed Final Approval Order:

- (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- (b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, the Service Payment to the Class Representative, and the payment to the Administrator for costs of administering the settlement; and
- (c) Entering judgment approving settlement.

L. Voiding the Agreement

78. If the Court fails or refuses to issue the Final Approval Order or fails to approve any material condition of this Agreement which effects a fundamental change of the Settlement, the entire Agreement shall be rendered voidable and unenforceable as to all Parties herein at the option of either Party.

79. If the Settlement is voided or fails for any reason, Plaintiff and Defendants will have no further obligations under the Settlement, including any obligation by Defendants to pay the Settlement Amount, or any amounts that otherwise would have been owed under this Settlement.

80. If the Settlement is voided or fails for any reason, any costs incurred by the Administrator shall be borne equally by Defendants and Plaintiff, unless otherwise specified in this Agreement.

1 81. Defendants retain the right, in the exercise of their sole discretion, to nullify the
2 settlement within fifteen (15) days after expiration of the opt out period, if the total number of
3 class members excluded from the settlement reduces the total weeks worked by the Settlement
4 Class by five percent (5%) or more. If Defendants elect to terminate the settlement they shall be
5 responsible for payment of the cost of administration incurred with the Administrator.

6 **M. Other Terms**

7 82. Waiver. The waiver by one Party of any breach of this Agreement by another
8 Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

9 83. Parties' Authority. The signatories hereto represent that they are fully authorized
10 to enter into this Agreement and bind the Parties hereto to the terms and conditions hereof.

11 84. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
12 accomplish the terms of this Agreement, including but not limited to, execution of such
13 documents and to take such other action as may reasonably be necessary to implement the terms
14 of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts
15 contemplated by this Agreement and any other efforts that may become necessary by order of the
16 Court, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as
17 practicable after execution of this Agreement, Class Counsel shall, with the assistance and
18 cooperation of Defendants and Defense Counsel, take all necessary steps to secure the Court's
19 preliminary and final approval of the settlement, and the final entry of judgment.

20 85. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
21 they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign,
22 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
23 cause of action or rights released and discharged by this Agreement.

24 86. No Admission. Defendants and the other Released Parties deny any and all
25 liability to Plaintiff and/or any Class Member and/or PAGA Member in this Action, as to any
26 and all causes of action that were asserted or that might have been asserted in this Action.
27 Nonetheless, Defendants wish to settle and compromise the matters at issue in the Complaint to
28 avoid further substantial expense and the inconvenience and distraction of protracted and

1 burdensome litigation. Defendants have taken into account the uncertainty and risks inherent in
2 litigation, and without conceding any infirmity in the defenses that they have asserted or could
3 assert against Plaintiff, have determined that it is desirable and beneficial that Plaintiff's claims be
4 settled in the manner and upon the terms and conditions set forth in this Agreement.

5 87. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
6 Order, nothing contained herein, nor the consummation of this Agreement, is to be construed or
7 deemed an admission of liability, culpability, negligence, or wrongdoing on the part of
8 Defendants or any of the other Released Parties. Each of the Parties hereto has entered into this
9 Agreement with the intention of avoiding further disputes and litigation with the attendant
10 inconvenience and expenses. This Agreement is a settlement document, and it, along with all
11 related documents such as the notices, and motions for preliminary and final approval, shall,
12 pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be
13 inadmissible in evidence in any proceeding, except an action or proceeding to approve the
14 settlement, and/or interpret or enforce this Agreement. The stipulation for class certification as
15 part of this Agreement is for settlement purposes only and if, for any reason the settlement is not
16 approved, the stipulation will be of no force or effect.

17 88. No Publicity. The Parties will not publicize the Settlement or disclose it to third
18 parties prior to the Court granting Preliminary Approval, except as required or necessary to
19 effectuate its terms and comply with law. After the Final Approval Date, Class Counsel and
20 Class Representative agree that they will not discuss the Settlement with the media, any
21 settlement and verdict reporting service, any social media postings or other Internet postings.
22 Nothing herein shall be construed to prevent Class Counsel from the public filing of motions or
23 other case materials in the Action related to seeking and obtaining Court approval of this
24 Settlement and the related awards of attorneys' fees and costs, or to communications with Class
25 Members or their representatives about this Settlement, including through the posting of Court-
26 filed documents on Class Counsel's websites for access solely by the Class Members, or to
27 prevent the Parties or their representatives from communicating with financial or legal advisors
28 regarding the Settlement. In response to any media inquiry, Class Counsel may state only that

1 the Action has been settled on terms mutually agreeable to the Parties.

2 89. Notices. Unless otherwise specifically provided herein, all notices, demands or
3 other communications given hereunder shall be in writing and shall be deemed to have been duly
4 given as of the third business day after mailing by United States registered or certified mail,
5 return receipt requested, addressed:

6 *To the Class:*

7 Brian J. Mankin
8 *brian@lmlfirm.com*
9 Lauby, Mankin & Lauby LLP
10 5198 Arlington Ave, PMB 513
11 Riverside, CA 92504
12 Tel: (951) 320-1444 | Fax: (951) 320-1445

11 *To Defendants:*

12 Douglas J. Farmer, Esq,
13 Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
14 One Embarcadero Center, #900
15 San Francisco, CA 94111
16 Tel: 415-442-4869 | Fax: 415-442-4870
17 *douglas.farmer@ogletree.com*

18 90. Construction. The Parties hereto agree that the terms and conditions of this
19 Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and
20 that this Agreement shall not be construed in favor of or against any Party by reason of the extent
21 to which any Party or his or its counsel participated in the drafting of this Agreement. Plaintiff
22 and Defendants expressly waive the common-law and statutory rule of construction that
23 ambiguities should be construed against the drafter of an agreement and further agree, covenant,
24 and represent that the language in all parts of this Agreement shall be in all cases construed as a
25 whole, according to its fair meaning.

26 91. Captions and Interpretations. Paragraph titles or captions contained herein are
27 inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
28 describe the scope of this Agreement or any provision hereof. Each term of this Agreement is
contractual and not merely a recital.

1 92. Modification. This Agreement may not be changed, altered, or modified, except
2 in writing and signed by the Parties hereto, and approved by the Court. This Settlement
3 Agreement may not be discharged except by performance in accordance with its terms or by a
4 writing signed by all of the Parties hereto.

5 93. Dispute Resolution. Prior to instituting legal action to enforce the provisions of
6 this Agreement or to declare rights and/or obligations under this Agreement, a Party shall
7 provide written notice to the other Party and allow an opportunity to cure the alleged
8 deficiencies, and Plaintiff and Defendants may agree to seek the help of the Mediator to resolve
9 any dispute they are unable to resolve informally. During this period, the Parties shall bear their
10 own attorneys' fees and costs. This provision shall not apply to any legal action or other
11 proceeding instituted by any person or entity other than Plaintiff or Defendant.

12 94. Choice of Law. This Settlement Agreement shall be governed by and construed,
13 enforced and administered in accordance with the laws of the State of California, without regard
14 to its conflicts-of-law rules.

15 95. Integration Clause. This Settlement Agreement contains the entire agreement
16 between the Parties relating to the settlement and transaction contemplated hereby, and all prior
17 or contemporaneous agreements, understandings, representations, and statements, whether oral
18 or written and whether by a Party or such Party's legal counsel, are merged herein. No rights
19 hereunder may be waived except in writing.

20 96. Binding On Assigns. This Agreement shall be binding upon and inure to the
21 benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
22 successors and assigns.

23 97. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
24 because the members of the Class are numerous, it is impossible or impractical to have each
25 Class Member execute this Agreement. The Notice will advise all Class Members of the binding
26 nature of the release provided herein and such shall have the same force and effect as if this
27 Agreement were executed by each Class Member.
28

1 98. Counterparts. This Agreement may be executed in counterparts, and when each
2 Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an
3 original, and, when taken together with other signed counterparts, shall constitute one fully
4 signed Agreement, which shall be binding upon and effective as to all Parties. Electronic
5 signatures shall have the same force and effect as an original.

6
7 Dated: January 24, 2024

PLAINTIFF AND CLASS REPRESENTATIVE:


Salvador Ramos (Jan 24, 2024 00:13 PST)

Salvador Ramos

8
9
10 Dated: January __, 2024

DEFENDANT WHITE LINE SYSTEMS, LLC

11
12
13 By: _____ (name)
14 _____ (title)

15
16 Dated: January __, 2024

DEFENDANT DRIVEN 2 DRIVE LEASING, LLC

17
18
19 By: _____ (name)
20 _____ (title)

1 98. Counterparts. This Agreement may be executed in counterparts, and when each
2 Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an
3 original, and, when taken together with other signed counterparts, shall constitute one fully
4 signed Agreement, which shall be binding upon and effective as to all Parties. Electronic
5 signatures shall have the same force and effect as an original.

6
7 Dated: January __, 2024

PLAINTIFF AND CLASS REPRESENTATIVE:

8
9 _____
Salvador Ramos

10 Dated: January 24, 2024

DEFENDANT WHITE LINE SYSTEMS, LLC

11
12 _____
13 By: Alonzo James White (name)
14 Owner (title)

15
16 Dated: January 24, 2024

DEFENDANT DRIVEN 2 DRIVE LEASING, LLC

17
18 _____
19 By: Alonzo James White (name)
20 Owner (title)

1 **APPROVED AS TO FORM AND CONTENT ON BEHALF OF THE NAMED**
2 **PLAINTIFF AND AS A SUBSTANTIVE RECOMMENDATION TO THE COURT ON**
3 **BEHALF OF THE SETTLEMEN GROUP:**

4 Dated: January 24, 2024

CLASS COUNSEL
LAUBY, MANKIN & LAUBY LLP

5
6 

Brian J. Mankin
Attorneys for Plaintiff

8
9 **APPROVED AS TO FORM AND CONTENT ON BEHALF OF DEFENDANT:**

10 Dated: January 25, 2024

COUNSEL FOR DEFENDANTS
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.

11
12
13 

Douglas J. Farmer, Esq.
Attorneys for Defendants

EXHIBIT “B”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT

Ramos v. White Line Systems, LLC, and Driven 2 Drive Leasing, LLC
(San Bernardino County Superior Court, Case No. CIVSB2216314)

***The San Bernardino County Superior Court authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

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

You may be eligible to receive money from a class action lawsuit (“Action”) against White Line Systems, LLC, and Driven 2 Drive Leasing, LLC (collectively, “Defendants”) for alleged wage and hour violations.

The Action was filed by Plaintiff Salvador Ramos (“Plaintiff”), and seeks payment of alleged unpaid wages, statutory damages and penalties, interest and attorneys’ fees on behalf of the “Class Members” defined as all current and former truck drivers who were employed by Defendants in California at any time during the Class Period (which is July 27, 2018, through March 4, 2023). The Action also seeks alleged civil penalties under the California Private Attorneys General Act (“PAGA”) for all truck drivers who were employed by Defendants in California at any time during the PAGA Period (which is July 27, 2021, through March 4, 2023) (“PAGA Members”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments to Class Members, and (2) a PAGA Settlement requiring Defendants to fund the PAGA Payment to pay alleged civil penalties to the California Labor and Workforce Development Agency (“LWDA”) and to PAGA Members.

[CLASS MEMBER NAME] [ID/CONTROL NUMBER]

Two Parts	Weeks and Pay Periods Worked During: Class Period (Class Member) and PAGA Period (PAGA Member)	Your Estimated Share
Class Member	INSERT (During Class Period)	\$INSERT (Individual Class Payment)
PAGA Member	INSERT (During PAGA Period)	\$INSERT (Individual PAGA Payment)

Based on Defendants’ records, and the Parties’ current assumptions, your estimated Individual Class Payment (less withholding) and your Individual PAGA Payment are shown in the chart above, along with the Workweeks you are credited with working during the Class Period and pay periods worked during the PAGA Period, respectively, according to Defendants’ records. The actual amount you may receive could be adjusted depending on several factors. (If no amount is stated for your Individual PAGA Payment, then you are not eligible for an Individual PAGA Payment because you did not work during the PAGA Period.

If you believe that you worked more weeks or pay periods during either period than Defendants’ records show in the chart above, you can submit a dispute by **DATE**, 2024 (“**Response Deadline**”). See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and PAGA Members to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have a few options as shown in the Chart below:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	If you want to receive your full individual class settlement payment, then no further action is required on your part. You will automatically receive a settlement payment if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Class Claims described in Section 3 .
EXCLUDE YOURSELF	If you do <u>not</u> wish to participate in the settlement of the Class Claims, you may “opt-out” of the settlement of the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion by [REDACTED], 2024 (see Section 6 for more details on how to opt-out). If you opt-out, you will no longer be a Class Member, and you will (1) <u>not</u> receive an Individual Class Payment, but you will preserve your right to pursue the Released Class Claims described below subject to applicable statutes of limitations, and (2) be barred from filing an objection to the settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. If you are a PAGA Member and exclude yourself, you will still be paid your share of the PAGA Payment and you will remain bound by the PAGA Released Claims. See Section 6 of this Notice.
OBJECT	If you think that the Settlement is not fair, and you don’t opt out of the Settlement, then you can object to the Settlement in writing by [REDACTED], 2024 (see Section 7 for details on how to object).
DISPUTE THE NUMBER OF WEEKS WORKED	If you believe the number of workweeks or pay periods that you were credited with working in the chart above is incorrect, you may submit a written dispute to the Administrator (see Section 4 for more details on how to dispute your credited Weeks Worked or PAGA Pay Periods). Defendants’ records will be presumed correct, but you may provide evidence to the Administrator showing how many Work Weeks and/or Pay Periods you believe you should be credited.

YOU MAY ATTEND THE FINAL APPROVAL HEARING, BUT IT’S NOT REQUIRED	
DATE: [REDACTED], 2024 TIME: 10:00 A.M.	At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform.

	Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
--	---

1. WHAT IS THE ACTION ABOUT?

Plaintiff and Class Representative, Salvador Ramos, is a former truck driver for Defendants. The Action alleges that Defendants failed to pay minimum and regular wages, failed to pay for nonproductive time under Labor Code § 226.2, failed to reimburse for business expenses, failed to timely pay final wages, and failed to provide accurate itemized wage statements;. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action (“Class Counsel”). See Section 9 below for their contact information.

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws. After good-faith negotiations, in which both sides recognized the substantial risk of an uncertain outcome, Plaintiff and the Defendants agreed to settle the Action pursuant to the terms and conditions of the Settlement. The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that Plaintiff’s claims in the Action have merit or that Defendants have any liability to Plaintiff or the proposed class on those claims. Defendants deny all such liability.

The parties and their counsel have concluded that the Settlement is advantageous, considering the risks and uncertainties to each side of continued litigation. The parties and their counsel have determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the proposed Class.

Consistent with Defendants’ policies, there will be no retaliation or adverse action taken against any Class Member who participates in the Settlement or opts out of the Settlement.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

This settlement does not involve any decision by the Court on the merits of the Action. Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay \$825,000 as the Total Settlement Amount. Defendants have agreed to deposit the Total Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Total Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorneys’ fees and expenses, the Administrator’s Costs, and LWDA PAGA Payment to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Settlement not more than **30** days after the Court’s grants Final Approval, assuming that no Class Member objects or intervenes in the Settlement, which will delay payments until after the deadline to file an appeal or an appeal is resolved.

2. Court Approved Deductions from Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Attorneys' Fees and Costs. Payment of up to one-third of the Settlement Amount to Class Counsel for attorneys' fees (\$275,000) and up to \$20,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action on a contingency fee basis (that is, without payment to date).
- B. Class Representative Service Payment. Up to \$7,500 to the Class Representative, or such lesser amount as may be approved by the Court, as a Service Payment for filing the Action, working with Class Counsel and representing the Class. The Class Representative's Service Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
- C. Administration Expenses Payment. Up to \$XX to the Administrator for services administering the Settlement.
- D. PAGA Payment. Up to \$50,000 relating to Plaintiff's claim under PAGA, allocated 75% to the LWDA and the remaining 25% will be distributed to the PAGA Members as Individual PAGA Payments, which will be divided based on their share of PAGA Pay Periods worked during the PAGA Period.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the remainder (the "Net Settlement Amount") by making Individual Class Payments to Participating Class Members based on their Weeks Worked during the Class Period.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to penalties and interest ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay any employer-side payroll taxes on the portion of the Individual Class Payments allocated to the Wage Portion. The Individual PAGA Payments are treated as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Unclaimed Property Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you opt-out of the Settlement no later than the Response Deadline. See Section 6 of this Notice for details on how to Opt-Out.

7. The Proposed Settlement Will be Void If the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void; Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Administrator. The Court has appointed a neutral company, **XX** (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion and Objections (if any). The Administrator will also decide any Disputes over Weeks Worked and/or PAGA Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Settlement Amount and separately paid all employer-side payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the facts alleged in the Action for the duration of the Class Period and PAGA Period, which are resolved by this Settlement.

The Participating Class Members will be bound by the following release: All Participating Class Members release the Released Parties from any and all claims and/or causes of action as well as the predicate claims based on the facts alleged in the Action, or that reasonably could have been alleged based upon the factual allegations in the original and amended Complaints and the PAGA Notice Letters, including all of the following: (a) all class claims alleging violations of California Labor Code sections 200, 201, 202, 203, 204, 208, 210, 218.6, 221-223, 226, 226.2, 226.3, 256, 558, 1194, 1197, 1197.1 and 2802; (b) any and all claims for failure to pay minimum and regular wages; (c) any and all claims for failure to pay for nonproductive time under Labor Code § 226.2; (d) any and all claims for failure to reimburse for business expenses; (e) any and all claims for failure to timely pay final wages; (f) any and all claims for improper or inaccurate itemized wage statements, including any alleged violations of Labor Code Section 226(a)(1)-(9) based on the facts alleged in the Action, and including claims for injuries suffered therefrom; (g) any and all claims for unreimbursed business expenses, including, but not limited to, expenses incurred for personal cell phone usage; (h) any and all claims under the Business and Professions Code (including Section 17200 et seq.) premised on the facts, claims and causes of action alleged in the Action, and (i) all other claims or penalties under the wage and hour laws pleaded in the Action; and all damages, penalties, interest and other amounts recoverable under all claims under California and federal law, to the extent permissible, including but not limited to the California Labor Code as to the facts alleged in the Action, and the applicable Wage Orders as to the facts alleged in the Action. The period of the Release shall extend to the limits of the Class Period. (the “Released Class Claims”).

10. Release of Released PAGA Claims. After the Court's judgment is final, and Defendants have paid the Settlement Amount (and separately paid the employer-side payroll taxes), Plaintiff, the State of California, the LWDA and PAGA Members shall release the Released Parties from all claims and causes of action for PAGA civil penalties against the Released Parties that were alleged or that could have been alleged based on the facts asserted in the Action as well as in the PAGA Notice Letters for violations of Labor Code sections 200, 201, 202, 203, 204, 208, 210, 218.6, 221-223, 226, 226.2, 226.3, 256, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802 and 2699 et seq., and sections of the applicable wage order, as well as any claims for attorneys' fees, litigation costs, and interest allocated to those claims. The Released PAGA Claims include: (a) any and all claims for civil penalties for failure to pay minimum and regular wages; (b) any and all claims for civil penalties for failure to pay for nonproductive time under Labor Code § 226.2; (c) any and all claims for civil penalties for failure to reimburse for business expenses; (d) any and all claims for civil penalties for failure to timely pay final wages; (e) any and all claims civil penalties for improper or inaccurate itemized wage statements, including any alleged

violations of Labor Code Section 226(a)(1)-(9) based on the facts and legal theories contained in the PAGA Notice Letters; (f) any and all claims civil penalties for unreimbursed business expenses, including, but not limited to, expenses incurred for personal cell phone usage; and (f) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged in the Complaint. Under *Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476 (2020), the Released PAGA Claims apply to all PAGA Members, regardless of whether they request exclusion from the class. The Released PAGA Claims do not release any PAGA Members' claims for wages or statutory penalties. ("Released PAGA Claims.") The time period governing the Released PAGA Claims shall be any time during the PAGA Period.

11. “Released Parties” includes Defendants White Line Systems, LLC, Drive 2 Drive Leasing, LLC, and their present and former parents, shareholders, owners, members, predecessors, successors, all affiliates, subsidiaries, plans, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), and any other third party who may be legally responsible for any of the claims asserted in the Action or in any of the PAGA Notice Letters, and their respective present and former members, officers, directors, insurers, managers, supervisors, employees, agents, and stockholders..

4. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Weeks Worked by all Participating Class Members during the Class Period, and (b) multiplying the result by the number of Weeks Worked by each individual Participating Class Member during the Class Period.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$12,500 by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Member during the PAGA Period.

3. Disputing Weeks or PAGA Pay Periods Worked. The number of weeks you worked during the Class Period and the number of PAGA Pay Periods worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until **INSERT DATE HERE** ("Response Deadline") to dispute the number of Workweeks or PAGA Pay Periods credited to you by submitting evidence to the Administrator.

You need to support your dispute by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of weeks and pay periods worked based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek or PAGA Pay Period challenges based on your submission and on input from Class Counsel and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members and PAGA Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (*i.e.*, every Class Member who does not opt-out) and PAGA Member. Unless otherwise ordered by the Court, the single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. PAGA Members Only. If you opted out of the Class settlement, but qualify as a PAGA Member, then the Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every PAGA Member, including those who opt out of the Class Settlement.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

If you **do not** wish to take part in the release of the Class Claims in the Settlement, you may exclude yourself by sending to the Settlement Administrator a "Request for Exclusion" letter/card postmarked no later than [REDACTED], 2024 with your full name, address, telephone number, last four digits of your Social Security number or your date of birth, and signature. The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE CLASS IN THE RAMOS V. WHITE LINE SYSTEMS LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MY INDIVIDUAL CLASS PAYMENT FROM THIS LAWSUIT."

Any person who submits a timely Request for Exclusion from the Class Claims (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive an Individual Class Payment; (3) will preserve the right to pursue the Released Class Claims, and (4) will not be bound by this Settlement, or the Judgment.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement remain eligible for Individual PAGA Payments.

If you do not want to participate in the Settlement, the Administrator will exclude you based on timely receipt of a writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as Ramos v. White Line Systems, and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits of Social Security number or your date of birth for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **Send your request to be excluded to the Administrator by [REDACTED], 2024 (the "Response Deadline"), or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. A Participating Class Member who disagrees with any aspect of the Settlement may wish to object. **The deadline for sending written objections to the Administrator is [REDACTED], 2024 (the "Response Deadline").**

If you wish to object to the proposed Settlement, you or your own attorney must submit a written objection, and the objection must include your full name, address, telephone number, last four digits of the social security number or date of birth, signature, and dates of employment with Defendants, in addition to the case name and number (Ramos v. White Line Systems, Case No. CIVSB2216314), the basis for the objection, including any legal support and each specific reason in support of the objection, as well as any documentation or evidence in support thereof. Additionally, if you are represented by an attorney, the objection must include the name and address of your attorney. This objection and all supporting information must be sent to the Administrator at the address listed in Section 9, **postmarked** on or before [REDACTED], 2024.

If you do not comply with these procedures and the deadline for objections, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. You are still eligible to receive a settlement payment should the settlement become Final even if you object to the settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. WHEN IS THE FINAL APPROVAL HEARING?

On [REDACTED], 2024, the Court will hold a public hearing in in Department S26 of the Superior Court for the State of California, County of San Bernardino, 247 West 3rd Street, San Bernardino, CA 92415, for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel's applications for attorneys' fees and costs, whether to approve the payments to the LWDA, and whether to approve Plaintiff's request for the service award. This hearing may be continued or rescheduled by the Court. Objectors to the proposed settlement will be provided notice in the event that the Final Approval Hearing is continued to a later date. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to attend the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

If you have questions about this Notice, the process to Opt-Out or Object, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you should contact the Administrator for more information or to request that a copy of this Notice be sent to you in the mail.

Settlement Administrator
Name [REDACTED] Mailing Address [REDACTED] Telephone Number [REDACTED]

If you wish to communicate directly with Class Counsel, you may contact them at the contact information noted here:

Class Counsel
Brian Mankin, Esq. <i>brian@LMLfirm.com</i> Misty Lauby, Esq. <i>misty@LMLfirm.com</i> Lauby Mankin Lauby LLP 5198 Arlington Ave, PMB 513 Riverside, CA 92504 Tel: (951) 320-1444

You may also seek advice and guidance from your own private attorney at your own expense, if you so desire.

This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement, which is on file with the Court and attached to the Declaration of Brian J. Mankin in Support of Motion for Preliminary Approval of Class Action Settlement filed on XX, 2024 and which is available to be inspected at any time during regular business hours the Office of the Clerk, San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415.

**DO NOT TELEPHONE THE SUPERIOR COURT
TO OBTAIN INFORMATION ABOUT THE SETTLEMENT**

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT “C”



LAUBY, MANKIN & LAUBY LLP

June 23, 2022

Sent Via Online Filing to the LWDA

California LWDA
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Fl.
San Francisco, CA 94102

Sent Via U.S. Mail and Certified Mail

White Line Systems LLC
6301 Glen Knoll Drive
Fort Worth, TX 76179

White Line Systems LLC
8101 Boat Club Road, Suite 240-318
Fort Worth, TX 76179

Driven 2 Drive Leasing LLC
8101 Boat Club Road, Suite 240-318
Fort Worth, TX 76179

Re: PAGA Civil Penalty Claim
Salvador Ramos v White Line Systems, LLC, et al.

To the Labor and Workforce Development Agency, White Line Systems LLC, Driven 2 Drive Leasing LLC, and all affiliated entities:

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employee Salvador Ramos (“Claimant”), on behalf of the State of California and all Aggrieved Employees, against his former employer(s), White Lines Systems, LLC (“White Line”), Driven 2 Drive Leasing LLC (“D2D”) and/or any affiliated entities (collectively the “Company”), for violations of Labor Code §§ 201, 202, 203, 204, 210, 218.6, 226, 226.2, 226.3, 226.7, 256, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, among other sections inadvertently omitted, and/or sections of the applicable Industrial Welfare Commission Wage Order(s).

FACTUAL BACKGROUND

Claimant was employed as a truck driver by the Company from approximately October 2020 through the present. From the beginning of his employment through December 2021, Claimant’s pay stubs were issued by White Line. In or around January 2022, Claimant was issued an Employee Handbook from D2D and his paystubs began to identify D2D as his employer. Claimant alleges that he and all other truck drivers who resided in California and that were employed by the Company (the “Aggrieved Employees”) were subjected to the same policies, working conditions, and corresponding wage and hour violations to Claimant was subjected during his employment.

Notably, at all relevant times, Claimant and the Aggrieved Employees were paid on a piece-rate (flat rate per-day) basis but did not receive separate hourly compensation at no less than the minimum wage for unpaid, on-duty, time including tasks such as pre-trip and post-trip inspections, detention time, loading and unloading time,

completing paperwork, refueling or repair, and downtime between runs. Also, the piece-rate compensation paid to Claimant and the Aggrieved Employees sometimes resulted in a payment of wages at less than the required California minimum wages for all hours worked.

Also, during employment with the Company, Claimant and the Aggrieved Employees received inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code §§ 226(a) and 226.2. For instance, § 226.2 states that “[f]or employees compensated on a piece-rate basis during a pay period, the following shall apply for that pay period: [...] (2) the itemized statement required by subdivision (a) of Section 226 shall, in addition to the other items specified in that subdivision, separately state the following, to which the provisions of Section 226 shall also be applicable: (A) the total hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid for those periods during the pay period [and] (B) [...] the total hours of other nonproductive time, [...] the rate of compensation, and the gross wages paid for that time during the pay period.” Here, the wage statements do not accurately reflect the total hours worked because the Company assumes 40 hours even where the drivers worked over 40 hours in a week. Additionally, the applicable rate of pay is not listed on any of the wage statements. The Company also violates Labor Code § 226(a) every pay period because the wage statements failed to accurately state gross wages earned, all deductions, net wages earned, the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours at each hourly rate by the employee.

Moreover, the Company required Claimant and the Aggrieved Employees to incur necessary business-related expenses and costs without reimbursement, including, but not limited to, acquiring and maintaining a smart phone and related monthly data plan to communicate with the Company via phone and text message.

The Company also failed to comply with the mandates of Labor Code § 204 regarding the timing of the payment of wages to its employees each period, including meal and rest period premiums. Finally, the Company failed to pay Claimant and the Aggrieved Employees their final wages within the timeframe required by Labor Code §§ 201 – 203.

As a result of these violations, and others described below, Claimant alleges that he and other Aggrieved Employees were denied specific rights to which they are/were entitled under California law and the rules promulgated by the IWC Wage Orders, including the following:

PAGA ASSESSMENT FOR FAILURE TO PAY WAGES

(Labor Code §§ 204, 221-223, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

During their employment, Claimant and the Aggrieved Employees were paid on a piece-rate but the piece-rate compensation paid to Claimant and the Aggrieved Employees often resulted in a payment of wages at less than the required California minimum wages for all hours worked because the Company paid a flat rate regardless of the number of hours worked. Therefore, this resulted in earned, but unpaid, minimum and regular wages due and owing to Claimant and the Aggrieved Employees. Accordingly, Labor Code §§ 210, 558, 1194.2, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all wages.

PAGA ASSESSMENT FOR FAILURE TO PROVIDE SEPARATE PAYMENT FOR NONPRODUCTIVE TIME

(Labor Code § 226.2)

Labor Code § 226.2 requires employers that pay their employees on a piece-rate basis to provide separate payment for nonproductive time. Claimant and the Aggrieved Employees are and/or were employees of the Company who were paid on a piece-rate/flat-rate basis, yet the Company did not comply with the requirements of Labor Code § 226.2 for its piece-rate employees. As a result of these violations, penalties may be assessed pursuant to Labor Code § 2699, among possibly other sections.

PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE, ITEMIZED WAGE STATEMENTS

(Labor Code §§ 226, 226.2, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee's name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

Furthermore, Labor Code § 226.2(a) states “[f]or employees compensated on a piece-rate basis during a pay period, the following shall apply for that pay period: [...] (2) the itemized statement required by subdivision (a) of Section 226 shall, in addition to the other items specified in that subdivision, separately state the following, to which the provisions of Section 226 shall also be applicable: (A) the total hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid for those periods during the pay period [and] (B) [...] the total hours of other nonproductive time, [...] the rate of compensation, and the gross wages paid for that time during the pay period.”

Moreover, § 226.2 requires that piece rate employees receive wage statements that state the total hours of other nonproductive time and the rate of compensation paid for that time during the pay period.

Here, the Company violates Labor Code § 226(a) every pay period with respect to Claimant and the Aggrieved Employees because the wage statements failed to provide information required by Labor Code § 226(a)(2) and 226.2 including: failure to accurately state the number of piece-rate units earned by the Aggrieved Employees and any applicable piece-rate; failure to accurately state gross wages earned; failure to accurately state all deductions; failure to accurately state net wages earned; failure to state all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the rate of compensation, and the gross wages paid for those periods during the pay period; and failure to state the total hours of other nonproductive time, [...] the rate of compensation, and the gross wages paid for that time during the pay period. Accordingly, Labor Code §§ 226.3 and 2699 impose a civil penalty and/or assessment for these violations.

PAGA ASSESSMENT FOR FAILURE TO REIMBURSE BUSINESS EXPENSES

(Labor Code § 2802; IWC Wage Order § 9(b))

Labor Code § 2802(a) states “An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties.” IWC Wage Order § 9(b) states “[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer.”

Here, the Company required Claimant and the Aggrieved Employees to incur expenses in direct consequence of the discharge of their duties. For example, the Company required Claimant and the Aggrieved Employees to acquire and maintain a smart phone and related monthly data plan to communicate with the Company via phone and text message. Accordingly, Labor Code § 2699 imposes a penalty upon the Company for each such violation of Labor Code § 2802.

**PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING
EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW**

(Labor Code §§ 204, 204.1, 208, 256 and 2699)

Labor Code § 204(a) states that all wages earned by a person are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states “[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period.”

As a result of the Company’s failure to pay Claimant and the Aggrieved Employees all compensation to which they were entitled, the Company had a pattern and practice of failing to pay all wages due and owing to Claimant and the Aggrieved Employees within the time mandated by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 203, 210, 256, and/or 2699.

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES

(Labor Code §§ 201, 202, 203, 256 and 2699)

Labor Code § 201(a) provides in pertinent part: “If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code § 202(a) states in pertinent part “If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours’ previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.” Labor Code § 203(a) states “If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.”

The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a “waiting time penalty.” (Labor Code §§ 203, 256.) Labor Code § 2699 also imposes a penalty.

PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199

(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission.

Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company's violations described herein, the Company is subject to the civil penalties in accordance with Labor Code § 2699.

ATTORNEYS' FEES, INTEREST, AND PENALTIES

(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

Labor Code § 2699(g)(1), give employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys' fees, and costs of suit. Additionally, Claimants seek the assessment of penalties, including civil penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 1197.1, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimants is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company. Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees.

Additionally, Claimant seeks attorney's fees pursuant to C.C.P. § 1021.5. Please construe this correspondence as Claimants' notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

CONCLUSION

Based on the foregoing, the Company may be liable for penalties related to the foregoing claims and remedies. If Claimant becomes aware of any additional claims for Labor Code violations related to his employment and/or other employees of the Company, he reserves the right to add new claims by amending this claim letter.

Should you have any questions, please feel free to give me a call. In the meantime, I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read 'Misty M. Lauby', with a stylized flourish at the end.

By: Misty M. Lauby, Esq.

E-mail: Misty@LMLfirm.com

EXHIBIT “D”