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Attorneys for Plaintiff TESSA SHEPARD individually and on behalf of all others similarly situated.

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

TESSA SHEPARD, individually and on behalf of all others similarly situated,

Plaintiff,

v.

PEOPLE 2.0 NORTH AMERICA, LLC; PEOPLE 2.0 GLOBAL, LLC; PILOT AIR FREIGHT, LLC; and DOES 1 - 50, inclusive,

Defendant.

Case No.: CIVSB2221511 and CIVSB2301269

Judge: Hon. Joseph T. Ortiz
Department: S-17

DECLARATION OF JAMES HAWKINS IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES

Date: April 16, 2026
Time: 1:30 p.m.

DECLARATION OF JAMES HAWKINS

I, James Hawkins, declare as follows:

1. I am an individual over the age of 18. I am a partner at the law firm of James Hawkins, APLC. I am one of the attorneys of record for Plaintiff TESSA SHEPARD (hereinafter referred to as "Plaintiff" or "Class Representative"), who commenced this Class and PAGA action on behalf of the Class Members and Aggrieved Employees. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement, which Plaintiff filed concurrently herewith, along with the supporting Memorandum of Points and Authorities. I have personal knowledge of the facts set forth below, and if called to testify regarding them, I could and would do so competently.

2. Attached hereto as **Exhibit 1** is a true and correct copy of the executed Class and PAGA Action Settlement Agreement and Release ("Settlement Agreement") which the Parties ask the Court to approve. Attached to the Settlement Agreement as **Exhibit A** is a true and correct copy of the Notice of Class Action Settlement. ("Notice Packet" or "Class Notice").

3. On September 27, 2022, Plaintiff submitted a letter to the California Labor Workforce Development Agency (the "LWDA") for civil penalties under the Private Attorney General Act of 2004 (the "PAGA").

4. On September 28, 2022, Plaintiff Jenelle Lee filed a putative class action complaint in San Bernardino County Superior Court against Defendants alleging various wage-and-hour violations in the matter *Lee v. People 2.0 North America, LLC et al*. (San Bernardino Ct. Case No. CIVSB2221511) (the "Class Action").

5. On January 3, 2023, Plaintiff Lee filed a separate complaint in San Bernardino County Superior Court against Defendants alleging claims under the Private Attorneys General Act ("PAGA") based on the same underlying alleged wage-and-hour violations in the Class Action (*Lee v. People 2.0 North America, LLC et al*. (San Bernardino Ct. Case No. CIVSB2301269) (the "PAGA Action") (collectively with the Class Action, the "Actions").

6. The Class Action and PAGA Action both allege that Defendants violated various wage and-hour laws, including: (1) failure to pay wages including overtime and minimum wages

as required by Labor Code §§ 510 and 1194; (2) failure to provide meal periods as required by Labor Code §§ 226.7, 512, and IWC Wage orders; (3) failure to provide rest periods as required by Labor Code §§ 226.7, 512; (4) failure to pay timely wages required by Labor Code § 203; (5) failure to provide accurate wage statements required by Labor Code §§ 226, 226.3, 558.l; (6) failure to reimburse necessary business expenses; (7) failure to pay reporting time pay; (8) failure to timely pay wages during employment as required by Labor Code § 204; (9) unlawful deduction of wages without authorization; (10) issuing payment of wages in form of non-Labor Code compliant instrument; (11) failure to timely pay wages in violation of Labor Code § 201.3; and (12) violation of Business & Professions Code § 17200, et seq.

7. On February 21, 2024, the parties attended a private mediation session with experienced mediator, Tripper Ortman, and in preparation for the mediation, engaged in written discovery and informal exchanges of information, documents, and voluminous data, which enabled a thorough evaluation of the claims in the Actions, and the likely outcomes, risks, and expense of pursuing litigation. Following mediation the parties reached a settlement in principle that settled the claims for the Gross Settlement Amount ("GSA") of $211,250.00.

8. After the Parties reached a settlement, Plaintiff Lee abandoned the Actions and Plaintiff Tessa Shepard replaced Jenelle Lee as Class Representative.

9. The Parties jointly requested that the Court allow Plaintiff to file an amended complaint in the PAGA Action that replaces Lee with Plaintiff Shepard, which the Court granted on July 31, 2025. The amended complaint was filed on September 2, 2025.

10. On August 18, 2025, the Court in the PAGA Action deemed the Class Action related and as of that day, related the Actions with the Class Action being the lead case.

11. On September 24, 2025, for the purposes of this Settlement, the Parties jointly requested that the Court allow Plaintiff to file an amended complaint in the Class Action to replace Lee with Plaintiff Shepard, which the Court granted on October 16, 2025. The amended complaint was filed on October 20, 2025.

12. Defendants deny that they've engaged in any misconduct in connection with the wage-and-hour practices associated with the Class Members (inclusive of the Aggrieved

Employees). Defendants further deny that Defendants have any liability of any kind associated with the claims alleged in the Actions. Defendants contend that Defendants have complied with both federal and state wage-and-hour laws, and all other laws regulating its relationship with the Class Members and the Aggrieved Employees, including the Named Plaintiff.

13. Class Counsel has investigated the facts relating to the Actions. Settlement discussions were conducted at arm's length during a full-day mediation with a neutral third-party mediator Tripper Ortman, Esq., and numerous subsequent settlement discussions, which ultimately led to Settlement, of which is placed before this Court for approval.

14. Settlement is the result of an informed and detailed analysis of Defendants' potential liability and exposure in relation to the costs and risks associated with continued litigation. Through informal efforts, Plaintiff obtained over eleven thousand lines of data related to time and payroll records for approximately 157 the approximately 260 Class Members, numerous policy documents relating to the claims applicable to the Class during the Class Period. Based on the documents and data produced, as well as Class Counsel's own independent investigation and evaluation, Class Counsel believes that the Settlement documented by this Settlement Agreement is fair, reasonable, and adequate, and in the best interest of the Class in light of all known facts and circumstances, including the risk of significant delay and defenses asserted to the merits of the Actions. While Defendants specifically deny any liability in the Actions, Defendants have agreed to enter into this Settlement to avoid the costs associated with defending the Actions.

15. In summary, Plaintiff's Counsel performed a thorough investigation into the claims at issue, which included: (1) determining Plaintiff's suitability as private attorneys general and class representative through interviews, background investigations, and analyses of employment files and related records; (2) evaluating all of Plaintiff's potential representative claims; (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions, and the type of employer; (4) analyzing employees' time and wage records; (5) reviewing Defendants' employment policies and practices; (6) researching settlements in similar cases and the prior settlement in this case; (7) evaluating Plaintiff's claims and estimating Defendants' liability for purposes of settlement; (8) drafting the mediation brief; and (9) participating in the mediation.

16. By engaging in such a thorough investigation and evaluation of Plaintiff's claims, Plaintiff's Counsel can opine that the Settlement, for the consideration and on the terms set forth in the Settlement Agreement, is fair, reasonable, an adequate, and is in the best interests of Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, and various defenses asserted by Defendants.

17. The Parties agreed to settle this matter for a Gross Settlement Amount ("GSA") of $211,250.00. Plaintiff's counsel balanced the terms of the proposed Settlement against the risk of litigation and probable outcome at the class certification stage, and if any Class were certified, at trial. Based on their own respective independent investigations and evaluations, and after taking into account the sharply disputed factual and legal issues involved in this matter, the risks attending further prosecution of the case, and the monetary benefits received under the Settlement despite the questionable nature of the claims, Plaintiff's counsel is of the opinion that Settlement for the consideration and on the terms set forth in the Settlement Agreement is fair, reasonable and adequate and is in the best interests of Plaintiff and the Class. Counsel for the Parties investigated the applicable law as applied to the facts discovered regarding the claims of Plaintiff, Defendants' defenses thereto and the damages claimed by Plaintiff on behalf of the Settlement Class.

18. The GSA includes, subject to Court approval, (1) attorneys' fees in the amount of $70,346.25 and reimbursement of reasonable litigation costs and expenses not to exceed $35,000.00 to Class Counsel ("Attorneys' Fees and Costs"); (2) Named Plaintiff Class Representative Enhancement Payment in the amount of $10,000.00 to the Named Plaintiff ("Class Representative Enhancement Payment"); (3) fees and expenses of administration of the Settlement to the Settlement Administrator in an amount of $6,250.00 ("Administrator Costs"); (4) $25,000.00 to PAGA with twenty-five percent (25%) share of the PAGA Penalties to be a part of the Net Settlement Amount that will be distributed to PAGA Settlement Members in the amount of $6,250.00; and (5) the seventy-five percent (75%) share of PAGA Penalties ("LWDA Payment") in the amount of $18,750.00 to the California Labor and Workforce Development Agency ("LWDA"). **The Entire Gross Settlement Amount will be paid to all Settlement Class Members who do not opt out of the Settlement Class, and without the need to submit claims for payment.** After deductions, the

Net Settlement Amount ("NSA") is estimated to be approximately **$64,653.75.** The Settlement Class Members are to be paid based from the NSA on a pro rata basis based upon the weeks each class member worked in comparison to the total work weeks worked by all Class Members.

19. The Settlement was negotiated and based upon the representation at the time of mediation that there were no more than 2,290 non-exempt workweeks worked by the Settlement Class Members during the period Class Period. It is understood there were no more workweeks accumulating after the March 2023 period as there were no more Class Members due to change in Defendant's business contract.

20. Fairness of the Settlement is demonstrated by the uncertainty and risks to Plaintiff involved both in not prevailing on one or more of the causes of action or theories alleged in the operative Complaints and in non-certification, and if successful, Defendant disputes the ability of Plaintiff to certify a class in this case. Defendants also argued it maintained lawful written policies that were provided to the class members and enforced those policies. Yet, despite the defenses proffered by Defendants, the proposed Settlement commits Defendants to pay each Class Member a portion of the NSA. The amount to be paid to the Classes is fair, adequate and reasonable given the significant risk to Plaintiff and the Class in continuing with the litigation and not prevailing on their claims at class certification or at trial or not being paid anything even if trial was successful.

21. A sampling of approximately 157 of the 260 Class Member's time and pay records were produced and analyzed along with other relevant data points, to come up with a damage model to determine Defendants' exposure for the class.

22. Although Plaintiff's Counsel believes the class claims are strong, Plaintiff's Counsel also recognize that if the litigation had continued, they may well have encountered significant legal and factual hurdles that could have prevented the Class from obtaining any recovery.

23. To be sure, a number of cases have found wage and hours actions to be especially amenable to class resolution. However, some courts have gone the other way, finding that some of the very claims at issue here-especially meal period and rest period violations-were not suitable for class adjudication because they raised too many individualized issues. *See Duran v. US. Bank National Association*, 59 Cal. 4th 1 , 31 (2014) (reversing a verdict from a class trial); *Ali v. US.A.*

Cab Ltd., 1 76 Cal. App. 4th 1333, 1341 (2009) (affirming denial of certification because employees' declarations attesting to having taken meal and rest periods demonstrated that individualized inquiries were required to show harm); *Campbell v. Best Buy Stores, L.P.* , 2013 U.S. Dist. LEXIS 137792, at *30- 41 (C.D. Cal. Sept. 20, 2013) (following *Brinker* and denying certification of proposed off-the-clock and rest and meal break classes due to lack of uniform policy); *.Jimenez v. Allstate Ins. Co.*, 2012 U.S. Dist. LEXIS 65328 (C.D. Cal. Apr. 18, 2012) (denying motion to certify meal and rest period classes based on employer's practice of understaffing and overworking employees); *Gonzalez v. Officemax NA*., 2012 U.S. Dist. LEXIS 163853 (C.D. Cal. Nov. 5, 2012) (same); *Brown v. Fed. Express Corp*., 249 F.R.D.580, 587-88 (C.D. Cal. 2008) (denying certification of driver meal and rest period claims based on the predominance of individual issues); *Kenny v. Supercuts, Inc.*, 252 F.R.D. 64 I, 645 (N.D. Cal. 2008) (denying certification on meal periods claim); *Blackwell v. Skywest Airlines, Inc.* , 245 F.R.D. 453, 467- 68 (S.D. Cal. 2007) (declining to certify class action because individual issues predominated when different employee stations provided different practices with respect to meal periods).

24. Some courts have denied certification even when an employer's policies are unlawful on their face. For instance, in *Ordonez v. Radio Shack, Inc.*, 20 1 3 U.S. Dist. LEXIS 7868, *35-4 1 (C.D. Cal. Jan. 17, 201 3), the court denied certification even though the plaintiff submitted evidence of a facially unlawful policy regarding rest breaks. The *Ordonez* court concluded that the predominance and superiority elements were not met based on the employer's presentation of anecdotal evidence of lawful compliance notwithstanding the unlawful policy. Id. at *38-40. And it should be underscored that that claims which are amendable to certification can be disposed of by motion for summary judgment. *See Loudv. Eden Med. Ctr*., 2013 U.S. Dist. LEXIS 122873, **36-53 (N.D. Cal. Aug. 28, 2013) (granting summary judgment on wage statement claim because plaintiff could not show injury due to defects and that incorrect wage information is not willful).

25. As the above examples illustrate, the prospect of certifying a wage and hour action is always uncertain, and the risk of being denied class certification militates in favor of settlement. A denial of class certification effectively forecloses continued litigation, as neither the individual nor his or her attorney will have any incentive to proceed with an individual case when such small

claims are at stake. *See In re Baycol Cases I & II*, 5 1 Cal. 4th 75 1, 758 (2011) (explaining that a dismissal of class claims is effectively the "death knell" of the case, despite survival of individual claims). In other words, for cases where individual damages are relatively small, denial of class certification results in a near-complete loss for Plaintiff as well as no recovery for the employees, who are shut out of the action. Thus, if the putative Class had not been certified, the value of Plaintiff's case would have been reduced to a fraction of the value of this Settlement; indeed, Defendants would likely have offered no money to settle the class-wide claims if certification had been denied.

26. Finally, early resolution saves time and money that would otherwise go to litigation. The Parties' resources, as well as the Court's, will be further taxed by continued litigation. And if this action had settled following additional litigation, the settlement amount would likely have taken into account the additional costs incurred, and there may have been less available for Class Members. Cost savings is one reason why California policy strongly favors early settlement. *See Nemy v. Regents of University of California*, 3 Cal. 4th 273, 277 (1992) (explaining the high value placed on settlements and observing that "[s]ettlement is perhaps most efficient the earlier the settlement comes in the litigation continuum."). This concern also supports settlement.

27. Further, beyond the risk of an adverse ruling on the merits or certification, Class Counsel considered the fact that continued litigation would likely take years and would be extremely expensive given the breadth and complexity of the claims. In this case, post-trial and appellate proceedings are likely to occur, which will surely drag the case far into the future even with a positive trial result. When facing a distant and unsure resolution of the allegations in this action, the swift, sure and substantial Settlement is all the more reasonable. Avoiding such costly litigation in favor of more immediate benefits to the Class was a consideration favoring settlement. Given these realities, it is highly likely that the future expense of this litigation, and its likely duration if the settlement is not approved, would be significant and weigh heavily in favor of approval of this settlement.

28. The GSA is well within the acceptable range of reasonableness for the claims of the Settlement Class Members. Based upon detailed data obtained through both formal and informal

discovery and information exchanges, there are approximately 260 class members who worked approximately 2,290 workweeks during the Class Period..

29. Plaintiff contends that the strongest claims are for late or interrupted meal periods violations, and off the clock work. The average weighted hourly rate was $16.95. The average weighted OT rate was approximately $25.43. T There was an average of 4.8 work shifts worked per workweek by Class Members with approximately 87.9% of shifts 6 hours or more, 27.5% of shifts greater than 8 hours worked, with less than 1% of shifts lasting longer than 10 hours.

30. Here, the off the clock claims for pre-shift activities for the Class Period was valued at approximately $59,127.75 assuming 1 hour per workweek at a OT rate of $25.43 for a total of about 2,325 alleged unpaid work hours. The meal period claim analysis confirmed approximately 84% violation rate taking into account late, missed shorts, and a high number of meals recorded at exactly 30 minutes for over 78% of shifts, resulting in an estimated damages valued at approximately $156,504.00 (9,233 shifts X $16.95). This value did not account for both verbal and written waivers of first and or second meal periods and paid meal period premiums. Defendant's countered there was only a potential exposure for meal periods less than approximately 3% of shifts when accounting for waivers and premiums paid The rest period claim provided little to no value given the apparent complaint policies but assumed a reasonable 10% violation rate valued at approximately $15,650,00. The reimbursement claims provided little to no value and the reimbursement claims appeared to be limited in scope, and not a class-wide issue affecting the majority of employees. Assuming a reasonable $25 monthly reimbursement value for personal phone usage, multiplied by approximately 572 total possible months, the claim would be approximately $14,312.00. Further, reimbursement forms were provided to employees for any claims of reimbursement. The waiting time penalty is valued at approximately $4,068.00 for each separated employee. Defendant countered non of these employees were ever laid off. Assuming 110 $447,480.00 for approximately 110 former separated employees in the LC 203 period. The LC 226 claim was valued at approximately $138,500.00 in the wage statement LC 226 period. Lastly, the PAGA penalties for the above-described violations, were valued at approximately $145,000.00 assuming one violation per pay period at approximately $100 per pay period for approximately 110

Aggrieved Employees. Of course, this number could increase and or decrease drastically, depending on the ability of Plaintiff to prove its practices were intentional or in bad faith. Evidence uncovered during the investigation seems to demonstrate such a showing may be not be possible as to each and every alleged violation given the facts that were uncovered. Of course, on the high end, the PAGA penalties could exceed or reach close to 10 million for two violations if stacking were allowed, and if an intentional violation could be proven for each and very pay period.

31. Of course, these penalties discussed above could be greatly reduced given the various good faith defenses available to Defendants. For instance, Defendants could argue that given its policies in place, given its payment of overtime and double time, and policies in place at the time, there is no bad acts that can be proven to subject Defendants to penalties. Defendants could also argue that if it could defeat Plaintiff's unpaid wage claims for instance, and, because the waiting time penalty claims were derivative of the unpaid wages and meal period claims, Plaintiff's Labor Code § 203 would fail.

32. Defendants raised a host of strong defenses both as to class certification and on the merits. For instance, Defendants argued that it maintained a policy which required the Class Members to keep accurate records for the beginning and end of the workday, and that any "off-the-clock" claims would require exactly the type of individualized assessments that preclude class certification. As to the wage claim, Defendants claimed that Plaintiff and the Class would be unable to show the requisite "injury" to impose liability, and the wilfulness prong for any penalties under 203 or ill will or bad faith under PAGA such that substantial penalties would not be awarded.

33. In sum, when factoring in the defenses and risks of ongoing litigation, Plaintiff estimates the risk-adjusted class recovery based on 50% risks for continued litigation and not recovering on one or more of the alleged claims as follows:

• Unpaid Wage Claims	$59,127.75
• Waiting Time Penalty Claims	$447,480.00
• Unreimbursed Expenses	$14,312.00
• Meal and Rest Break Claims	$ 172,154.00
• Wage Statement Claims	$138,500.00

- PAGA $145,000.00
- **Total Risk Adjusted Penalties and Damages** **$976,573.75**

34. As a result, the GSA of $211,250.00 represents a reasonable recovery and accounts for approximately 21% to 43% of the alleged ranges of damages including an adjusted risks exposure of 50% of the overall potential value including penalties and damages to approximately $488,286. This recovery could easily be much higher if at trial PAGA penalties were reduced or damages for certain pay periods or workweeks could not be proven for certain individuals. The proposed GSA is within the "ballpark of reasonableness" and should be approved. Counsel for Plaintiffs believe that this is a fair and reasonable Settlement in light of the complexities of the case, the state of the law and uncertainties of class certification and litigation, the policies and practices Defendants have had in place or implemented during the purported liability period, and the benefit to be recovered for the Class. Further, the penalties of the maximum exposure accounted for over 70% of the possible exposure. Certainly, an adjusted risk exposure was justified. Given the risks inherent in litigation, this settlement is fair, adequate, and reasonable and is in the best interests of the Settlement Class and should be preliminarily approved.

35. Based on the estimated Net Settlement Amount of **$64,653.75**, on average each Settlement Class Member will receive approximately **$248.66** per Settlement Class Member. The highest amount a Settlement Class Member will receive is approximately **$2,016** based upon $23.23 per workweek after deductions, multiplied by approximately 264 maximum possible workweeks in the Class Period for one Class Member. The lowest payment is estimated to be approximately **$23.23** for someone who worked only one workweek. To the extent any amount for Attorneys' Fees, Costs, Claims Administration Costs or Enhancement Payment are not awarded, the difference in those amounts will be added to the NSA. This is a guaranteed amount of money paid to Settlement Class Members now, rather than the continued risk of further litigation and receiving no money sometime in the far future and after trial and appeals.

36. The PAGA Settlement Members who worked during the PAGA period will be paid an Individual PAGA Payment based upon a pro rata share of the number of pay periods each PAGA member worked compared to the total pay periods worked by all PAGA Settlement Members during

the PAGA period of approximately 1,450PAGA pay periods. As a result, there are approximately 110 PAGA Settlement Members who will each receive on average approximately $56.81. The lowest value is approximately $4.31 for one pay period worked.

37. The Class Representative has provided extensive supporting documents and assisted Class Counsel in developing information necessary to litigate and settle this case. Plaintiff also conducted record review and consultation with counsel in preparation for mediation, and to assist in evaluating and proving the claims. The settlement provides for an Enhancement Payment to be paid to the Class Representative in the amount of $10,000.00, subject to Court approval. The purpose is to compensate the Class Representative an additional incentive payment, taking into consideration the risks, time, effort and expenses incurred in coming forward to provide invaluable information and negotiate and litigate this matter on behalf of all Settlement Class Members who otherwise, would probably not file their own individual claims to recover what may be relatively low damages. Further, the Payment of $10,000.00 as an Enhancement Payment to the Class Representative is a very fair and justified as part of the Settlement based on the risks Plaintiff has taken and benefits conferred upon the Settlement Class.

38. Class certification, as requested by the Parties for the purposes of the settlement only, should be granted because Plaintiff alleges that the proposed Settlement Class Members' claims all stem from the same alleged conduct, i.e., that Defendants violated California law because they: (1) failure to pay wages including overtime and minimum wages as required by Labor Code §§ 510 and 1194; (2) failure to provide meal periods as required by Labor Code §§ 226.7, 512, and IWC Wage orders; (3) failure to provide rest periods as required by Labor Code §§ 226.7, 512; (4) failure to pay timely wages required by Labor Code § 203; (5) failure to provide accurate wage statements required by Labor Code §§ 226, 226.3, 558.l; (6) failure to reimburse necessary business expenses; (7) failure to pay reporting time pay; (8) failure to timely pay wages during employment as required by Labor Code § 204; (9) unlawful deduction of wages without authorization; (10) issuing payment of wages in form of non-Labor Code compliant instrument; (11) failure to timely pay wages in violation of Labor Code § 201.3; and (12) violation of Business & Professions Code § 17200, et seq. In addition to compensatory damages, Plaintiff and the Settlement Class seek attorneys' fees,

costs, and interest. Under these specific circumstances, the commonality requirement for class certification is satisfied. The typicality requirement for certification is also met as it is alleged that the Class Representative and the proposed Settlement Class were subjected to similar violations based upon similar conduct, policies and practices of the Defendants regardless of their duties.

39. The adequacy requirement for certification is also met. The Class Representative and Class Counsel have prosecuted this action vigorously on behalf of the Settlement Class. The Class Representative will receive a reasonable award for the time and effort spent assisting Class counsel with factual issues surrounding the case. Other than this specific payment to the Class Representative, all of the Settlement Class Members will receive a proportionate share of the NSA, as detailed above provided they do not exclude themselves. Further, all PAGA Settlement Members during the PAGA Period will receive their pro rata share of PAGA Penalties. As a result, there is no conflict of interest between the Class Representative and the Settlement Class Members. Further, the NSA will be fairly distributed among Participating Class Members, and no "settlement allocation" questions will be raised.

40. Common questions of law and fact predominate over individual questions and class-wide treatment of this dispute is superior to individual litigation. Plaintiff alleges that the proposed Settlement Classes in this case are sufficiently cohesive, since all Settlement Class Members share a common nucleus of facts and potential legal remedies, and since all of the Settlement Class Members and the Class Representative seeks compensation for unpaid wages and other civil and statutory penalties from Defendants for the allegations described in the Complaints. Common questions about compensation or lack thereof for work performed by Settlement Class Members and the Settlement Class Members' potential legal remedies are identical. The alternative method of resolution is individual claims for relatively small amounts of damages, but individual cases would be uneconomical for potential plaintiffs because the cost of litigation dwarfs potential recovery. Therefore, a class action is the preferred method of resolution.

41. The class notice plan here calls for APEX Class Action Settlement Administrators ("APEX") to mail a Notice of Class Action settlement to all known and reasonably ascertainable Settlement Class Members based on Defendants' records. Further, the Settlement Administrator will

conduct a skip-trace and use all reasonable efforts to locate Settlement Class Members and will re-mail all returned envelopes with forwarding addresses. The notice is consistent with the class certification notices approved by numerous state and federal courts, and is the best notice practicable under circumstances of this case. The proposed Settlement Class Members are ascertainable because all of the Settlement Class Members have worked for Defendants during the Class Period and can be identified through Defendants' records.

42. APEX is experienced in administering class action settlements and has provided a flat-fee proposal to administer this settlement for $6,250.00.

43. The Notice also fulfills the neutrality requirement. It summarizes the proceedings to date and the terms and conditions of the Settlement in an informative and coherent manner, and is accurate, objective, and understandable to Settlement Class Members, as is required under prevailing precedent. The Notice clearly states the Settlement does not constitute an admission of liability by Defendants and recognizes the Court has not ruled on the merits. It also states the final settlement approval decision has yet to be made. The Notice also clearly instructs the Settlement Class Members on how to object or exclude themselves from the Settlement. Therefore, Settlement Class Members will have the option to participate or exclude themselves simply by mailing a request to exclude themselves. The Settlement Class consists of non-exempt employees who speak English. Thus, the Notice of Class Action is drafted in a manner that is likely to be readily understood by the Settlement Class. Accordingly, the Notice complies with the standards of fairness, completeness and neutrality required of a Notice of Class Action Settlement. The Notice therefore is neutral, objective and understandable.

44. I have a great deal of experience in wage and hour class action litigation. I have obtained certification of several classes, I have been approved as class counsel in many other wage/hour class actions, and I am currently litigating numerous others. Although not an all-inclusive list, over the years I have prosecuted the following class action matters as lead and/or co-lead counsel, all of which implicated similar law and facts to those associated with this action:

a. *Aguilar v. 7-Eleven, Inc*., et. al., Orange County Superior Court- Case No.: 30-2009-00268714-CU-OE-CXC. Certified Wage and Hour Class action seeking premium wages for meal period and rest periods and resultant penalties. Class Notice pending.

b. *Carey, et. al. v. Arthur J. Gallagher*, et. al., USDC, SOUTHERN DISTRICT- Case No.: 09-cv-0168. Wage and Hour Class action seeking past wages of overtime for mis-classification of insurance claims adjusters employed by Gallagher Bassett, a third party administrator (TPA) in the State of California. Certification granted. Plaintiffs' counsel co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

c. *Dao v. 3M Company*, et al. USDC, CENTRAL DISTRICT, Case No. CV-08-04554. Wage and Hour Class Action case seeking past wages for "off the clock", overtime and meal and rest break violations for production workers in the State of California. Plaintiffs' Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

d. *Ortiz v. Kmart*, USDC, CENTRAL DISTRICT, Case No. SACV 06-638 ODW. Wage and Hour Class Action case seeking past wages for meal and rest period violations for retail employees in the State of California. Plaintiffs' counsel appointed co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

e. *Morgan v. Aramark Campus*, LLC, USDC, CENTRAL DISTRICT, Case No. SACV08-00412. Wage and Hour Class Action case seeking past wages for meal and rest period violations for retail employees in the State of California. Plaintiffs' Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

f. *West v Iron Mountain Information Management, Inc, et. al.*; Los Angeles County Superior Court, Case No. BC393709. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for driver employees in the State of California. Settlement for "binding arbitration." Arbitration Award for Plaintiff Class. Arbitration Award confirmed. Plaintiffs' counsel, lead trial counsel and class counsel.

g. *Gonzalez v. Superior Industries Inter, Inc., et al.*, Los Angeles County Superior

Court, Case No. BC 357912. Wage and Hour Class Action seeking past wages for overtime, meal and rest breaks violations for production employees in the State of California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

h. *Acosta v. Fleetwood Travel Trailers of California, Inc*., et al., Riverside County Superior Court, Case No. RIC 440630. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for production employees in the State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

i. *Walker v. Sharkeez, et al.*, Orange County Superior Court, Case No. 05CC00293. Wage and Hour Class Action seeking past wages for unlawful deductions, meal and rest break violations for restaurant employees in the State of California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval granted and funds fully distributed.

j. *Padron v. Universal Protection Service, et al,* Orange County Superior Court, Case No. 05CC00013. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for security officers in the State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

k. *Martinez v. Securitas Security Services USA*, et al., Santa Clara Superior Court, Case No. 105-CV047499, et al. J.C.C.P. No. 4460. Wage and Hour Class Action seeking past wages for meal and rest break violations for security officers employed by defendant in the State of California. Plaintiffs' counsel and co-counsel. Case settled, Final Approval granted and funds fully distributed.

l. *Velasquez-Lopez v. Hotel Cleaning Services, Inc*. et al., Riverside Superior Court, Case No. RIC 420909. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for housekeepers employed by defendant in the State of California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

m. *Ruiz, et al. v. Unisourse Worldwide, Inc., et al*., USDC, CENTRAL DISTRICT, Case No. CV09-05848. Wage and Hour Class Action seeking past wages for meal and rest period violations for non-exempt employees employed by defendant in the state of California. Case settled. Awaiting Preliminary Approval hearing. Plaintiff has petitioned the Court for Lead Counsel.

n. *Herrador v. Culligan International Company, et al*., USDC, CENTRAL DISTRICT, Case No. SACV 08-680. Wage and Hour Class Action seeking past wages for field and branch employees of defendant in the State of California. Plaintiffs' counsel appointed as lead counsel. Case settled and awaiting Final Approval.

o. *Defries v. Domain Restaurants, et al.,* Orange County Superior Court, Case No. 05CC00128. Wage and Hour Class Action seeking past wages for restaurant employees of defendant in the State of California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

p. *Denton v. BLB Enterprises, Inc., et al*., Orange County Superior Court, Case No. 07CC01292. Wage and Hour Class Action seeking unpaid overtime, meal and rest break violations for security guards employed by defendant in the State of California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

q. *Rios v. Sandberg Furniture Manufacturing Co*., Inc, et al., Los Angeles Superior Court, Case No. BC411477. Wage and Hour Class Action seeking unpaid meal and rest break violations for production employees employed by defendant in the State of California. Plaintiff counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

r. *McMurray v. Dave and Busters, Inc*., et al., Orange County Superior Court, Case No. 06CC00099. Wage and Hour Class Action seeking past wages for meal and rest break violations for restaurant employees employed by defendant in the State of

California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

s. *Osuna v. DFG Restaurants, Inc.,* et al., Los Angeles Superior Court, Case No. BC 330145. Wage and Hour Class Action seeking past wages of overtime for mis-classification of managers employed by Defendant, DBA Carl's Jrs. in the State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

t. Burns v. Gymboree Operations, Inc., et al., San Francisco Superior Court, Case No. CGC-07-461612. Wage and Hour Class Action seeking past wages for meal and rest break violations for retail employees employed by defendant in the State of California. Plaintiffs' counsel appointed lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

u. *Willems v. Diedrich Coffee, Inc.,* et al., Orange County Superior Court, Case No. 07CC00015. Wage and Hour Class Action seeking past wages of overtime for mis-classification of managers employed by Defendant in the State of California. Plaintiffs' counsel appointed lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

v. *Davila, et al. v. Beckman Coulter, Inc*., et al., Orange County Superior Court, Case No. 07CC01347. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for production workers employed by defendant in the State of California. Plaintiffs' counsel appointed lead counsel. Cased settled; final approval granted; no objections and funds fully distributed.

w. *Perez v. Naked Juice Company of Glendora, Inc*., Los Angeles Superior Court, Case No. BC387088. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations for production employees employed by defendant in the State of California. Plaintiff counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

45. Here, the Parties' agreement to pay Class Counsel Fees of 33.3% of the GSA is

reasonable. My firm and I have been the only counsel to represent Plaintiff and the Settlement Class in this matter, and we have borne the entire risk and cost of this litigation on a pure contingency fee basis. The legal issues raised drew significantly upon my experience and the extensive review and analysis of documents and information by me and others at my firm. In a complex action such as this, the proposed attorneys' fees are, at the very least, on the low side of the market rate for contingency fees.

46. At this juncture, with the addition of more hours due to the administration of the Settlement by Class Counsel, administration of the Settlement, and preparation for final approval, counsel for plaintiff will provide a detailed analysis of its time in advance of the final approval hearing. Plaintiff's counsel will file a motion for attorneys' fees and costs to be heard concurrently with the motion for final approval in accordance with the terms of the settlement agreement.

47. Despite the complexity of the case, Class Counsel has, through the investment of substantial effort and the resources of my law firm been able to secure an outstanding settlement on behalf of the Settlement Class. Plaintiff would have faced substantial legal and factual obstacles in demonstrating that class certification was appropriate. Plaintiff would also have been required to establish a significant amount of witness testimony, pattern and practice evidence, statistical evidence, sampling evidence, expert testimony, and other evidence in order to present their case both at the class certification stage and trial. Defendants vigorously contested liability, the amount of claimed damages, and the propriety of class certification, and would have continued to do so through trial. Accordingly, I believe the Settlement to be fair, reasonable, and adequate and in the best interests of the Settlement Class. The fairness and adequacy of the Settlement is confirmed by all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, the various defenses asserted by Defendants, and numerous potential appellate issues.

I declare under penalty of perjury that the foregoing is true and correct. Executed on March 5, 2026 at Irvine, California.

James R. Hawkins

EXHIBIT 1

JAMES HAWKINS APLC
James R. Hawkins (SBN 192925)
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DSI LOGISTICS, LLC and
PILOT AIR FREIGHT, LLC

Additional Counsel Listed on Next Page

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

JENELLE LEE, individually, and on behalf of others similarly situated,

Plaintiff,

v.

PEOPLE 2.0 NORTH AMERICA, LLC; PEOPLE 2.0 GLOBAL LLC; DSI LOGISTICS; and DOES 1 through 50, inclusive,

Defendants.

Case No: CIVSB2221511

CLASS ACTION

CLASS AND PAGA ACTION SETTLEMENT AGREEMENT AND RELEASE

Judge: Hon. Joseph T. Ortiz
Dept: S17

Complaint Filed: September 28, 2022
FAC Filed: April 12, 2023

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Attorneys for Defendants PEOPLE 2.0 NORTH AMERICA, LLC, and PEOPLE 2.0 GLOBAL LLC

CLASS AND PAGA ACTION SETTLEMENT AND RELEASE

This Class and PAGA Action Settlement Agreement and Release ("Settlement Agreement" or "Agreement"), is made and entered into by, between, and among Plaintiff Tessa Shepard ("Plaintiff")[1], on behalf of the Settlement Class and PAGA Settlement Members, as defined below, and the State of California, on the one hand, and Defendants People 2.0 North America, LLC, People 2.0 Global LLC, DSI Logistics, LLC and Pilot Air Freight, LLC (collectively, "Defendants") on the other. Plaintiff and Defendants (collectively, the "Parties") enter into this Agreement to effectuate a full and final settlement and preclusive judgment resolving completely and to the fullest extent permitted by law the Released Class Claims and Released PAGA Claims, as defined below, and brought against Defendants in *Jenelle Lee v. People 2.0 North America, LLC, et al.* (San Bernardino Cty. Sup. Ct. Case Nos. CIVSB2221511 and CIVSB2301269). This Agreement is intended to fully and finally compromise, resolve, discharge, and settle the Released Class Claims and Released PAGA Claims, as defined and on the terms set forth below, and to the full extent reflected herein, subject to the approval of the Court.

I. RECITALS

WHEREAS, on September 28, 2022, Jenelle Lee filed a putative class action complaint in San Bernardino County Superior Court against Defendants alleging various wage-and-hour violations in the matter *Lee v. People 2.0 North America, LLC et al*. (San Bernardino Ct. Case No. CIVSB2221511) (the "Class Action");

WHEREAS, on January 3, 2023, Lee filed a separate complaint in San Bernardino County Superior Court against Defendants alleging claims under the Private Attorneys General Act ("PAGA") based on the same underlying alleged wage-and-hour violations in the Class Action (*Lee v. People 2.0 North America, LLC et al.* (San Bernardino Ct. Case No. CIVSB2301269) (the "PAGA Action") (collectively with the Class Action, the "Actions");

WHEREAS, on February 21, 2024, the parties attended a private mediation session with experienced professional mediator, Tripper Ortman, and in preparation for the mediation, engaged in written discovery and informal exchanges of information, documents, and voluminous data, which

[1] As set forth below, on September 28, 2022, Plaintiff Jenelle Lee filed the instant action. However, after the Parties reached a settlement, Plaintiff Lee abandoned the Actions, went missing, and as a result, was replaced with Named Plaintiff Tessa Shepard.

enabled a thorough evaluation of the claims in the Actions, and the likely outcomes, risks, and expense of pursuing litigation;

WHEREAS, following mediation, the parties reached a settlement in principle that settles the claims brought in the Actions;

WHEREAS, after the parties reached a settlement, Lee abandoned the Actions and went missing;

WHEREAS, as a result, Lee's counsel located a suitable new class representative, Tessa Shepard, to replace Lee as the lead Plaintiff in the Actions;

WHEREAS, the Parties have met and conferred and solely in order to effectuate and seek approval of the Parties' settlement, Defendants do not contest the substitution of Ms. Shepard to replace Lee as class representative;

WHEREAS, on July 18, 2025, for the purposes of this Settlement Agreement only, the Parties jointly requested that the Court allow Plaintiff to file an amended complaint in the PAGA Action that replaces Lee with Plaintiff Shepard, which the Court granted on July 31, 2025. The amended complaint was filed on September 2, 2025;

WHEREAS, on August 18, 2025, the Court in the PAGA Action deemed the Class Action related and as of that day, related the Actions with the Class Action being the lead case;

WHEREAS, on September 24, 2025, for the purposes of this Settlement Agreement only, the Parties jointly requested that the Court allow Plaintiff to file an amended complaint in the Class Action to replace Lee with Plaintiff Shepard, which the Court granted on October 16, 2025. The amended complaint was filed on October 20, 2025; and

WHEREAS, the Parties desire to fully, finally, and forever settle, compromise, and discharge all disputes and claims that exist between them arising from the factual allegations that underlie the Actions concerning any and all claims asserted therein, including:

Plaintiff's Class Claims for: (1) failure to pay wages including minimum wage and overtime in violation of Labor Code §§ 510 and 1194; (2) failure to provide meal periods and/or meal premiums in violation of Labor Code §§ 226.7 and 512 and the Industrial Welfare Commission's ("IWC") Wage Orders; (3) failure to provide rest periods and/or rest premiums in violation of Labor Code §§ 226.7

and 512; (4) failure to pay timely wages in violation of Labor Code § 203; (5) failure to timely pay wages during employment in violation of Labor Code § 204; (6) failure to provide accurate itemized wage statements in violation of Labor Code § 226; (7) failure to pay reporting time wages in violation of Labor Code §§ 1194, 1197, 1198, and IWC Wage Orders 5-2001; (8) unlawful deductions from wages in violation of Labor Code §§ 221 and 223; (9) failure to issue payment of wages with Labor Code complaint instrument in violation of Labor Code §§ 212 and 213; (10) failure to timely pay wages at termination in violation of Labor Code §§ 201-203; and (11) violation of Business and Professions code § 17200 - the Unfair Competition Law ("UCL"),

Plaintiff's PAGA Claims for: alleged violations of Labor Code §§ 201-203, 204, 212, 213, 510, 512, 558, 226, 226.3, 226.7, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2802, and 2698 *et seq.*, applicable IWC Wage Orders and California Code of Regulations, Title 8, section 11000 *et seq*.

To achieve a full and complete release of the claims against Defendants (and the "Released Parties" as defined in this Agreement), Plaintiff and Participating Settlement Class Members, as defined in this Agreement (which include any legal heirs and/or successors-in-interest of all Participating Settlement Class Members), through execution of this Agreement, acknowledge that this Settlement Agreement is intended to include in its effect the entirety of the Released Claims, as more fully described in Paragraphs 30, 31, and 61 of this Agreement.

I. DEFINITIONS

In addition to the terms defined elsewhere in this Settlement Agreement, capitalized terms used in this Agreement shall have the meanings set forth below:

1. "Actions" means *Jenelle Lee v. People 2.0 North America, LLC et al.* (San Bernardino County Sup. Ct. Case No. CIVSB2221511) and *Jenelle Lee v. People 2.0 North America, LLC et al.* (San Bernardino County Sup. Ct. Case No. CIVSB2301269).

2. "Attorneys' Fees and Costs" means attorneys' fees sought by Class Counsel for litigation and resolution of the Actions, and all reasonable costs incurred by Class Counsel in the Actions as outlined in this Agreement. Subject to review and approval by the Court, Class Counsel agrees not to seek an attorneys' fees request of an amount more than Thirty-Three Point Three Percent (33.3%), which shall be subject to proof and paid from the Gross Settlement Fund.

3. "Class Action" means *Jenelle Lee v. People 2.0 North America, LLC et al.* (San Bernardino County Sup. Ct. Case No. CIVSB2221511).

4. "Class Counsel" means and includes James Hawkins, Gregory Mauro, Michael Calvo, Lauren Falk, and Ava Issary of James Hawkins APLC.

5. "Class Counsel Award" means any attorneys' fees, expenses or costs awarded to Class Counsel by the Court.

6. "Class List" means a confidential list of all Settlement Class Members and PAGA Settlement Members that Defendant People 2.0 will diligently and in good faith compile from its records and provide to the Settlement Administrator within thirty (30) calendar days after entry of an order granting Preliminary Approval of this Settlement. The Class List will include, to the extent available from People 2.0's records, each Settlement Class Member's and PAGA Settlement Member's full name; most recent mailing address and telephone number contained in People 2.0's personnel records; Social Security number; dates of employment; information sufficient to calculate the number of "weeks worked" or "workweeks" that each Settlement Class Member worked during the Class Period and the number of "weeks worked" or "workweeks" that each PAGA Settlement Member worked during the PAGA Period according to People 2.0's records; and any other information needed to calculate Individual Settlement Payments and/or Individual PAGA Payments. The data provided to the Settlement Administrator will be treated as confidential and will not be disclosed to anyone, except as may be required to applicable tax authorities, pursuant to Defendants' express written consent, by order of the Court, or to carry out the reasonable steps described in this Settlement to locate missing Settlement Class Members or PAGA Settlement Members. The data provided to the Settlement Administrator will not be shared with Class Counsel.

7. "Class Period" means the period from September 28, 2018 through the date of Preliminary Approval.

8. "Class Representative Enhancement Payment" mean the amounts to be paid to Plaintiff Tessa Shepard subject to final approval by the Court, in recognition of her effort and work in prosecuting the Actions on behalf of Settlement Class Members and PAGA Settlement Members, and for a general release of claims under Civil Code section 1542. Subject to the Court granting final

approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff Tessa Shepard will request Court approval of a Class Representative Enhancement Payment of Ten Thousand Dollars ($10,000.00).

9. "Court" or "San Bernardino County Superior Court" means the Superior Court of California for the County of San Bernardino.

10. "Effective Date" means: (a) the day after the last date to appeal Final Approval and Judgment by the Court and no appeal is filed; or (b) if an appeal is filed, review or writ is sought from the Judgment, the day after the Judgment is affirmed or the appeal, review or writ is dismissed or denied, and the Judgment is no longer subject to further judicial review.

11. "Final Approval" means the entry of an order that Plaintiff will seek from the Court, and the entry of which shall reflect the Court's Judgment finally approving the Settlement Agreement.

12. "Final Approval Hearing" means the hearing that is to take place after the entry of the Preliminary Approval Order and after the date the Settlement Administrator mails Notice Packets to Settlement Class Members for purposes of: (i) entering Final Approval; (ii) determining whether the Settlement Agreement shall be approved as fair, reasonable, and adequate; and (iii) ruling upon an application by Class Counsel for the Class Counsel Award and Class Representative Enhancement Payment.

13. "Funding Date" means thirty (30) calendar days after the Effective Date.

14. "Gross Settlement Amount" means the non-reversionary amount of Two Hundred and Eleven Thousand and Two Hundred and Fifty Dollars ($211,250.00) to be paid by Defendants in full satisfaction of all Released Claims, which includes all Individual Settlement Payments to Participating Settlement Class Members, Participating Settlement Class Members' shares of applicable payroll tax payments (including FICA, FUTA, and SDI contributions), the Class Representative Enhancement Payment to Plaintiff Tessa Shepard, the PAGA Settlement Amount for release of all PAGA claims, Class Counsel Award, and Settlement Administration Costs. In addition to the amount provided as part of the Gross Settlement Fund, Defendants agree to pay the employer's share of applicable payroll tax payments ("Employer's Payroll Tax Payment"). Other than the Employer's Payroll Tax Payment,

in no event will Defendants be liable for more than the Gross Settlement Amount as set forth in this Paragraph.

15. “Individual Settlement Payment” means each Participating Settlement Class Member’s respective share of the Net Settlement Amount.

16. “Individual PAGA Payment” means each PAGA Settlement Member’s respective share of the 25% of the PAGA Settlement Amount allocated to PAGA Settlement Members.

17. “Named Plaintiff” means Tessa Shepard.

18. “Net Settlement Amount” means the portion of the Gross Settlement Fund remaining after deducting the Class Representative Enhancement Payment, the Class Counsel Award, Settlement Administration Costs, and the PAGA Settlement Amount. The entirety of the Net Settlement Amount will be distributed to Participating Settlement Class Members pro rata, on a per “weeks worked” or “workweek” basis. There will be no reversion of the Net Settlement Amount to Defendants.

19. “Notice of Objection” means a Settlement Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector’s full name, signature, address, and telephone number; (ii) the case name and case number; (iii) a written statement of the grounds for the objection; and (iv) a statement whether the objector intends to appear at the Final Approval Hearing. Unless the Court orders otherwise, any Settlement Class Member who does not submit a timely written objection to the Settlement, who fails to appear at the Final Approval Hearing to lodge his or her objection, or who fails to otherwise comply with the requirements of this Paragraph, will be foreclosed from objecting to the Settlement and seeking any adjudication or review of the Settlement, by appeal or otherwise.

20. “Notice Packet” means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit A**.

21. “PAGA Action” means *Jenelle Lee v. People 2.0 North America, LLC et al.* (San Bernardino County Sup. Ct. Case No. CIVSB2301269).

22. “PAGA Period” means the period from September 28, 2021 through the date of Preliminary Approval.

23. "PAGA Settlement Amount" means the amount that the Parties agree to allocate to the PAGA Settlement Members and the California Labor and Workforce Development Agency ("LWDA") in connection with resolution of the PAGA claims in the PAGA Action. The Parties agree that Twenty-Five Thousand Dollars ($25,000.00) of the Gross Settlement Fund will be allocated to the resolution of PAGA Settlement Members' claims arising under PAGA. As required by PAGA, Seventy-Five Percent (75%), or Eighteen Thousand Seven Hundred and Fifty Dollars ($18,750.00), of the PAGA Settlement Amount will be paid to the California LWDA ("LWDA Payment"), and Twenty-Five Percent (25%), or Six Thousand Two Hundred and Fifty Dollars ($6,250.00), of the PAGA Settlement Amount will be distributed to PAGA Settlement Members on a pro rata basis based on their respective number of "weeks worked" or "workweeks" during the PAGA Period.

24. "PAGA Settlement Members" means all current and former non-exempt employees of People 2.0 North America, LLC and/or People 2.0 Global LLC who were placed at DSI Logistics, Inc. and/or Pilot Air Freight, LLC dba Pilot Freight Services in California during the PAGA Period.

25. "Participating Settlement Class Members" means all Settlement Class Members who do not submit timely and valid Requests for Exclusion.

26. "Parties" means Named Plaintiff Tessa Shepard and Defendants, collectively.

27. "Preliminary Approval" means the Court order granting preliminary approval of this Settlement Agreement.

28. "Defendants" means Defendants People 2.0 North America, LLC, People 2.0 Global LLC, DSI Logistics, LLC, and Pilot Air Freight, LLC.

29. "Qualified Settlement Fund" means a fund, account, or trust satisfying the requirements of 26 C.F.R. § 1.468B-1, established by the Settlement Administrator for the purpose of distributing the Gross Settlement Fund according to the terms of this Settlement Agreement.

30. "Released Class Claims" means all claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal theories of relief, that are based on the facts and legal theories asserted in the operative complaint, or which relate to the primary rights asserted in the operative complaint, including without limitation claims for (1) failure to pay wages including minimum wage and overtime in violation of Labor Code §§ 510 and 1194; (2) failure to provide meal

periods and/or meal premiums in violation of Labor Code §§ 226.7 and 512 and the IWC Wage Orders; (3) failure to provide rest periods and/or rest premiums in violation of Labor Code §§ 226.7 and 512; (4) failure to pay timely wages in violation of Labor Code § 203; (5) failure to timely pay wages during employment in violation of Labor Code § 204; (6) failure to provide accurate itemized wage statements in violation of Labor Code § 226; (7) failure to pay reporting time wages in violation of Labor Code §§ 1194, 1197, 1198, and IWC Wage Orders 5-2001; (8) unlawful deductions from wages in violation of Labor Code §§ 221 and 223; (9) failure to issue payment of wages with Labor Code complaint instrument in violation of Labor Code §§ 212 and 213; (10) failure to timely pay wages at termination in violation of Labor Code §§ 201-203; (11) failure to reimburse business expenses under Labor Code § 2802, and (12) violation of Business and Professions code § 17200 under the UCL. The period of the Released Class Claims shall extend to the limits of the Class Period. The res judicata effect of the Final Approval and Judgment will be the same as that of the Release.

31. "Released PAGA Claims" means all claims for civil penalties under the California Private Attorneys General Act of 2004 (Labor Code §§ 2698, et seq.) based on the Labor Code violations that were alleged or which could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Actions and/or any PAGA letter sent to the LWDA by Plaintiffs including but not limited to violations of California Labor Code §§ 201-203, 204, 212, 213, 510, 512, 558, 226, 226.3, 226.7, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2802, and 2698 *et seq.*, applicable IWC Wage Orders and California Code of Regulations, Title 8, section 11000 *et seq.* during the PAGA Period. The period of the Released PAGA Claims shall extend to the limits of the PAGA Period. The res judicata effect of the Final Approval and Judgment will be the same as that of the Release. Plaintiff's LWDA notice is attached as **Exhibit B** to this Settlement Agreement.

32. "Released Claims" means the Released Class Claims and the Released PAGA Claims.

33. "Released Parties" means Defendants and each of their past, present, and/or future, direct, and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint ventures.

34. "Request for Exclusion" means a letter timely submitted by a Settlement Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name, address, and telephone number of the Settlement Class Member requesting exclusion; (ii) include the case name and case number; (iii) be signed by the Settlement Class Member; (iv) be returned to the Settlement Administrator; (iv) clearly state that the Settlement Class Member does not wish to be included in the Settlement; and (v) be faxed or postmarked on or before the Response Deadline. PAGA Settlement Members may not request to be excluded from the PAGA Settlement.

35. "Response Deadline" means the deadline by which Settlement Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, Notices of Objection, or disputes to workweeks. The Response Deadline will be sixty (60) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the sixtieth (60) day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

36. "Settlement Administration Costs" means the reasonable fees and expenses payable from the Gross Settlement Fund to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking forms for this Settlement, calculating estimated amounts per Settlement Class Member, tax reporting, distributing the LWDA Payment, Gross Settlement Fund and Class Counsel Award, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, as requested by the Parties. The Parties have agreed to allocate up to Six Thousand and Five-Hundred Dollars ($6,500.00) to Settlement Administration Costs. The Settlement Administration Costs will be paid from the Gross Settlement Fund. In the event the allocated Settlement Administration Costs exceed the actual costs incurred by the Settlement Administrator, the difference shall be a part of the Net Settlement Amount and distributed to the Participating Settlement Class Members.

37. "Settlement Administrator" means APEX Class Action, LLC which the Parties have agreed to, subject to approval by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

38. "Settlement Class Member(s)" or "Settlement Class" means all current and former non-exempt employees of People 2.0 North America, LLC and/or People 2.0 Global LLC who were placed at DSI Logistics, Inc. and/or Pilot Air Freight, LLC dba Pilot Freight Services in California during the Class Period.

II. TERMS OF AGREEMENT

Plaintiff, on behalf of herself and the Settlement Class, and Defendants agree as follows:

39. Amendment of Complaints for Settlement Purposes. For purposes of this Settlement Agreement only, on September 2, 2025, Plaintiff Tessa Shepard filed an amended complaint in *Jenelle Lee v. People 2.0 North America, LLC et al* (Case No. CIVSB2221511) and on October 20, 2025, Plaintiff Shepard filed an amended complaint in *Jenelle Lee v. People 2.0 North America, LLC et al.* (Case No. CIVSB2301269) to replace Jenelle Lee with Plaintiff Shepard. The Parties agree that the mutually agreed upon amended complaints are for settlement purposes only and that Defendants have no obligation to respond to the amended complaints. In the event the Settlement Agreement is not approved, Plaintiff agrees to file amended complaints reverting to the complaints that were in place immediately prior to the filing of the amended complaints.

40. Preliminary Approval Motion. The Parties agree to present the Settlement Agreement for Preliminary Approval, and consent to continued jurisdiction if Preliminary Approval is granted, in the San Bernardino Superior Court, and Plaintiff further agrees to make a good faith effort to file a Motion for Preliminary Approval, including all executed and necessary exhibits, within sixty (60) calendar days of executing this Settlement Agreement.

41. Funding of the Gross Settlement Fund and Employer's Payroll Tax Payments. By the Funding Date, Defendants will make a one-time deposit of the Gross Settlement Fund of Two Hundred and Eleven Thousand and Two Hundred and Fifty Dollars ($211,250.00) and the Employer's Payroll Tax Payment into a Qualified Settlement Fund to be established by the Settlement Administrator in exchange for the promises set forth in this Settlement Agreement, including the Releases by the Participating Settlement Class Members, PAGA Settlement Members, and Plaintiff for the Released Claims. The Individual Settlement Payments are not being made for any other purpose and will not be construed as compensation for purposes of determining eligibility for any health and welfare benefits

or unemployment compensation. After the Effective Date, the Gross Settlement Fund will be used for payment of all claims in the Actions, including payment of (i) Individual Settlement Payments to Participating Settlement Class Members; (ii) the PAGA Settlement Amount to the LWDA and PAGA Settlement Members; (iii) Settlement Administration Costs; (iv) Class Counsel Award; and (v) the Class Representative Enhancement Payment.

42. Non-Reversionary Settlement. Defendants maintain no reversionary right to any portion of the Net Settlement Amount, including any increase in the Net Settlement Amount resulting from a reduction in the Class Representative Enhancement Payment, Class Counsel Award, the PAGA Settlement Amount, and/or the Settlement Administration Costs. If there are any timely submitted opt outs or a reduction in the Class Representative Enhancement Payment, Class Counsel Award, the PAGA Settlement Amount, and/or the Settlement Administration Costs, the Settlement Administrator shall proportionately increase the Individual Settlement Payments for each Participating Settlement Class Member so that the amount actually distributed to Participating Settlement Class Members equals one hundred percent (100%) of the corresponding Net Settlement Amount.

43. Class Counsel Award. Class Counsel shall apply to the Court for attorneys' fees of not more than Thirty-Three and One Third Percent (33.3%) of the Gross Settlement Fund, or Seventy Thousand Three Hundred and Forty-Six Dollars and Twenty-Five Cents ($70,346.25), subject to proof by Class Counsel. The Settlement Administrator (and not Defendants) shall issue an IRS Form 1099 to Class Counsel reflecting the Class Counsel Award. Defendants will not be responsible for attorneys' fees or costs and expenses incurred by any counsel for Plaintiff that is not Class Counsel.

44. Class Representative Enhancement Payment. In exchange for a general release of all known and unknown claims that she may have against Defendants and Released Parties based on her employment with People 2.0 and placement with Pilot (including a waiver of claims under Civil Code section 1542), and in recognition of her service to the class, Plaintiff Shepard shall apply for a Class Representative Enhancement Payment of Ten Thousand Dollars ($10,000.00). The Class Representative Enhancement Payment will be paid from the Gross Settlement Fund and will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement Agreement. The Settlement Administrator (and not Defendants) shall issue an IRS Form 1099 to Plaintiff reflecting her

Class Representative Enhancement Payment. Plaintiff agrees to assume responsibility for remitting to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority the amounts to be deduced by law, if any, from her Class Representative Enhancement Payment. In addition, Plaintiff shall hold Defendants and the Released Parties harmless and indemnify and defend Defendants and the Released Parties for all taxes, interest, penalties, and costs incurred by Defendants or the Released Parties in connection with any claims relating to their non-withholding of taxes from the Class Representative Enhancement Payment.

45. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs it incurs for purposes of administering the Settlement and distributing payments from the Gross Settlement Fund. These costs, which will be paid from the Gross Settlement Fund, will include, *inter alia*, calculating, paying, and reporting the required tax payments on the Individual Settlement Payments; the issuing and collection of 1099 and W-2 IRS Forms; distributing Notice Packets; processing Requests for Exclusion, Notices of Objection, and workweek disputes; performing skip trace on Notice Packets returned as undeliverable; calculating and distributing from the Gross Settlement Fund all Individual Settlement Payments, the PAGA Settlement Amount, Class Representative Enhancement Payment, and the Class Counsel Award; and providing necessary reports and declarations, among other tasks that the parties may agree upon or as set forth in this Agreement.

46. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount of Twenty-Five Thousand Dollars ($25,000.00) from the Gross Settlement Fund will be designated for satisfaction of PAGA Settlement Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or Eighteen Thousand Seven Hundred and Fifty Dollars ($18,750.00), of the PAGA Settlement Amount will be paid to the LWDA, and Twenty-Five Percent (25%), or Six Thousand Two Hundred and Fifty Dollars ($6,250.00), will be distributed on a pro rata basis to the PAGA Settlement Members based on the number of "weeks worked" or "workweeks" during the PAGA Period. This amount will not revert to Defendants.

47. Net Settlement Amount. The entire Net Settlement Amount will be distributed to Participating Settlement Class Members as provided in Paragraphs 18 and 41. No portion of the Net Settlement Amount will revert to or be retained by Defendants.

48. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned on a pro rata basis from the Net Settlement Amount to Settlement Class Members who do not opt out depending on the number of "weeks worked" or "workweeks" (defined as any calendar week during the Class Period) in which a Settlement Class Member performed at least one day of work for Defendants. Settlement Class Members do not need to submit a claim to participate and receive their Individual Settlement Payment.

49. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the Twenty-Five Percent (25%) portion of the PAGA Settlement Amount allocated to PAGA Settlement Members on a pro rata basis depending on the number of "weeks worked" or "workweeks" in which a PAGA Settlement Member performed at least one day of work for Defendants during the PAGA Period. PAGA Settlement Members do not need to submit a claim to participate in the PAGA portion of the Settlement and also may not opt out of the resolution of the PAGA claims.

50. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Settlement Class Members and Individual PAGA Payments made to PAGA Settlement Members under this Settlement Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, Paid Time Off ("PTO") plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any benefit plans. For the avoidance of doubt, no Settlement Class Member shall be entitled to any additional right, contribution, or amount under any benefit plan as a result of this Settlement Agreement or payments made hereunder.

51. Administration Process. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement.

52. Notice to Labor and Workforce Development Agency. Upon the filing of the Motion for Preliminary Approval, Class Counsel will notify the LWDA of this Settlement Agreement. Within ten (10) calendar days of the entry of the Court's order granting Preliminary Approval, Class Counsel will notify the LWDA of that order consistent with Paragraph 23 of this Agreement and Labor Code sections 2699(l)(2)–(3).

53. Preparation of the Class List. Within thirty (30) calendar days of the entry of the Court's order granting Preliminary Approval, counsel for Defendant People 2.0 will provide the Class List to the Settlement Administrator. Within fifteen (15) calendar days after the Response Deadline, the Settlement Administrator will provide to counsel for Defendants the list of Participating Settlement Class Members, which, unless the Court orders otherwise, shall exclude individuals who filed a timely Request for Exclusion.

54. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days after receiving the Class List from counsel for Defendant People 2.0, the Settlement Administrator will mail a Notice Packet to all Settlement Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

55. Confirmation of Contact Information in the Class Lists. Prior to the initial distribution of Notice Packets, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct any known or identifiable address changes for those Settlement Class Members who do not have a mailing address included in the Class List. Any Notice Packets sent via regular First-Class U.S. Mail and returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail within three (3) business days of receipt to any forwarding address affixed thereto and the Settlement Administrator will indicate the date of such remailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search using the name, address, and/or Social Security number of the Settlement Class Member involved, and will then perform a single re-mailing within three (3) business days of receipt of the returned Notice Packet. Settlement Class Members will have

until the later of ten (10) calendar days from the date of the re-mailing of the Notice Packet or the Response Deadline, to submit a Notice of Objection, Request for Exclusion, or workweeks dispute.

56. Notice Packets. All Settlement Class Members will be mailed a Notice Packet. Each Notice Packet will provide: (i) information regarding the nature of the Actions; (ii) a summary of the Settlement Agreement's principal terms; (iii) the Settlement Class definition; (iv) the total number of workweeks each respective Settlement Class Member worked for Defendants during the Class Period; (v) each Settlement Class Member's estimated Individual Settlement Payment; (vi) each PAGA Settlement Member's estimated Individual PAGA Payment; (vii) the dates comprising the Class Period and the PAGA Period; (viii) instructions on how to submit Requests for Exclusion, Notices of Objection, or workweeks disputes; (ix) the deadlines by which the Settlement Class Member must postmark or fax Requests for Exclusion, Notices of Objection, and workweeks disputes; (x) the claims to be released (Released Claims); and (xi) the Settlement Administrator's contact information, including the website address where the electronic versions of the materials in the Notice Packet will be available. Settlement Class Members and PAGA Settlement Members will be specifically informed that neither Defendants nor Class Counsel make any representations regarding the tax implications of any amounts paid under this Settlement Agreement and that if Settlement Class Members or PAGA Settlement Members have any questions regarding those implications, they can and should consult a tax expert. The Parties' proposed Notice Packet is attached hereto as **Exhibit A**.

57. Disputed Information in Notice Packets. Settlement Class Members will have an opportunity to dispute the individualized information provided in their Notice Packets. To the extent Settlement Class Members dispute their employment dates or the number of workweeks on record, Settlement Class Members may produce evidence to the Settlement Administrator by the Response Deadline showing that such information is inaccurate. The Settlement Administrator will decide the dispute. Defendants' records will be presumed correct, but the Settlement Administrator will evaluate the evidence submitted by the Settlement Class Member and will make the final decision as to the merits of the dispute. All disputes will be decided by the Settlement Administrator within fifteen (15) business days of the Response Deadline.

58. Request for Exclusion Procedures. Any Settlement Class Member wishing to opt out of the Settlement Agreement must sign and fax or mail a written Request for Exclusion to the Settlement Administrator by the Response Deadline. In the case of Requests for Exclusion that are mailed to the Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. Consistent with California law, PAGA Settlement Members may not opt out of the PAGA Settlement Agreement. Any Settlement Class Member who timely submits a Request for Exclusion will still receive an Individual PAGA Payment representing their portion of the PAGA Settlement Amount. All signatories and their counsel must not encourage opt-outs. The Parties specifically agree not to solicit opt-outs, directly or indirectly, through any means. Objective statements to Settlement Class Members who call Class Counsel with inquiries regarding the Settlement Agreement, or the exercise of Class Counsel's ethical obligations, shall not be deemed a violation of the prohibitions contained herein.

59. Defective Submissions. If a Settlement Class Member's Request for Exclusion is defective as to the requirements listed herein, that Settlement Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Settlement Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Settlement Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Settlement Administrator will send the cure letter by the last method by which the Settlement Administrator sent the Notice Packet to the Settlement Class Member. The Settlement Class Member will have until the later of (i) the Response Deadline or (ii) ten (10) calendar days from the date of the cure letter to postmark or fax a revised Request for Exclusion. If the revised Request for Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

60. Cancellation of Settlement Agreement. Within fourteen (14) calendar days of the Response Deadline, as defined in the Court's order granting Preliminary Approval of the Settlement, Defendants will have the option, in their sole discretion, to void the Settlement Agreement in its entirety if Five Percent (5%) or more of all individuals eligible to become members of the Settlement Class submit timely and valid Requests for Exclusion or are otherwise deemed by the Court not to be bound

by the Settlement. If Defendant(s) exercises this option, it shall be responsible for all Settlement Administration Costs incurred to the date of cancellation.

61. Releases.

a. Release of Class Claims by Participating Settlement Class Members. The Parties agree that upon the Effective Date and Defendants' full funding of the Gross Settlement Fund, it is their intent that the terms set forth in this Settlement Agreement will release any further attempt by lawsuit, administrative claim or action, arbitration, demand, claims for civil penalties, or other action of any kind by each and all of the Participating Settlement Class Members, who shall release their right to pursue any and all claims against the Released Parties for the Released Class Claims, as fully described in Paragraph 30, arising during the Class Period.

b. Release of PAGA Claims by LWDA, Plaintiff, and PAGA Settlement Members. The Parties agree that upon the Effective Date and Defendants' full funding of the Gross Settlement Fund, it is their intent that the terms set forth in this Settlement Agreement will release any further attempt by lawsuit, administrative claim or action, demand, claims for civil penalties, or other action of any kind by the LWDA, State of California, Plaintiff, individually and in her capacity as a representative of and proxy for the LWDA and the PAGA Settlement Members, and the PAGA Settlement Class Members who shall release their right to pursue any and all claims against the Released Parties for the Released PAGA Claims, as fully described in Paragraph 31, arising during the PAGA Period.

c. Release of Claims by Plaintiff Shepard. Upon the Effective Date and Defendants' full funding of the Gross Settlement Fund, in addition to the claims being released by all Participating Settlement Class Members and PAGA Settlement Members, Plaintiff Shepard will release and forever discharge the Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which Plaintiff Shepard has or may have against the Released Parties based in any way on, or otherwise related to or arising from, her employment with People 2.0 and placement at DSI Logistics and/or Pilot as of the date of execution of this Settlement Agreement. The releases include, but are not limited to, all disputes relating to or arising out of any state, local, or federal statute, ordinance, regulation, order, or common law, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000(e) *et seq.*; the Civil Rights Act of 1866, as amended, 42 U.S.C. §§ 1981 *et seq.*; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. §§ 201 *et seq.* and Code of Federal Regulations; the Orders of the California Industrial Welfare Commission regulating wages, hours and working conditions; the California Fair Employment & Housing Act, as amended, Cal. Govt. Code §§ 12900 *et seq.*; the California Family Rights Act of 1991, as amended; Cal. Govt. Code § 12945.2; the California Unruh Civil Rights Act, as amended, Cal. Civ. Code §§ 51 *et seq.*; the California Labor Code (including any claim for civil penalties under the California Labor Code Private Attorneys General Act); the California Government Code; Article 1 of the California Constitution; the Rehabilitation Act of 1973, as amended, 29 U.S.C. §§ 701 *et seq.*; the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12100 *et seq.*; the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601 *et seq.* and any state law equivalent; the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*; the National Labor Relations Act, as amended, 29 U.S.C. §§ 151 *et seq.*; California Business and Professions Code §§ 17200 *et seq.*; other statutory and common law claims; statutory or common law rights to attorneys' fees and costs, penalties/fines, and/or punitive damages; any action based on contract, quasi-contract, quantum meruit, implied contract, tort, wrongful or constructive discharge, breach of the covenant of good faith and fair dealing, defamation, libel, slander, immigration issues, infliction of emotional distress negligence, assault, battery, conspiracy, harassment, retaliation, discrimination on any basis prohibited by statute or public policy, conversion, any interference with business opportunity or with contract or based upon any other theory; and/or similar causes of action.

d. Plaintiff Shepard's General Release. Upon the Effective Date, to the extent allowed by California law, Plaintiff Shepard waives all rights and benefits afforded by section 1542 of the California Civil Code as to any Released Claims. Section 1542 provides:

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

62. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Settlement Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion (*i.e.*, all Participating Settlement Class Members) will be bound by all of its terms, including those pertaining to the Released Class Claims and Released PAGA Claims (collectively, the "Released Claims"), as well as any Judgment that may be entered by the Court if it grants Final Approval of the Agreement. The Settlement Agreement shall constitute, and may be pleaded as, a complete and total defense to any Released Claims currently pending or raised in the future. Notwithstanding the foregoing, this Settlement Agreement, if approved, precludes further PAGA claims irrespective of whether a Request for Exclusion is submitted. As a result, all PAGA Settlement Members—regardless of whether they submit a Request for Exclusion—shall receive a check for their share of the PAGA Settlement Amount when settlement payments are delivered, and they will be bound by a release of the PAGA claims as outlined in Paragraph 61(b).

63. Notice of Objection Procedures. To object to the Settlement Agreement, a Settlement Class Member must mail or fax a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline. The Notice of Objection must be signed by the Settlement Class

Member and contain all information required by this Settlement Agreement. The postmark or fax-stamp date will be deemed the exclusive means for determining that the Notice of Objection is timely. The Settlement Administrator will notify any person from whom it receives a Notice of Objection that is not timely and/or valid if, in fact, such Notice of Objection is not timely and/or valid. Any disputes regarding the timeliness, validity or effectiveness of a Notice of Objection shall be decided by the Settlement Administrator consistent with the terms of this Agreement, and with the Parties' input, if appropriate. Settlement Class Members who fail to object in the manner specified above will be deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement, unless they appear at the Final Approval Hearing and state their objection at that time. Settlement Class Members who submit timely Notices of Objection may appear at the Final Approval Hearing in order to have their objections heard by the Court. If the Court permits, Settlement Class Members who have not submitted a written Notice of Objection in compliance with the Settlement Agreement may still appear at the Final Approval Hearing and present their objections. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to submit written objections to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Class Counsel will not represent any Settlement Class Members with respect to any such objections to this Settlement.

64. <u>Certification Reports Regarding Individual Settlement Payment Calculations</u>. The Settlement Administrator will provide counsel for both Parties a bi-weekly report that identifies the number of Settlement Class Members who have submitted valid Requests for Exclusion, or objected to the Settlement, and whether any Settlement Class Member has submitted a challenge to any information contained in his or her Notice Packet as provided in Paragraph 57. Additionally, the Settlement Administrator will provide counsel for both Parties with any updated reports regarding the administration of the Settlement Agreement as needed or requested, as consistent with the terms of the Settlement Agreement.

65. <u>Distribution Timing of Individual Settlement Payments</u>. The Settlement Administrator will distribute the funds in the Gross Settlement Fund within the time period set forth with respect to each category of payment.

a. Class Counsel Award and Class Representative Enhancement Payment: Within thirty (30) calendar days of the Funding Date, the Settlement Administrator will issue payments to Class Counsel for the Class Counsel Award and Class Representative Enhancement Payment in the amounts awarded by the Court.

b. Individual Settlement Payment and PAGA Settlement Amount: Within thirty (30) calendar days of the Funding Date, the Settlement Administrator will issue the LWDA Payment to the LWDA, the Individual Settlement Payments to the Participating Settlement Class Members, and the Individual PAGA Payments to the PAGA Settlement Members. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement in the amount approved by the Court.

c. Employer Payroll Tax Payment. The Settlement Administrator will also transmit Defendants' Employer Payroll Tax Payment to the appropriate government authorities.

66. Un-cashed Settlement Checks. Individual Settlement Payment and/or Individual PAGA Payment checks remaining un-cashed for more than one hundred eighty (180) calendar days after issuance will be void. Funds from the uncashed checks shall be distributed by the Settlement Administrator to the *cy pres* beneficiary, The Salvation Army, pursuant to California Code of Civil Procedure Section 384.

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

68. Treatment of Individual Settlement Payments. For tax purposes, the Individual PAGA Payments from the PAGA Settlement Amount will be treated as 100% penalties and will be reported on IRS Form 1099. Individual Settlement Payments will be allocated as follows: (i) Twenty Percent (20%) to settlement of wage claims and (ii) Eighty Percent (80%) to settlement of claims for interest and statutory penalties. The portion allocated to wages shall be reported on an IRS Form W-2 and the portion allocated to interest and penalties shall be reported on an IRS Form 1099 by the Settlement

Administrator. Plaintiff and Participating Settlement Class Members shall be solely responsible for taxes associated with the 1099 and W-2 payments, with the exception of employer payroll taxes. Participating Settlement Class Members shall be responsible for remitting to state and/or federal taxing authorities any applicable other taxes due. Neither this Agreement, nor any of its attachments, should be interpreted to contain or constitute representations or advice regarding any U.S. federal or state tax issue.

69. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Settlement Class Members, PAGA Settlement Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding Defendants' share of applicable employer payroll tax payments and penalties to the appropriate government authorities. All Participating Settlement Class Members and PAGA Settlement Members, shall be solely and exclusively responsible for remitting to state and/or federal taxing authorities any applicable other taxes due and shall hold Defendants and the Released Parties harmless for any taxes, penalties, interest, liabilities, costs, and expenses caused by any such taxing authority relating in any way to the Participating Settlement Class Members' and PAGA Settlement Members' tax treatment of payments made to them pursuant to this Settlement Agreement or failure to timely or properly pay any taxes owed on their respective Individual Settlement Payment or Individual PAGA Payment.

70. Tax Liability. Defendants make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff, Participating Settlement Class Members, and PAGA Settlement Members are not relying on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard.

71. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY," AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES

OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

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

73. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

74. Termination of Settlement Agreement. Plaintiff and Defendants will each have the right to unilaterally terminate this Settlement Agreement by providing written notice of their election to do

so ("Termination Notice") to all other Parties hereto within ten (10) business days of any of the following occurrences; provided, however, that the Parties agree to cooperate in good faith to address any issues the Court raises in connection with issuing Preliminary and/or Final Approval of the Settlement:

a. Five Percent (5%) or more of the Settlement Class Members request exclusion from the Settlement Class;

b. the Court rejects, materially modifies, materially amends or changes, or declines to issue a Preliminary Approval Order or a Final Approval Order with respect to the Settlement Agreement, but only if the Parties are not permitted to remedy any deficiencies the Court identifies;

c. an appellate court reverses the Final Approval Order, and the Settlement Agreement is not reinstated without material change by the Court on remand; or

d. any court incorporates terms into, or deletes or strikes terms from, or modifies, amends, or changes the Preliminary Approval Order, the Final Approval Order, or the Settlement Agreement in a way that Plaintiff or Defendants reasonably consider material, unless the modification or amendment is accepted in writing by all Parties, except that, as provided above, the Court's approval of the Class Counsel Award, and Class Representative Enhancement Payment, or their amounts, is not a condition of the Settlement Agreement.

75. Reversion *Nunc Pro Tunc*. If this Settlement Agreement is terminated pursuant to its terms, or the Effective Date for any reason does not occur: (a) all Orders certifying the Settlement Class for purposes of effectuating this Settlement Agreement, and all preliminary and/or final findings regarding the Settlement Class, shall be void *ab initio* and automatically vacated upon notice to the Court, (b) the Actions shall proceed as though the Settlement Class had never been certified pursuant to this Settlement Agreement and such findings had never been made, and (c) Plaintiff Shepard will file an amended complaint reverting to the operative complaint that was in place immediately prior to the filing of the amended complaint. The Parties further agree that, by assenting to the filing of the

amended complaint for purposes of this Settlement Agreement only, Defendants do not admit any facts or waive any defenses.

76. Preliminary Approval Hearing. Plaintiff will obtain a hearing date before the Court to request the Preliminary Approval of the Settlement Agreement and the entry of an order: (i) conditionally certifying the Settlement Class for settlement purposes only; (ii) granting Preliminary Approval of the proposed Settlement Agreement; (iii) setting a deadline for Class Counsel to file an application for Attorneys' Fees and Costs and an application for Class Representative Enhancement Payment for Plaintiff; and (iv) setting a date for a Final Approval Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Settlement Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of the Settlement, and will include the proposed Notice Packet, which will include the proposed Notice of Class Action Settlement, attached as **Exhibit A**. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval.

77. Final Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to postmark Requests for Exclusion or Notices of Objection (and no earlier than one hundred (100) calendar days after the date on which Named Plaintiffs files the Motion for Preliminary Approval) and with the Court's permission, a Final Approval Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (i) Individual Settlement Payments (including all applicable taxes); (ii) the PAGA Settlement Amount; (iii) the Class Representative Enhancement Payment; (iv) the Class Counsel Award; and (v) all Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Class Counsel will also be responsible for drafting the Class Counsel Award and Class Representative Enhancement Payment application to be heard at the Final Approval Hearing, which may be filed concurrently with a motion requesting Final Approval.

78. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the Court or after the Final Approval Hearing, Class Counsel will present a proposed form of Judgment to the Court for its approval that (i) approves the Settlement Agreement, adjudging the terms thereof to be fair, reasonable, adequate, and directing consummation of its terms and provisions; (ii) approving

Class Counsel's application for an award of Attorney's Fees and Costs; (iii) approving the Class Representative Enhancement Payment; (iv) approving the PAGA Settlement Amount; (v) approving the Settlement Administrator's fees from the Gross Settlement Amount; and (vi) barring all Participating Settlement Class Members and PAGA Settlement Members from prosecuting against the Released Parties, or any of them, any of the Released Claims. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement Agreement; (ii) Settlement administration matters; and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

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

80. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' Settlement terms and, should this Settlement Agreement receive Final Approval, its terms will supersede all prior written or oral agreements between the Parties.

81. Amendment or Modification. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel.

82. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

83. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties.

84. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

85. Execution and Counterparts. This Settlement Agreement is subject to the execution of all Parties. The Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument.

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

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

88. Waiver of Certain Appeals. With the exception of a right to appeal the reduction of any award of attorneys' fees, costs, and expenses as provided herein, the Parties hereby waive their right to appeal or seek other judicial review of any order that is materially consistent with the terms of this Settlement Agreement.

89. Class Certification for Settlement Purposes Only. The Parties stipulate to class certification of any claims not yet certified for purposes of implementing the Settlement Agreement only, and in no way is that an admission by Defendants that class certification is proper. This Settlement Agreement will not be admissible in any proceeding as evidence that (i) a class or collective should be certified as Plaintiff has proposed for any claims, including but not limited to any currently non-certified claims; (ii) the PAGA Action should proceed on a representative basis pursuant to PAGA;

or (iii) Defendants are liable to Plaintiff or any other individuals they claim to represent in the Actions in connection with any claims that were or could have been asserted in the Actions.

90. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, that they violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendants of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendants or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.

91. Media Restrictions. The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the Settlement Agreement. Unless required by applicable law, neither the Plaintiff nor Class Counsel shall publicize the terms of this Settlement Agreement in any medium, or initiate or issue any press release or have any communications to the press or media concerning the Actions, the Settlement of the Actions, and/or this Settlement Agreement, except as posted by the Settlement Administrator as ordered by the Court. Class Counsel shall not include, and shall affirmatively remove, any reference to any of the foregoing subjects in any advertising, mass mailing, website, or other communication. If counsel for either Party receives an inquiry about the settlement from the media, counsel may respond only after the motion for Preliminary Approval has been filed and only by confirming the terms of the Settlement Agreement. Notwithstanding the foregoing, nothing will prevent Class Counsel from communicating confidentially with Settlement Class Members as necessary to fulfill their obligations as Class Counsel.

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

93. Enforcement Actions. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

94. Disputes Regarding Settlement Agreement. In the event that there are any disputes arising out of or relating to this Settlement Agreement, any such dispute will be submitted to experienced mediator Tripper Ortman or a mutually agreeable mediator for mediation.

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

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

97. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

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

99. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, with retention of jurisdiction by the Court as provided therein, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms.

SIGNATURE PAGE FOLLOWS

READ CAREFULLY BEFORE SIGNING.

Dated: ___________, 2025

By: ________________________________
Tessa Shepard
Plaintiff and Class Representative

Dated: ___________, 2025

By: ________________________________
Timothy Potero, General Counsel
on behalf of People 2.0 Global, LLC and People 2.0 North America, LLC

Dated: ___________, 2025

By: ________________________________
Michael Scott, Head of U.S. Labor and Employment
on behalf of Pilot Air Freight LLC

EXHIBIT A

NOTICE OF PROPOSED SETTLEMENT OF CLASS AND PAGA ACTION AND HEARING DATE FOR FINAL COURT APPROVAL

(*Tessa Shepard v. People 2.0 North America LLC, et al.* San Bernardino Superior Court, Case No. CIVSB2221511)

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do **not** have to do anything. **Your estimated Individual Settlement Payment is: $<<___>>. See the explanation below.** After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself From the Settlement	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive **no money from the Settlement**. Instructions are set forth below.
Object to the Settlement	You may write to the Court about why you believe the Settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class and PAGA representative action settlement (the "Settlement") of the above-referenced lawsuit pending in the Superior Court for the State of California, County of San Bernardino (the "Court") has been reached between Plaintiff Tessa Shepard ("Plaintiff" or "Class Representative") and Defendants People 2.0 North America, LLC, People 2.0 Global LLC, DSI Logistics, LLC, and Pilot Air Freight, LLC ("Defendants"). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Settlement Notice because you have been identified as a member of the Class for whose benefit the Settlement was reached. The Settlement Class is defined as:

> All current and former non-exempt employees of People 2.0 North America, LLC and/or People 2.0 Global LLC who were placed at DSI Logistics, Inc. and/or Pilot Air Freight, LLC dba Pilot Freight Services in California during the Class Period.
>
> The Class Period means the period from September 28, 2018 through the date of preliminary approval. ("Class Period").

This Settlement Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On September 28, 2022, Jenelle Lee filed a class action lawsuit against Defendants, alleging various wage-and-hour violations under California law. Lee also filed a Notice of Violations with the Labor and Workforce Development Agency ("LWDA") pursuant to the California Labor Code Private Attorneys General Act ("PAGA"), and served the same on Defendants.

On January 3, 2023, Lee initiated a representative action against Defendants under PAGA, alleging similar underlying wage-and-hour violations as the class action.

On July 18, 2025 and September 24, 2025, for purposes of this Settlement, the parties requested the Court allow Plaintiff Tessa Shepard to file amended complaints in the Class Action and PAG Action that replaced Lee with Plaintiff Shepard.

The operative complaint is the Second Amended Complaint that alleges claims ("Claims") for: 1) failure to pay wages including minimum wage and overtime in violation of Labor Code §§ 510 and 1194; (2) failure to provide meal periods and/or meal premiums in violation of Labor Code §§ 226.7 and 512 and the Industrial Welfare Commission's ("IWC") Wage Orders; (3) failure to provide rest periods and/or rest premiums in violation of Labor Code §§ 226.7 and 512; (4) failure to pay timely wages in violation of Labor Code § 203; (5) failure to timely pay wages during employment in violation of Labor Code § 204; (6) failure to provide accurate itemized wage statements in violation of Labor Code § 226; (7) failure to pay reporting time wages in violation of Labor Code §§ 1194, 1197, 1198, and IWC Wage Orders 5-2001; (8) unlawful deductions from wages in violation of Labor Code §§ 221 and 223; (9) failure to issue payment of wages with Labor Code complaint instrument in violation of Labor Code §§ 212 and 213; (10) failure to timely pay wages at termination in violation of Labor Code §§ 201-203; and (11) violation of Business and Professions code § 17200 - the Unfair Competition Law ("UCL"). The alleged Labor Code violations include alleged violations of Labor Code §§ 201—204, 204b, 210, 246—248.7, 256, 226, 226.3, 226.7, 432, 510, 512, 516, 558, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2802, 1198.5, and the related IWC Wage Orders.

Defendants expressly deny any liability or wrongdoing of any kind associated with the claims alleged in the Actions, dispute any wages, damages and penalties claimed by the Class Representative are owed, and further contend that, for any purpose other than settlement, the Actions are not appropriate for class or representative action treatment. Defendants contend, among other things, that at all times they complied with the California Labor Code, the Industrial Welfare Commission Wage Orders, and all applicable law.

On February 21, 2024, the parties participated in an all-day mediation with Tripper Ortman, Esq., an experienced mediator of wage and hour class and PAGA actions. With the mediator's guidance, the parties eventually negotiated a complete settlement of the Claims. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved Plaintiff to serve as the Class Representative, and the law firm James Hawkins APLC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay an "all in" amount of Two Hundred and Eleven Thousand and Two-Hundred and Fifty Dollars and Zero Cents ($211,250.00) (the "Gross Settlement Amount") to fund the Settlement. The Gross Settlement Amount includes the payment of all Individual Settlement Payments, Individual PAGA Payments, LWDA PAGA Payment, Class Counsel Fees and Costs, Class Representative Enhancement Payment, and Settlement Administration Costs, all as approved by the Court.

After the Effective Date, Defendants will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. "Effective Date" means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed, and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which are subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

i. Settlement Administration Costs. Payment to the Settlement Administrator, estimated not to exceed $6,500.00, for expenses incurred in administering the Settlement, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.

ii. Class Counsel Fees and Costs. Payment to Class Counsel for an award of attorneys' fees of no more than 33.3% of the Gross Settlement Amount (currently $70,346.25) and actually incurred litigation expenses of not more than $20,000 for all expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Actions on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

iii. Class Representative Service Payment. A Class Representative Enhancement Payment of up to $10,000.00 to Plaintiff, or such lesser amount as may be approved by the Court, to compensate her for services on behalf of the Class in initiating and prosecuting the Actions.

iv. PAGA Penalties. A payment of $25,000.00 for PAGA penalties, $18,750.00 of which will be paid to the LWDA and the remaining $6,250.00 will be distributed to PAGA Settlement Members as described herein.

Calculation of Payments to Participating Class Members. After all the above payments of the Court-approved Settlement Administration Costs, Class Counsel Fees and Costs, Class Representative Service Payment, and PAGA Penalties are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to Settlement Class Members who do **not** request exclusion ("Participating Settlement Class Members"). The Individual Settlement Payment for each Participating Settlement Class Member will be calculated by dividing the respective Workweeks for that Participating Settlement Class Member by the total Workweeks for all Participating Settlement Class Members and multiplying that result by the Net Settlement Amount.

- A "workweek" is defined as a normal seven-day week of work during the Settlement Class Period in which, according to Defendants' records and as calculated by the Settlement Administrator, a member of the Settlement Class worked at least one day.

Calculation of Individual PAGA Payments to PAGA Settlement Members. PAGA Settlement Members shall receive their respective Individual PAGA Payments regardless of whether they exclude themselves or opt-out of this Settlement. "PAGA Settlement Members" means all current and former non-exempt employees of People 2.0 North America, LLC and/or People 2.0 Global LLC who were placed at DSI Logistics, Inc. and/or Pilot Air Freight, LLC dba Pilot Freight Services in California from September 28, 2021 through preliminary approval ("PAGA Period"). A PAGA Settlement Member's portion of the PAGA Penalties ("Individual PAGA Payment") will be calculated by dividing the individual's respective workweeks worked during the PAGA Period by the total workweeks for all PAGA Settlement Members during the PAGA Period, and multiplying that result by $6,250.00 (i.e., 25% of the PAGA Penalties that is to be allocated to PAGA Settlement Members pursuant to PAGA).

If the Court grants final approval of the Settlement, you will automatically be mailed a check for your Individual Settlement Payment and Individual PAGA Payment (if applicable) to the same address as this Settlement Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. Twenty percent (20%) of each Individual Settlement Payment is allocated to settlement of wage claims. Taxes are withheld from this amount, and each Participating Settlement Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Eighty percent (80%) of each Individual Settlement Payment is allocated to settlement of claims for interest and statutory penalties, which is not subject to withholdings and for which each Participating Settlement Class Member will be issued an Internal Revenue Service Form 1099 for that amount. In addition, no taxes will be withheld from the Individual PAGA Payment, and each PAGA Settlement Member will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendants' counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement. The Settlement Administrator may distribute your Individual Settlement Payment and Individual PAGA Payment (if applicable) by way of a single check that combines both payments.

No Credit Toward Benefit Plans. The Individual Settlement Payments and Individual PAGA Payments will not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any benefit plans.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon funding of the Gross Settlement Amount by Defendants, Plaintiff and the Participating Settlement Class Members shall release the Released Parties from all Released Class Claims for the Class Period. Upon funding of the Gross Settlement Amount by Defendants, Plaintiff, all PAGA Settlement Members, the LWDA, and the State of California shall release the Released Parties from all Released PAGA Claims for the PAGA Period, irrespective of whether they opted-out of the class settlement, and will be bound by the PAGA release.

"Released Class Claims" is defined in full in Paragraph 30 of the Settlement Agreement and described in part here: all claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal theories of relief, that are based on the facts and legal theories asserted in the operative complaint, or which relate to the primary rights asserted in the operative complaint, including without limitation claims for (1) failure to pay wages including minimum wage and overtime in violation of Labor Code §§ 510 and 1194; (2) failure to provide meal periods and/or meal premiums in violation of Labor Code §§ 226.7 and 512 and the IWC Wage Orders; (3) failure to provide rest periods and/or rest premiums in violation of Labor Code §§ 226.7 and 512; (4) failure to pay timely wages in violation of Labor Code § 203; (5) failure to timely pay wages during employment in violation of Labor Code § 204; (6) failure to provide accurate itemized wage statements in violation of Labor Code § 226; (7) failure to pay reporting time wages in violation of Labor Code §§ 1194, 1197, 1198, and IWC Wage Orders 5-2001; (8) unlawful deductions from wages in violation of Labor Code §§ 221 and 223; (9) failure to issue payment of wages with Labor Code complaint instrument in violation of Labor Code §§ 212 and 213; (10) failure to timely pay wages at termination in violation of Labor Code §§ 201-203; (11) failure to reimburse business expenses under Labor Code § 2802, and (12) violation of Business and Professions code § 17200 under the UCL.

"Released PAGA Claims" is defined in full in Paragraph 31 of the Settlement Agreement and described in part here: all claims for civil penalties under the California Private Attorneys General Act of 2004 (Labor Code §§ 2698, et seq.) based on the Labor Code violations that were alleged or which could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Actions and/or any PAGA letter sent to the LWDA by Plaintiffs including but not limited to violations of California Labor Code §§ 201-203, 204, 212, 213, 510, 512, 558, 226, 226.3, 226.7, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2802, and 2698 *et seq.*, applicable IWC Wage Orders and California Code of Regulations, Title 8, section 11000 *et seq.* during the PAGA Period.

"Released Parties" means Defendants and each of their past, present, and/or future, direct, and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint ventures.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court's orders in the Actions will apply to you and legally bind you.

5. How much will my payment be?

Defendants' records reflect that you have <<_____>> Workweeks worked during the Class Period.

Based on this information, your estimated Individual Settlement Payment is <<_______>>.

Defendants' records reflect that you have <<_____>> Workweeks worked during the PAGA Period.

Based on this information, your estimated PAGA Settlement Member Payment is <<_______>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than <<_______________ [sixty (60) days after the Notice or fourteen (14) days from the original response deadline for a re-mailed Notice]>>.

6. How can I get a payment?

To get money from the Settlement, you do not have to do anything. A check for your Settlement Payment will be mailed automatically to the same address as this Settlement Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: Apex Class Action LLC.

The Court will hold a hearing on <<__________________>> to decide whether to finally approve the Settlement. The hearing may be rescheduled or continued without further notice to you. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www.__________________.com.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows**. Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive your Individual PAGA Payment (if you qualify).

To opt out, you must submit to the Settlement Administrator, by fax or mail, a written, signed, and dated request for exclusion postmarked no later than <<_______________>>. The address for the Settlement Administrator is <<Settlement Administrator's Mailing Address>>. The request for exclusion must state in substance that you have read the Settlement Notice and that you wish to be excluded from the Settlement of the class action lawsuit entitled *Tessa Shepard v. People 2.0 North America, LLC et al.* currently pending in the San Bernardino Superior Court, Case No. CIVSB2221511. The request for exclusion must contain your name, current address, telephone number, signature, and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a Settlement Class Member.

Written requests for exclusion that are postmarked after <<___________>>, or are incomplete or unsigned will be rejected, and those Settlement Class Members will remain bound by the Settlement and the Release described above. If you submit both a request for exclusion and objection to the Settlement (regardless of which came first), the objection will nullify the request for exclusion. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.

8. How do I tell the Court that I would like to challenge the Settlement?

If you have not opted out and believe the Settlement should not be finally approved by the Court for any reason, you may object to the proposed Settlement. Objections must be in writing and state your name, current address, telephone number, signature, and last four digits of your Social Security Number for verification purposes, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is ***Tessa Shepard v. People 2.0 North America, LLC et al.*, San Bernardino Superior Court, Case No. CIVSB2221511**. If the Court permits, regardless of whether you submit a written objection, you may also appear at the final approval hearing (described in Section 9 below) and state your objection.

To object to the Settlement, you cannot opt out. If you submit an objection to the Settlement and also a request to be excluded (opt-out), the objection will nullify the request for exclusion (opt-out). If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object. Any Settlement Class Member who does not object in the manner provided in this Settlement Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than <<_______________>>. The address for the Settlement Administrator is <<Settlement Administrator's Mailing Address>>.

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 00:00 AM/PM on _______________, at the San Bernardino County Superior Court, Department S-17, located at 247 West Third Street, San Bernardino, CA 92415-0210 before the Hon. Joseph Ortiz. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Settlement Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at <<_________>> or write to ***Tessa Shepard v. People 2.0 North America, LLC et al.*,** San Bernardino Superior Court, Case No. CIVSB2221511 <<Settlement Administrator's Mailing Address>>.

You may also contact Class Counsel at the address here:

James R. Hawkins, Esq.
Gregory Mauro, Esq.
James Hawkins APLC
9880 Research Dr.
Irvine, CA 92618
Tel: (949) 387-7200
Fax: (949) 387-6676
Email: greg@jameshawkinsaplc.com

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment, or other Settlement documents by visiting the Settlement Administrator's website at www.___________________.com.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your Settlement Payment.

- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to The Salvation Army. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

JAMES *JH* HAWKINS

A PROFESSIONAL LAW CORPORATION
9880 RESEARCH DRIVE, SUITE 200, IRVINE, CALIFORNIA 92618
TELEPHONE (949) 387-7200; FACSIMILE (949) 387-6676

April 2, 2025

Via LWDA Website
Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612
http://www.dir.ca.gov/Private-Attorneys-General-Act

Via Certified Mail & Email
PEOPLE 2.0 NORTH AMERICA, LLC
c/o Sandra J. McMullan
LITTLER MENDELSON, P.C.
333 Bush Street, 34th Floor
San Francisco, CA 94104
lhayward@littler.com
smcmullan@littler.com
CHGoodman@littler.com
Receipt No.: 9589 0710 5270 0078 0189 97

Via Certified Mail & Email
PEOPLE 2.0 GLOBAL LLC
c/o Sandra J. McMullan
LITTLER MENDELSON, P.C.
333 Bush Street, 34th Floor
San Francisco, CA 94104
lhayward@littler.com
smcmullan@littler.com
CHGoodman@littler.com
Receipt No.: 9589 0710 5270 0078 0190 00

Via Certified Mail
PILOT AIR FREIGHT, LLC
c/o Agent for Service of Process:
CSC – Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833
Receipt No.: 9589 0710 5270 0078 0190 17

Courtesy Copy by Email Only
PILOT AIR FREIGHT, LLC
c/o Dhananjay S. Manthripragada
Gibson, Dunn & Crutcher LLP
Email: DManthripragada@gibsondunn.com

Via Certified Mail
DSI LOGISTICS, LLC
Agent for Service of Process:
675 Placentia Ave, Suite 325
Brea, CA 92821
Receipt No.: 9589 0710 5270 0078 0190 24

Courtesy Copy by Email Only
DSI LOGISTICS, LLC
c/o Dhananjay S. Manthripragada
Gibson, Dunn & Crutcher LLP
Email: DManthripragada@gibsondunn.com

Re: AMENDED NOTICE PURSUANT TO LABOR CODE SECTIONS 2698, *et seq.*

To Whom It May Concern:

PLEASE TAKE NOTICE that plaintiffs JENELLE LEE & TESSA SHEPPARD, individually and on behalf of all similarly situated representative aggrieved employees, gives NOTICE to commence and/or amend a civil action pursuant to California Labor Code Sections 2698, *et seq.* Plaintiffs hereby give written notice by certified mail to the Labor and Workforce Development Agency, and Defendants, PEOPLE 2.0 NORTH AMERICA, LLC, PEOPLE 2.0 GLOBAL LLC, DSI LOGISTICS, LLC, and PILOT AIR FREIGHT, LLC through its Agent for Service of Process.

Plaintiffs hereby attach a copy of the Proposed PAGA Representative Action Complaint to be filed in the San Bernardo County Superior Court, as though fully set forth herewith setting out the specific provisions of the Labor Code Plaintiff alleges have been violated, including the facts and theories. All labor provisions in the Proposed PAGA Representative Action Complaint alleged to have been violated pertain to all entities and individuals named in the Complaints, even if not expressly specified.

Please advise within sixty (60) days of the post mark on this letter if the LWDA intends to investigate these claims. Thank you, and if you have any questions, please do not hesitate to contact me.

Very Truly Yours,

Gregory Mauro

Enclosure: Proposed Amended PAGA Representative Action Complaint