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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF TUOLUMNE**

ANDREA OTANEZ VERDUGO, individually, and
on behalf of others similarly situated

Plaintiff,

v.

CAPSTONE LOGISTICS, LLC, a Delaware
Limited Liability Company with its principal place
of business in Georgia; and DOES 1 through 100,
inclusive,

Defendants.

CASE NO.: CV66120

[Assigned for all purposes to Dept. 5]

UNLIMITED CIVIL

**DECLARATION OF JAMES M. TREGLIO,
ESQ. IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND PAGA REPRESENTATIVE ACTION
SETTLEMENT**

Date: November 12, 2025

Time: 8:30 a.m.

Dep: 5

Action Filed: April 22, 2024

DECLARATION OF JAMES M. TREGLIO

INTRODUCTION

1. I am an attorney at law duly authorized to practice law in the State of California. I am over 18 years of age. I have personal knowledge of the facts set forth in this declaration and could and would testify competently to them.

2. I am the lead attorney of the class action division for the law firm of Potter Handy, LLP,

1 (“PH,” or “Plaintiff’s Counsel” or “Co-Counsel”), attorneys of record for Plaintiff Andrea Otanez Verdugo
2 (“Plaintiff”) and the proposed settlement class (the “Class”) in the above-captioned matter. I have no
3 knowledge of the existence of any conflicting interests between my firm and any of its attorneys, on the
4 one hand, and Plaintiff or any other Class Member, on the other.

5 3. This declaration is made in support of the unopposed Motion for Preliminary Approval of
6 the proposed Class Action Settlement. The Plaintiffs in three related cases have reached a proposed class-
7 wide and PAGA settlement with Defendant Capstone Logistics, LLC (“Capstone” or “Defendant”),
8 subject to this Court’s approval: *Devine v. Capstone Logistics, LLC*, No. 20STCV39030, Los Angeles
9 Superior Court (the “*Devine*” case), which was filed on October 9, 2020; *Escobar v. Capstone Logistics,*
10 *LLC*, No. STK-CV-UOE-2020-0009429, San Joaquin Superior Court, which was filed on November 9,
11 2020; and, *Verdugo v. Capstone Logistics, LLC*, No. CV66120, Tuolumne County Superior Court, which
12 was initially filed in Los Angeles Superior Court on March 15, 2022. Plaintiffs Corey Devine and Jermaine
13 Willis have also filed a Complaint in Intervention in the instant case (the “Actions”).

14 4. This Court previously on July 19, 2024, approved a proposed settlement of the wage and
15 hour class and PAGA issues in this case for \$1,400,000, which had been brought to this Court for approval
16 by the Plaintiff *Verdugo* only. After learning of this, proposed class representatives Jermaine Willis, Corey
17 Devine, and Sheri King filed a Motion to Vacate and Intervene on January 10, 2025, pointing out what
18 they believed to be issues with that \$1,400,000 amount. As a result, Defendant agreed to attend a new
19 mediation with these newly added class representatives before the Honorable Amy D. Hogue of Signature
20 Resolution.

21 5. The new proposed Settlement is for \$5,950,000, more than four times the prior amount
22 previously approved by this Court.

23 **ATTORNEY EXPERIENCE**

24 4. I was admitted to the California Bar in 2003. I received my Bachelor of Arts degree in
25 Government from College of William & Mary in 1998 and my Juris Doctor degree from the University
26 of San Diego in 2003. From 2003 through 2006, I was the staff attorney for the Fair Housing Council of
27 San Diego, where I specialized in housing discrimination enforcement. In 2007, I joined the law firm of
28 Clark & Markham, LLP, where I specialized in consumer and wage and hour class actions, which has

1 comprised my practice of law ever since. In 2012, the law firm of Clark & Markham, LLP into the Clark
2 Law Firm and the Markham Law Firm. I stayed with the Clark Law Firm, and in 2015, the firm became
3 Clark & Treglio after I was made partner. By 2013, my work with the Clark Law Firm, Clark & Markham,
4 LLP, and Clark & Treglio resulted in nearly 5% of all recoveries made by the LWDA up to that point.

5 5. In 2017, I joined Keegan & Baker, LLP, which was also a class action firm. Whereas my
6 work at Clark & Markham, LLP and the Clark Law Firm was primarily focused on wage and hour class
7 actions, my work at Keegan & Baker, LLP involved more consumer actions, including data breach class
8 actions, and actions brought under the Fair Credit Reporting Act.

9 6. In 2018, I left Keegan & Baker, LLP and joined the Melmed Law Group, P.C. The Melmed
10 Law Group, P.C., is an employment law firm with a focus on class and PAGA representative actions. I
11 began my representation of the Plaintiff in this action when I was employed by the Melmed Law Group,
12 P.C.

13 7. In 2019, I joined my current firm, Potter Handy, LLP, to become head of its new class
14 action division. In that capacity, I litigate both consumer and employment class actions throughout the
15 State of California.

16 8. Since 2007, I have specialized in complex wage and hour and consumer class action
17 litigation. I have been involved in every stage of class action litigation as both a lead counsel, the lead and
18 primary associate, and as co-counsel. A summary of my experience, including representative class action
19 litigation is attached hereto at Exhibit B.

20 9. In connection with these prior class actions, I have conducted discovery, argued motions,
21 drafted pleadings, drafted class notices, drafted appellate briefs, examined witnesses, represented class
22 members at settlement conferences and mediations, deposed defendants and third party witnesses,
23 defended class representative depositions and participated in final disposition hearings. I have also tried
24 PAGA representative actions.

25 **FACTUAL AND PROCEDURAL HISTORY**

26 10. The attorneys I supervise, and I, have performed substantial work and diligently
27 investigated and prosecuted this case to a successful conclusion. Our work resulted in the creation of a
28 significant settlement fund for the benefit of the Class. We avoided protracted litigation by conducting

considerable investigation before filing suit related to the released class claims, and efficiently communicated and exchanged information with Defense counsel such that the parties could successfully settle the case after informal discovery and a full-day mediation. Because of the risks involved in litigating the case, particularly the contested legal and factual issues, Plaintiff's Counsel believes this settlement to be fair, reasonable, and adequate.

Summary of the Verdugo Action:

11. On March 15, 2022, Plaintiff Verdugo filed her complaint in the Superior Court for the County of Los Angeles, bringing PAGA and class claims against Defendant that substantially overlapped with those brought by Mr. Devine. On May 9, 2022, Defendant removed the *Verdugo* action to the U.S. District Court for the Central District of California.

12. On October 19, 2022, Defendant filed a Motion to Compel Arbitration, seeking to require Ms. Verdugo to arbitrate her claims against Defendant. On October 20, 2022, the Verdugo parties filed a joint stipulation to continue the Motion to Compel Arbitration hearing, informing the court that the parties had settled the matter. On November 23, 2022, Plaintiff Verdugo filed a Motion for Preliminary Approval of a class and PAGA settlement between the parties. The court denied the motion, and the motion was re-filed on three subsequent occasions. Judge Olguin denied the motion a fourth time on July 13, 2023. The reasons for these denials were described in my earlier filing in this matter. Subsequently, on August 11, 2023, Defendant filed a Motion to Compel Arbitration and Dismiss the Complaint. On August 18, 2023, Plaintiff Verdugo filed a Notice of Non-Opposition to this motion. On August 22, 2023, the district court entered an order dismissing Plaintiff Verdugo's Complaint without prejudice.

13. On or about September 26, 2023, Plaintiff Verdugo served Defendant with a Demand for Arbitration. After some discussion, the Parties again agreed to try to resolve their claims, this time in arbitration. On or about January 30, 2024, the Verdugo parties entered into a Stipulated Settlement Agreement and Release of Claims, and Plaintiff Verdugo submitted a Motion for Approval of Class Action and PAGA Settlement to the arbitrator. At the arbitrator's request, the Parties made numerous changes to the Settlement, and finally, on April 9, 2024, the Arbitrator granted Preliminary Approval.

14. On April 22, 2024, the Verdugo parties filed a Joint Motion to Confirm Arbitration Award in Tuolumne County Superior Court, seeking approval of PAGA and Class Settlement. This Court entered

1 an order confirming the arbitrator's award on July 19, 2024. Notice was then submitted to both the LWDA
2 and the Class Members on October 25, 2024.

3 15. Attached at Exhibit B is a true and correct copy of the Declaration of Nicole Bench, an
4 employee of ILYM, who administered the Notice sent on October 25, 2024. Of the 14,659 notices that
5 went out, ILYM only received 15 requests for exclusion, and only one objection.

6 16. On October 10, 2024, the Verdugo parties filed a Notice of Related Cases in the Devine
7 action. On January 10, 2025, Mr. Devine filed a Motion to Vacate the court's July 19, 2024, Confirmation
8 Order and requested leave to intervene in the Tuolumne action. Defendant and Plaintiff Verdugo filed
9 oppositions to the Motion to Vacate on January 31, 2025; Mr. Devine filed a reply on February 6, 2025;
10 and on February 13, 2025, this Court issued a tentative ruling vacating the July 19, 2024, Confirmation
11 Order. At the February 14, 2025, hearing on Mr. Devine's Motion to Vacate, the Court permitted
12 supplemental briefing and granted leave to file a Complaint in Intervention. Mr. Devine and Mr. Jermaine
13 Willis filed their Complaint in Intervention on February 21, 2025, bringing class action and PAGA claims
14 for violation of the California Labor Code, and Ms. King filed her Complaint in Intervention on May 30,
15 2025, also for class claims and PAGA violations. On March 14, 2025, Defendant and Plaintiff Verdugo
16 filed supplemental briefs in opposition to the Motion to Vacate, and on April 18, 2025, Mr. Devine filed a
17 supplemental brief. A hearing on the Motion to Vacate was scheduled to take place on May 2, 2025, but
18 was continued on two occasions to permit the parties to participate in mediation.

19 17. In an effort to resolve the dispute, Ms. Verdugo and I agreed to participate in mediation to
20 finally resolve this matter. On July 14, 2025, the parties to the Actions, as well as counsel for plaintiffs in
21 a related case, *Saige et al v. Capstone Logistics, LLC*, No. 5:24CV00195 (C.D. Cal.), participated in a
22 mediation before Judge Amy D. Hogue (Ret.). I appeared at the mediation on behalf of the Plaintiff. The
23 mediation itself was tense, and there were numerous issues to be resolved. While the matter did not settle
24 on the day of the mediation, Judge Hogue subsequently submitted a mediator's proposal to the parties,
25 which they accepted. The Settlement Agreement for which the parties seek preliminary approval reflects
26 the terms of that mediator's proposal.

27 **FAIRNESS AND ADEQUACY OF THE PROPOSED SETTLEMENT**

28 18. As described further below, I believe₅ that the Settlement Amount is reasonable given the

1 risk, expense, complexity, and likely duration of litigation. The Net Settlement Amount shall be divided
2 up and paid to Class Members who submit claims based on the pro rata number of eligible workweeks
3 that each Class Member worked during the Class Period¹ divided by the total number of eligible
4 workweeks worked by all Class Members during the Class Period. The formula relies upon objective
5 evidence of each Class Member's employment history, which Class Members can easily review and
6 confirm for themselves and challenge in the event they disagree with the pre-printed data. This
7 information is readily available from Defendants' records, and the Claims Administrator can apply the
8 formula in a fair and transparent manner.

9 19. The Settlement is fair and reasonable and was negotiated at arm's length between counsel.
10 Counsel for both parties were thoroughly familiar with the complex legal and factual questions at issue
11 in this litigation. The Settlement is a product of intensive negotiations, supported by investigation and
12 direct exchanges of information through formal and informal discovery, and during the course of
13 settlement negotiations, including a full-day mediation.

14 20. Another factor supporting the reasonableness and adequacy of the overall settlement
15 amount is that settlement payments will be made much sooner than could possibly have been the case if
16 the case were litigated through the class certification stage, much less through trial, before it is resolved.
17 The advantage to Class Members of avoiding delay in payment justifies accepting a lower percentage of
18 the maximum realistically likely recovery through an early settlement.

19 21. Given my experience as a wage and hour litigator, and based on my own investigation and
20 evaluation and consultation with my co-counsel, I believe the proposed Settlement addresses all of the
21 allegations of violations of California state law by Defendant, and provides adequate monetary relief to
22 Plaintiffs and Class Members. The estimated 17,344 Class Members will enjoy substantial monetary
23 relief and injunctive relief from the settlement. If the Court approves this settlement, the estimated average
24 recovery for each Class Member will be approximately \$207.46 on a net basis.² In my experience, this
25 amount is substantial for class members in a class action involving on duty meal and rest breaks.

26 22. Whereas proceeding with litigation would impose significant risk of no recovery as well
27

28 ¹ The "Class Period" is defined as the period from August 1, 2019, through and including July 25, 2025.

² Net Settlement Amount of \$3,598,217/ 17,344 Settlement Class Members = \$207.46.

1 as ongoing, substantial additional expenditures of time and resources, the settlement confers a benefit on
2 Plaintiffs and Class Members. If settlement were not achieved, continued litigation of the claims would
3 take substantial time and possibly confer no benefit on Class Members. By contrast, the settlement will
4 yield a prompt, certain, and substantial recovery for Class Members, which also benefits the parties and
5 the Court. Counsel on both sides share the view that this is a fair and reasonable settlement in light of the
6 complexities of the case, Defendants' arbitration agreements with Class Members, the state of the law,
7 class certification and litigation. Given the risks inherent in litigation and the defenses asserted, this
8 settlement is fair, adequate, and reasonable and in the best interests of Class Members, and should be
9 preliminarily approved.

10 **FAIRNESS OF THE PROPOSED SERVICE AWARDS**

11 23. The proposed Service Awards of \$10,000 to each of the Named Plaintiffs are fair and
12 reasonable. Plaintiffs were instrumental in prosecuting this lawsuit and were an important source of
13 information during the course of litigation this. Moreover, Plaintiffs have no interests antagonistic to the
14 interests of the Class.

15 24. Plaintiffs provided invaluable assistance to Class Counsel and the Class in this case,
16 including providing factual background for the proposed mediation and the Class Complaint; participating
17 in phone calls to discuss litigation and settlement strategy; and reviewing the settlement documents.
18 Plaintiffs were also available during the duration of the all-day mediation which demonstrated their
19 commitment to the Class. Plaintiffs agreed to participate in this case with no guarantee of personal benefit.
20 Further, Plaintiffs agreed to undertake the financial risk of serving as Class Representatives and exposed
21 themselves to the risk of negative publicity by anyone who opposed this case. Moreover, the requested
22 \$65,000 Service Awards for the Named Plaintiffs distributed after the Court order as follows: \$25,000 to
23 Mr. Devine (who was deposed and went through an actual binding arbitration); \$10,000 to Mr. Willis;
24 \$10,000 to Ms. King; \$10,000, to Mr. Escobar; and, \$10,000 to Ms. Verdugo, fall within the range of
25 incentive payments typically awarded to Class Representatives in similar class actions.

26 25. The Settlement Class would have received no benefit had it not been for the contributions
27 of Plaintiffs. Moreover, Plaintiffs faced and accepted the significant risk in bringing this litigation—
28 namely, that had they lost, Plaintiffs could have been ordered to pay Defendants' costs. In contrast to the

1 more limited class release, Plaintiffs also agreed to more robust general releases of all their claims.

2 26. I believe the requested Service Awards of \$65,000 for the Named Plaintiffs are reasonable
3 and well within precedent for Preliminary and Final Approval.

4 **ATTORNEYS' FEES AND COSTS**

5 27. Through my practice, I have gained significant experience regarding the obligations and
6 burdens of representing a class. This knowledge has allowed me and my firm, Potter Handy LLP, to
7 successfully represent plaintiffs in many class actions in the past years. As noted, numerous state and
8 federal courts in California have found that my firm is competent and capable of representing large classes
9 similar to the one here at issue.

10 28. Under the terms of the Settlement Agreement, Class Counsel is requesting \$1,983,333.33
11 in attorneys' fees. This amount is equal to one third of the GSA agreed upon by the parties as the
12 Settlement Amount. This fee amount is fair, reasonable and consistent with awards obtained in similar
13 class action cases preliminary approved by courts in California. Moreover, if it becomes necessary to
14 litigate this matter further, my firm and our co-counsel have the financial resources and are prepared to
15 devote whatever time and effort are required to zealously advocate on behalf of Plaintiffs and the Class.
16 Significantly, the Retainer Agreement in this case provides fees up to 1/3 of the amount obtained.

17 29. Class Counsel Litigation Expenses Payment of up to \$100,000 is also reasonable, as will
18 be discussed again in detail in Plaintiffs' Motion for Final Approval.

19 30. If the Court grants preliminary approval to the settlement here and authorizes the
20 dissemination of the Class Notice, Plaintiffs' Counsel will file a request attorneys' fees and costs with
21 their motion for final approval that will be heard the same date as the final fairness hearing. Our firms
22 will need to expend additional hours and will incur additional costs preparing and filing the motion for
23 final approval and the motion for attorneys' fees and reimbursement of litigation costs, coordinating with
24 the claims administrator, and answering calls and questions from Class Members.

25 **CLAIMS ADMINISTRATOR**

26 31. Class Counsel have decided that Phoenix Class Action Administration Solutions will be
27 responsible for administration of the Settlement and related matters, and that is appointed by the Court to
28 administer the Settlement. Phoenix has extensive experience in the claims administration of wage and

1 hour class actions like this one, having administered many class action settlements, and Class counsel has
2 retained them for the claims administration of other cases. See <https://www.simpluris.com/>.

3 I declare under penalty of perjury under the laws of the United States and the State of California
4 that the foregoing is true and correct.

5 Executed on this October 31, 2025 in San Diego, California.

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7 /s/James M. Treglio
8 James M. Treglio, Esq.
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Exhibit A



POTTER HANDY, LLP

A Law Firm

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James M. Treglio, Head of Class Action Division

Practice Areas: Consumer Class Actions, False Advertising, Unfair Competition, Wage and Hour Litigation, Background Check Cases, Data Breaches, Unlawful Recordings, Confidentiality of Medical Information Act, PAGA Representative Actions, Housing Discrimination

Admitted: 2003, California

Biography: Staff Attorney, Fair Housing Council of San Diego, 2003 – 2006, Associate, Clark & Markham LLP, 2006 to 2012, Associate Clark Law Firm 2012-2015, Partner, Clark & Treglio, 2015-2016, Associate, Keegan & Baker, LLP 2016-2018, Associate, Melmed Law Firm, P.C., 2018-2019, Head Attorney, Class Action Division, Potter Handy, LLP, ; Lecturer – Fair Housing Laws and Litigation Conference 2006.

Education: College of William and Mary (B.A., 1998), University of San Diego (J.D. 2003)

Reported Cases: *Steroid Hormone Product Cases*, 181 Cal.App.4th 145 (2010); *Mendoza v. Nordstrom, Inc.*, 2 Cal.5th 1074 (2017); *James Cunha v. Intellicheck, LLC, et al.*, 254 F.Supp.3d 1124 (N.D. Cal. 2017); *Brinkley v. Monterey Financial Services, Inc.* 873 F.3d 1118 (9th Cir. 2017).

Class Action Experience

Aguilera v. Eagle Systems International, d/b/a Synergy Companies (Lead) - Settled
Alameda County Superior Court, Case No. RG14742927

Nature of the Case: Unfair Competition- Failure to Pay Wages, Failure to Pay Overtime Compensation, Failure to Reimburse for Business Expenses, Failure to Provide Waiting Time Penalties, Failure to Provide Meal and Rest Breaks, Unfair Competition

Alvarado v. Lewis Operating Co. (Co-Counsel) - In Litigation
Sacramento Superior Court, Case No. 34-2014-00159707

Nature of the Case: Unfair Competition- Failure to Pay Wages Owed, Unfair Competition, PAGA

Anderson v. Oracle Corporation (Co-counsel) – Settled
San Mateo Superior Court, Case No. CIV469916

Nature of Case: Unfair Competition – Overtime, Meal and Rest Breaks

Andreas v. Lowe's HIW, Inc. (Lead associate) – Settled
United States District Court for the District of Nevada, Case No. 3:07-CV-253
Nature of the Case: Unpaid Overtime

In Re Androstendiol Cases (lead associate) – Settled
Los Angeles Superior Court, JCCP 4363,
Nature of the Case: Unfair Competition-: Deceptive Advertising, CLRA, Unfair Competition Law

Arellano v. Kellermeyer (lead) - Settled
United States District Court for the Southern District of California, Case No. No. 13-cv-00533-BAS (BGS)
Nature of the Case: Unfair Competition- Unpaid Overtime, Meal and Rest Breaks, Failure to Itemize Wage Statements, Waiting Time Penalties

Bello v. Proctor & Gamble (lead) - Settled
United States District Court for the Central District of California, Case No. 8:12-cv-01583
Nature of Case: Unfair Competition, Unpaid Meal and Rest Breaks, Failure to Reimburse Business Expenses

Bennie v. Lowe's HIW, Inc. (Lead) – Settled
United States District Court for the Central District of California, SACV08-00576 DOC
Nature of the Case: Unfair Competition – Failure to Provide a Day of Rest

Bloomquist v. Covance, Inc. (Associate) – In Litigation
San Diego Superior Court, Case No. 37-2016-00026455-CU-OE-CTL
Nature of Case: Misclassification of clinical research associates, unpaid overtime, missed meal and rest periods, unitemized wage statements

Brinkley v. Monterey Financial Services, Inc. – In Litigation
United States District Court, Southern District of California, Case No. 16-cv-1103-WQH-WVG
Nature of Case: Unlawful recording of phone calls

Bulisco v. Mosaic Solutions (Associate) - Settled
Orange County Superior Court, Case No. 30-2011-00047600-CU-OE-CXC
Nature of the Case: Unfair Competition- Failure to Pay Wages Owed, Provide Meal and Rest Breaks, Failure to Itemize Wage Statements, Failure to Reimburse for Business Expenses, Split Shifts, Timely Pay Upon Termination.

Cunha, et al., v. Intellicheck, et al. (Lead Associate) - Settled
United States District Court, Northern District of California, Case No.17-cv-00597-JST
Nature of Case: FCRA Violations connected with background checks.

Cohen v. Lowes HIW, Inc. (Lead Associate) - Settled

United States District Court, Central District of California, SACV 10-00425-CJC
(MLGx)

Nature of Case: Unfair Competition- Failure to Itemize Wage Statements, Unlawful Deductions

Cones v. Parexel International Corporation (Lead Associate) -- Settled

United States District Court, Southern District of California, Case No. 16cv3084 L (BGS)

Nature of Case: Unfair Competition: misclassification as salaried employees, overtime, meal periods, rest periods, wage statements.

Connell v. Sun Microsystems, Inc. (Co-Counsel) – Settled

Alameda Superior Court, RG06252310

Nature of Case: Unfair Competition – Unpaid overtime related to misclassification as salaried employees, unpaid overtime, meal periods, rest periods, etc.

Contreras v. Bank of America, N.A., (Lead Associate) - Settled

San Francisco Superior Court, Case No. CGC-07-467749

Nature of Case: Unfair Competition- Failure to Pay Overtime, Unreimbursed Business Expenses

Corona v. Airtouch Wireless d/b/a Verizon Wireless (Lead) - Settled

Los Angeles Superior Court, Case No. BC467679

Nature of the Case: Unfair Competition, Unpaid Wages and Vacation Time

Cota v. Countrywide Securities, et al. (Lead Associate) – Settled

Los Angeles County Superior Court, BC388005

Nature of Case: Unfair Competition – Overtime, Meal and Rest Breaks

Decarr v. Harvest Management (Associate) - Settled

Santa Clara Superior Court, Case No. 109CV153466

Nature of Case: Unfair Competition- Unpaid Overtime and Meal And Rest Breaks

Del Valle v. LA Fitness (Lead Associate) - Settled

Los Angeles Superior Court, Case No. BC438654

Nature of Case: Unfair Competition- Failure to Pay Overtime, Meal and Rest Breaks, Reimburse Expenses, Split Shifts

Estrella v. Freedom Debt Relief (Associate) – Settled

United States District Court for the Central District of California, Case No. CV 09–03156
SI

Nature of Case: Unfair Competition – Unlawful Business Practices

Evans v. Walmart (Co-Counsel)- Settled

United States District Court, District of Nevada, Case No. 2:10-CV-1224-JCM-JCL

Nature of Case: Unfair Competition- Failure to Pay Overtime

Fjeld v. Penske (Lead) - Settled

United States District Court for the Central District of California, Case No. CV 12–3500–GHK (JCGx).

Nature of the Case: Unfair Competition- Unpaid Wages, Overtime, Meal and Rest Breaks, and to Itemize Pay

Fontes v. Heritage Propane (Lead) - Settled

United States District Court, Southern District of California, Case No.: 14cv1413-MMA (NLS): 14cv1413-MMA (NLS)

Nature of the Case: False Advertising, Unfair Competition

Friedlander v. Hot Topic (Lead) -Settled

Los Angeles Superior Court, Case No. BC520319

Nature of the Case: Failure to Reimburse Business Expenses, Failure to Provide Meal and Rest Periods, Failure to Pay Overtime, Unfair Competition

Fuzell v. Hallmark Marketing Corporation (Co-Counsel) – Settled

United States District Court, Central District of California, Case No. CV08-04342 VBF (Ex)

Nature of Case: Unfair Competition – Unpaid time, Unreimbursed Expenses

Gandara v. Nestle Purina (Co-Counsel) - Settled

United States District Court, Northern District of Illinois, Case No. 1:12-cv-02871

Nature of the Case: Unfair Competition, Consumers Legal Remedies Act

Gutierrez v. Johnson & Johnson (Lead) – In Litigation

United States District Court, Southern District of California, Case No. 3:19-cv-01345-DMS-AGS

Nature of Case: Unfair competition, false advertising, CLRA.

Gruender v. First American Title Company (Lead Associate) – Settled

Orange County Superior Court, Case No. 06CC00197

Nature of Case: Unfair Competition – Overtime, Meal and Rest Breaks

Guy v. Toys R Us, Inc., et al., (Lead Associate) – In Bankruptcy

United States District Court, Southern District of California, Case No.: 16-CV-2224-AJB-JMA

Nature of Case: Unreimbursed business expenses, unpaid vacation time upon termination, unfair competition, PAGA.

Harrington v. Professional Security Consultants (Lead) -Settled

Los Angeles Superior Court, BC538101

Nature of the Case: Failure to Pay Wages Owed, Unfair Competition, PAGA

Hill v. Chicos, Inc., (Lead) - Settled

San Mateo Superior Court, Case No. CIV 522758

Nature of Case: Unfair Competition- Failure to Reimburse Business Expenses

Johnson v. Metlife (Co-Counsel)- Settled

United States District Court, for the Central District of California, Case No. SACV 13-128-JLS (RNBx)

Nature of the Case: Unfair Competition, Unpaid Wages, Overtime, Meal and Rest Breaks

Jones v. Wal-Mart (Co-Counsel)- Settled

United States District Court, Central District of California, Case No. SACV 13-128-JLS (RNBx).

Nature of the Case: Unfair Competition, Failure to Pay Wages Owed, Overtime, and to Itemize Pay Statements

Lizarraga v. CBC Restaurant Corp. (Lead Associate) - Settled

Orange County Superior Court, Case No. 30-2008-00233464

Nature of Case: Unfair Competition- Overtime, Meal and Rest Breaks

Mendoza v. Nordstrom (Lead) - Settled

United States District Court, Central District of California, Case No.: SACV 10-00109-CJC(MLGx)

Nature of Case: Unfair Competition- Working 7 or More Consecutive Days, Split Shifts

Miller v. RP On-Site, LLC, et al. (Lead) – In Litigation

United States District Court, Northern District of California, Case No.5:19-cv-02114-LHK

Nature of Case: Unfair Competition – Background Checks

Miller v. Wellpoint Companies, Inc. (Associate) – Settled

United State District Court, Central District of California, Case No. 09-5666 GW (RCX)

Nature of Case: Payment by way of out-of-state checks.

Minor v. Barnes & Noble, Inc. (Lead Associate) - Settled

Alameda County Superior Court, Case No. RG09450216

Nature of Case: Unfair Competition- PAGA Claim for Paying With Out of State Check

Mitre v. Smart & Final (Lead) - Settled

Santa Clara Superior Court, Case No. 113CV241954

Nature of the Case: Unfair Competition, Failure to Reimburse Business Expenses

Murry v. Kellogg Sales Company (Lead) - Settled

Los Angeles Superior Court, Case No. BC411211

Nature of Case: Unfair Competition- Misclassification, Certified for Unitemized Wage Statements

Owen v. Robinson's May (Lead Associate) – Settled
Los Angeles County Superior Court, Case No. BC355629
Nature of the Case: Unfair Competition – Failure to Pay Vacation Accrued

Padilla v. Kraft Foods Global, Inc., (Lead Associate) – Settled
Orange County Superior Court, 07CC00009
Nature of Case: Unfair Competition – Overtime, Meal and Rest Breaks

Pearce v. SBC Advanced Solutions, Inc., (Lead Associate) – Settled
United States District Court, Central District of California Case No. 8:07-cv-00450
Nature of Case: Unfair Competition – Overtime, Meal and Rest Breaks

Ramirez v. Wells Fargo N.A., (Co-Counsel)-Settled
Alameda County Superior Court, Case No. RG1046146
Nature of Case: Unfair Competition- Overtime, Meal and Rest Breaks, Off the Clock

Richie v. Blue Shield (Lead) - Settled
United States District Court, Northern District of California, Case No. C-13-2693
Nature of the Case: Failure to Reimburse Business Expenses, Failure to Pay Overtime Compensation, Unfair Competition

Rondone v. Orchard Supply Hardware Stores Corporation (Associate) - Settled
Santa Clara Superior Court, Case No. 110CV164041
Nature of Case: Unfair Competition- Failure to Pay Overtime and Meal and Rest Breaks

Rose v. Lincare, Inc., (Co-Counsel) - Settled
San Francisco Superior Court, Case No. CGC07-465052
Nature of Case: Unfair Competition- Overtime, Meal and Rest Breaks

Rosenloev v. 24 Hour Fitness (Lead) - Settled
Orange County Superior Court, Case No. 30–2009–00180140
Nature of Case: Unfair Competition- Split Shifts, Commission Theft, Failure to pay Missed Meal, Periods, Off the Clock

Santana, et al., v. Rady Children's Hospital-San Diego, (Lead Associate) – Settled
San Diego Superior Court, Case No. 37-2014-00022411-CU-MT-CTL
Nature of Case: Unfair Competition – Disclosure of medical information

Schwegmann, et al., v. Hill's Pet Nutrition, et al. (Co-Counsel) – In Litigation
United States District Court, District of Kansas, Case No. 2:19-cv-02149-JAR-TJJ, MDL 2887
Nature of Case: Unfair Competition/CLRA – Sale of pet food containing too much or too little vitamin D.

Scott v. Pro's Choice Beauty (Lead Associate) – Settled
United States District Court, Northern District of California, Case No. 3:2008-cv-04697
Nature of Case: Unfair Competition – Unpaid time, Unreimbursed Expenses

Sparks v. ADP (Lead Associate) – Settled
United States District Court, Central District of California, Case No. 2:2007-cv-03203
Nature of Case: Unfair Competition – Overtime, Meal and Rest Breaks

Stoba v. Saveology, LLC, (Lead Associate) – Settled
United States District Court, Case No. 13cv2925 BAS (NLS)
Nature of Case: Unlawful recording

Stowe v. The Pep Boys Manny Moe & Jack of California (Lead) - Settled
Los Angeles County Superior Court, Case No. BC520550
Nature of Case: Unfair Competition, Failure to Reimburse Business Expenses

Tan v. Sutter Health, (Co-Counsel) - Settled
Alameda County Superior Court, Case No. RG12622057
Nature of the Case: Unfair Business Practices, Failure to Pay Overtime, Provide Meal and Rest Breaks, Itemize Wage Statements, PAGA

Tarango v Ajilon Communications (Lead Associate) - Settled
Los Angeles Superior Court, Case No. BC423185
Nature of Case: Unfair Competition- Overtime, Meal and Rest Breaks

Thomas v. Avis Budget- Settled
United States District Court, Central District of California, Case No. CV 08-7397 AHM (AJWx)
Nature of Case: Unfair Competition- Overtime, Meal and Rest Breaks

Trujillo v. Party City (Associate) - Settled
Santa Clara Superior Court, Case No. 109CV149665
Nature of Case: Unfair Competition- Overtime, Meal and Rest Breaks

Valenzuela v. Affiliated Computer Systems (Lead) - Settled
Los Angeles Superior Court, Case No. BC431884
Nature of Case: Unfair Competition- Failure to Pay Wages When Due Through Debit Card

Valles v. International Business Machines Corporation (Lead Associate) - Settled
United States District Court, Central District of California, Case No. SACV 09–202 AG (MLGx).
Nature of Case: Unfair Competition- Misclassification

Victorio v. Modis, Inc., et al. (Lead) – Settled
United States District Court, Northern District of California Case No. 5:19-cv-01713-VKD

Nature of Case: Unfair Competition – FCRA violations.

Viloria v. Stewart Title Company (Co-Counsel) – Settled
Fresno Superior Court, Case No. 07 CE CG 01735 AMC
Nature of Case: Unfair Competition- Overtime, Meal and Rest Breaks

Wright v. Home Depot (Co-Counsel) – Settled
Orange County Superior Court, 20-2008-000548814
Nature of Case: Unfair Competition – Meal and Rest Breaks

Yanez v. Care 1st Health Plan (Lead Associate) – Settled
Los Angeles Superior Court, Case No. BC470122
Nature of Case: Unfair Competition – Unlawful disclosure of medical information

Exhibit B

POTTER HANDY LLP

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Attorneys for Plaintiff Andrea Otanez Verdugo

AMERICAN ARBITRATION ASSOCIATION

ANDREA OTANEZ VERDUGO
individually and on behalf of all others
similarly situated,

Plaintiff,

v.

CAPSTONE LOGISTICS, LLC, a
Delaware limited liability company with
its principal place of business in Georgia,
and DOES 1 to 100, inclusive,

Defendants.

CASE NO. 2:22-cv-03141 FMO (Ex)

CLASS ACTION

**DECLARATION OF NICOLE BENCH
OF ILYM GROUP, INC. REGARDING
NOTICE AND SETTLEMENT
ADMINISTRATION**

Date: January 13, 2024

Time: 8:30 A.M.

Arbitrator: Hunter Hughes

1 I, Nicole Bench, declare as follows:

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

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

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

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1 4. On July 25, 2024, ILYM Group received the Court approved text for the Notice
2 Packet from Class Counsel. ILYM Group prepared a draft of the formatted Notice Packet, which
3 was approved by the Parties' Counsel prior to mailing.

4 5. On August 9, 2024, ILYM Group received the class data file from Counsel for
5 Defendant, which contained the name, social security number, last known mailing address, last
6 known telephone number, last known e-mail address, the dates of employment worked for each
7 individual, the number of Non-Exempt Hours worked for each Settlement Class Member during
8 the Class Period and the number of Workweeks worked for each PAGA Employee during the
9 PAGA Period. The data file was uploaded to our database and checked for duplicates and other
10 possible discrepancies. The Class List contained 15,609 individuals.

11 6. On August 19, 2024, ILYM Group provided Defense Counsel with a list of
12 questions and discrepancies regarding the class data in order for ILYM to proceed with the
13 preliminary calculations for the initial mailing.

14 7. On September 13, 2024, Defendant produced the final additional data files to ILYM
15 Group. ILYM Group has resolved the outstanding discrepancies and finalized the class data. The
16 total class size is 14,659 individuals, triggering the Escalator Clause. Based on the terms of the
17 Settlement Agreement, if there are more than 14,424 Class Members in aggregate, the Gross
18 Settlement Amount will increase by a proportionate percentage for all additional class members.
19 Thus, The Gross Settlement Amount has increased to \$1,422,809.21.

20 8. As part of the preparation for mailing, all 14,659 names and addresses contained in
21 the Class List were then processed against the National Change of Address ("NCOA") database,
22 maintained by the United States Postal Service ("USPS"), for purposes of updating and confirming
23 the mailing addresses of the Settlement Class Members before mailing of the Notice Packet. The
24 NCOA contains requested change of addresses filed with the USPS. To the extent that an updated
25 address was found in the NCOA database, the updated address was used for the mailing of the
26 Notice Packet. To the extent that no updated address was found in the NCOA database, the original
27 address provided by Counsel for Defendants was used for the mailing of the Notice Packet.

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1 9. On October 25, 2024, a link to ILYM Group's website was set up for Class Members
2 to access relevant court documents. The website link is www.ILYMgroup.com/CapstoneLogistics.
3 Also, the following telephone number, (888) 250-6810, was included in the Notice Packet for Class
4 Members to call should they have questions or want additional information.

5 10. On October 25, 2024, the Notice Packet was mailed, in both English and Spanish,
6 via U.S First Class Mail, to all 14,659 individuals contained in the Class List. Attached hereto, as
7 **Exhibit A**, is a true and correct copy of the mailed Notice Packet.

8 11. As of the date of this declaration, 1,735 Notice Packets have been returned to our
9 office as undeliverable. Of the 1,735 returned Notice Packets, none included a forwarding address.
10 ILYM Group performed a computerized skip trace on all 1,735 returned Notice Packets that did
11 not have a forwarding address, in an effort to obtain an updated address for the purpose of re-
12 mailing the Notice Packet. As a result of this skip trace, 1,084 updated addresses were obtained and
13 the Notice Packets were promptly re-mailed to those Settlement Class Members, via U.S. First
14 Class Mail.

15 12. As of the date of this declaration, a total of 1,084 Notice Packets have been re-mailed
16 as a result of ILYM Group's skip tracing results.

17 13. As of the date of this declaration, a total of 651 Notice Packets have been deemed
18 undeliverable as no updated addresses were found notwithstanding the skip tracing.

19 14. As of the date of this declaration, ILYM Group has received 15 valid requests for
20 Exclusion from the following individuals: Michael Carter, Mayra Pimentel, Jose Herrera, Densi
21 Tayun Perez, Angel Ceballos, Israel Ceballos, Mark Williams, David Betancourt, Irene Ceballo,
22 Javier Delgado Tomas Barraza, David Morales Nehemias Reyes, Abad Herrera, and Gamaliel
23 Reyes Lopez. The deadline to request exclusion from the Settlement was December 9, 2024. In
24 addition, ILYM has received 1 request for Exclusion from an individual whose name was not found
25 on the original data provided by Defendant. The request for Exclusion was sent to Defense Counsel
26 and is pending review.

27 15. As of the date of this declaration, ILYM Group has received 1 written objection to
28 the Settlement from an individual whose name was not found on the original data provided from

Defendant. The written objection was sent to the Defense Counsel and is pending review. The deadline to file an objection to the Settlement was December 9, 2024.

16. As of the date of this declaration, there are no outstanding disputes from a Settlement Class Member during the response period.

17. As of the date of this declaration, ILYM Group will report a total of 14,644 Participating Class Members, representing 99.90% of the 14,659 Settlement Class Members.

18. Participating Class Members will receive a proportional share of the Net Settlement Amount through individual settlement payments, based on the number of Hours worked by Class Members during the Class Period. For the Waiting Time Settlement Class, Participating Class Members will receive individual settlement payments based on an equal share of \$285,367.42 (30% of the NSA). The Net Settlement Amount is the amount remaining after deduction of the Court-approved payments from the Gross Settlement Amount for Class Counsel Fees and Litigation Costs, the Class Representative Service Award, Administration Fees to ILYM Group, and the PAGA Penalties allocation, e.g.,

Gross Settlement Amount	\$1,400,000.00
Escalation Clause Amount	\$22,809.21
New Gross Settlement Fund	\$1,422,809.21
Class Counsel Attorney's Fees	\$355,702.30
Class Counsel Litigation Costs	\$10,882.16
Class Representative Service Award	\$20,000.00
Administration Fees	\$45,000.00
PAGA Penalties payment to LWDA	\$30,000.00
PAGA Penalties Allocation to Aggrieved Employees	\$10,000.00
Net Settlement Amount	\$951,224.75
<i>Non-Exempt Class (70% of the NSA)</i>	<i>\$665,857.32</i>
<i>Waiting Time Settlement Class (30% of the NSA)</i>	<i>\$285,367.42</i>

1 19. To determine a Participating Class Member's individual settlement award payment,
2 the distribution shall be determined as follows:

3 a. For the Non-Exempt Class, 70% of the Net Settlement Amount shall be divided
4 among the Non-Exempt Class Members on a pro-rata basis, based on the ratio of the Applicable
5 Non-Exempt Hours worked by each Non-Exempt Class Member during the Class Period to the
6 total number of Applicable Non-Exempt Hours worked by all Class Members during the Class
7 Period. Based on these calculations, the total Participating Non-Exempt Class Members will receive
8 an estimated average gross payment of \$45.47, and an estimated highest gross payment of \$720.20.

9 b. For the Waiting Time Settlement Class, 30% of the Net Settlement Amount shall be
10 divided among the Waiting Time Settlement Class on an equal share basis of \$285,367.42. Based
11 on these calculations, the total Participating Waiting Time Settlement Class Members will receive
12 an estimated equal share gross payment of \$23.20.

13 20. In addition, ILYM Group reports a total of 14,659 Aggrieved Employees who
14 worked 429,232 weeks during the PAGA Period. The PAGA payment shares to the PAGA
15 Employees will be calculated based on the Aggrieved Employee's number of Workweeks worked
16 during the PAGA Period. The distribution will be divided among all Aggrieved Employees on a
17 pro rata basis, based on the ratio of the Applicable PAGA Workweeks worked by each Aggrieved
18 Employee during the PAGA Period, to the total number of Applicable PAGA Workweeks worked
19 by all Aggrieved Employees during the PAGA Period. Based on these calculations, the PAGA
20 Employee's, will receive an estimated average payment of \$0.68, with the estimated highest
21 payment being \$5.73.

22 21. ILYM Group's total fees and costs for services in connection with the administration
23 of this Settlement, which includes fees and costs incurred to-date, as well as anticipated fees and
24 costs for completion of the settlement administration, are \$45,000.00. ILYM Group's work in
25 connection with this matter will continue with the calculation of the settlement award payments,
26 issuance and mailing of the settlement award checks, the necessary tax filing and reporting on such
27 payments, and any other tasks that the Parties mutually agree to and/or the Court orders ILYM
28 Group to perform.

1 I declare under penalty of perjury under the laws of the State of California and the United
2 States that the foregoing is true and correct to the best of my knowledge and that this Declaration
3 was executed this 7th day of January 2025, at Tustin, California.

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5 Nicole Bench
NICOLE BENCH
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EXHIBIT “A”

NOTICE OF CLASS ACTION SETTLEMENT

ILYM ID: <<ILYMID>>

ATTN: «FirstName» «LastName»

«Address1»

«City», «State» «Zip»

PLEASE READ THIS NOTICE CAREFULLY: IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

TO: ALL CURRENT AND FORMER NON-EXEMPT INDIVIDUALS EMPLOYED BY CAPSTONE LOGISTICS, LLC WITHIN THE STATE OF CALIFORNIA AT ANY TIME DURING THE PERIOD FROM AUGUST 1, 2019, TO APRIL 8, 2024 (“CLASS MEMBERS” OR “SETTLEMENT CLASS”).

1. *Why Have I Received This Notice?*

This Notice of Class Action Settlement (“Notice”) was sent to you to inform you that an Arbitrator has issued an Award giving preliminarily approval to the terms of a class action settlement in a claim filed against Capstone Logistics, LLC (“Capstone” or “Defendant”) by a former employee named Andrea Otanez Verdugo (“Plaintiff”), alleging that Defendant: (1) failed to provide required meal periods; (2) failed to provide required rest breaks; (3) failed to pay overtime wages; (4) failed to provide minimum wages; (5) failed to timely pay wages during employment; (6) failed to timely pay wages upon separation of employment; (7) failed to provide accurate itemized wage statements; (8) failed to reimburse or indemnify employees for necessary business expenditures; (9) failed to maintain records; (10) owes penalties under the California Private Attorneys General Act (“PAGA”) (citing Cal. Labor Code § 2698, *et seq.*); and (11) violated of the California Business and Professions Code §§ 17200, *et seq.* Plaintiff’s claim is brought on behalf of all current and former non-exempt individuals employed by Capstone within the State of California between August 1, 2019, and April 8, 2024 [the “Class Period”]. Capstone records indicate that you may be a Class Member. The settlement will resolve all Class Members’ Released Claims (described in Section 8, below) for the time period from August 1, 2019, through April 8, 2024.

On April 8, 2024, the Effective Date, Arbitrator Hunter Hughes, Esq. issued an Award giving preliminarily approval of the class action settlement reached by the Plaintiff and Capstone (the “Parties”) and directed that you and the other Class Members receive this Notice. The Arbitrator also preliminarily appointed Plaintiff as the representative of the Class (“Class Representative”). The Arbitrator will hold a Final Approval Hearing concerning the proposed class settlement on January 13, 2025, at 10:00 a.m., in Sonoma, California.

2. *What Is This Case About?*

On March 15, 2022, Plaintiff filed a state court lawsuit against Defendant, on behalf of herself and all other individuals who have been employed by Capstone as non-exempt employees in California (the “Action”). On May 9, 2022, Capstone removed the Action to the United States District Court for the Central District of California. Plaintiff alleged in the Action that Capstone failed to provide required meal periods and rest breaks; failed to pay overtime wages; failed to provide minimum wages; failed to timely pay wages during employment; failed to timely pay wages upon separation of employment; failed to provide accurate itemized wage statements; failed to reimburse or indemnify employees for necessary business expenditures; and owes penalties under PAGA and the California Business and Professions Code §§ 17200, *et seq.*

Capstone denies all of the allegations made by Plaintiff in the Action and denies that it is liable or owes damages or other compensation or remedies to anyone with respect to the alleged facts or causes of action asserted in the Action. Subsequently, the Action was re-filed in Arbitration.

3. *Am I a Class Member?*

You are a Class Member if you worked as a non-exempt employee for Capstone any time from August 1, 2019, through April 8, 2024. As a Class Member, you are part of the Non-Exempt Settlement Class if you are a current employee who worked for Capstone within the State of California in a non-exempt position at any time from August 1, 2019, to April 8, 2024. You are part of the Waiting Time Settlement Class if you are a former employee who worked for Capstone within the State of California in a non-exempt position from August 1, 2019, but were no longer employed on April 8, 2024.

You are part of the PAGA Representative Group if you are a current or former employee who worked for Capstone within the State of California in a non-exempt position any time from August 1, 2019, to April 8, 2024.

4. How Does This Class Action Settlement Work?

In this claim, Plaintiff sues on behalf of other current and former nonexempt employees who allegedly have similar claims. For purposes of this settlement, Plaintiff and these other employees are deemed to comprise a “Class” and are “Class Members.” The settlement of this lawsuit resolves the wage and hour claims of all Class Members, except for those who exclude themselves from the Class. Class Members who do not exclude themselves will be deemed “Settlement Class Members” and will be eligible to receive a payment under the settlement based on their number of Workweeks (as defined in Section 7 below) from August 1, 2019, through the April 8, 2024 [Effective Date] (“Settlement Share”).

Persons who choose to exclude themselves from the Class will not receive a Settlement Share, but they will preserve any claims they might have against Capstone that were asserted or that could have been asserted based on the allegations in the original and amended complaints in the Action.

The Arbitrator has not decided on the Action in favor of Plaintiff or Capstone or made any determination on the merits of the Action. Instead, both sides agreed to resolve the Action with no decision or admission of who is right or wrong. By agreeing to resolve the Action, all parties avoid the risks and cost of a trial, and the people affected will receive compensation quickly. Plaintiff and her attorneys think the settlement is in the best interests of the Class. Capstone denies the allegations of wrongdoing and violations of law alleged and further denies any liability whatsoever to Plaintiff or the Class. Capstone is settling the Action as a compromise to avoid the expense and burden of future litigation. A hearing will be held (“Final Approval Hearing”), at which time the Arbitrator will decide these issues. See Section 14 below for more information.

5. What Are My Options?

The purpose of this Notice is to inform you of the proposed settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are explained below.

STAY IN THE CLASS: If you do not request to be excluded from the Settlement Class, you will remain a member of the Settlement Class, and, if the Arbitrator grants final approval of the settlement, and a state court confirms the final approval award, you will receive a Settlement Share based on the number of weeks you worked for Capstone as a non-exempt employee within the State of California during the time period from either August 1, 2019, through April 8, 2024 (“Workweeks”). If you are a member of the Waiting Time Settlement Class, you also will receive a share of the Net Class Settlement Fund allocated to the Waiting Time Settlement Class based on the total number of Waiting Time Settlement Class Members. In exchange, you give up the right to sue Capstone for the Released Claims, which are defined in Section 9, below. To ensure you receive your Settlement Share, all you need to do is keep the Settlement Administrator informed of your current mailing address. If the Arbitrator grants final approval of the Settlement and a court confirms the award, the Administrator will mail your check to the address on file for you. You will have 180 days from the date on the check to cash the check. If you do not cash the check, the money will revert to the state, but you may still be able to claim the funds under the California unclaimed property law.

ASK TO BE EXCLUDED: If you ask to be excluded or “opt out” of the Settlement Class within 45 days of the date of this Notice (or date of remailing this Notice, if applicable), and if the Arbitrator grants final approval of the settlement, and a state court confirms the final approval award, you will not receive payment under the settlement, but you will retain any rights you might have to sue Capstone for the claims resolved through this settlement. **YOU CANNOT ASK TO BE EXCLUDED AND STILL RECEIVE A SETTLEMENT SHARE.**

OBJECT: You may object to the proposed settlement. Only Class Members who do not request to be excluded from the settlement (*i.e.*, Settlement Class Members) may object to the settlement. You will have 45 days from the date of this Notice (or date of remailing this Notice, if applicable) to object. If your objection is overruled by the Arbitrator, you will still receive a Settlement Share, and you will be bound by the terms of this settlement.

6. What Does the Settlement Provide?

Under the proposed settlement, Capstone will pay \$1,422,809.21 to fully and finally resolve all claims in the Action (the “Gross Settlement Fund”). The amount to be distributed to Class Members who do not exclude themselves from the settlement (the “Net Class Settlement Fund”) will be the Gross Settlement Fund, minus the following amounts: (a) Settlement Administration Costs, which shall not exceed \$45,000; (b) enhancement payment to Plaintiff Andrea Otanez Verdugo not to exceed \$20,000.00 for her work and efforts in prosecuting this case; (c) Class Counsel’s attorney’s fees not to exceed one-fourth of the Gross Settlement Fund; (d) reimbursement of Class Counsel’s actual litigation costs and expenses in an amount not to exceed \$25,000; (e) the PAGA Settlement Amount of \$40,000, 25% of which (i.e., \$10,000) shall be paid to the PAGA Representative Group and 75% of which (i.e., \$30,000.00) shall be paid to the Labor and Workforce Development Agency for its share of the penalties under the PAGA (“LWDA Payment”); and (f) the employer-side payroll taxes owed in connection with such Settlement Payment, and less applicable withholdings. **The attorneys’ fees, litigation costs and expenses, enhancement payment, Settlement Administration Costs, and LWDA Payment are all subject to the Arbitrator’s review and approval and state court confirmation of the Arbitrator’s approval awards.**

The shares of the Net Class Settlement Fund for Class Members who exclude themselves from the Settlement Class will be distributed *pro rata* to the Class Members who did not exclude themselves from the Settlement Class (i.e., Settlement Class Members), based upon their initial allocations.

7. How Much Will My Settlement Share Be?

Each Class Member’s estimated Settlement Share is calculated as follows:

Net Class Settlement Fund

Non-Exempt Settlement Class: Seventy percent (70%) of the Net Class Settlement Fund multiplied by the ratio of (a) the number of total hours worked as a non-exempt employee in California during the Class Period by each Settlement Class Member to (b) total number non-exempt hours worked by all Settlement Class Members in California during the Class Period, according to Capstone records.

Waiting Time Settlement Class: Thirty percent (30%) of the Net Class Settlement Fund multiplied by the ratio of (a) one to (b) the total number of Waiting Time Settlement Class Members, according to Capstone records.

PAGA Settlement Amount

The Net PAGA Settlement Amount (\$10,000) shall be allocated among the PAGA Representative Group as follows: the Net PAGA Settlement Amount multiplied by the ratio of (a) the number of total weeks worked as a non-exempt employee in California during the Class Period by each member of the PAGA Representative Group to (b) total number non-exempt weeks worked by all members of the PAGA Representative Group in California during the Class Period, according to Capstone records.

Settlement Payments. If practicable, the Settlement Payments to each Class Member shall be distributed as one payment (“Individual Settlement Payment”) and shall be equal to the portion of the Net Class Settlement Fund allocated to that person, plus the portion of the Net PAGA Settlement Amount allocated to that person less any employer-side payroll taxes owed in connection with such Settlement Payment, and less applicable withholdings as described below.

Allocation of Individual Settlement Payments for Withholding. Each Individual Settlement Payment will be characterized as 50% Form 1099 income and 50% Form W-2 income, to reflect that 50% of the payment will account for penalties and interest and 50% will account for unpaid wages. In accordance with applicable tax laws, required tax withholdings and payroll deductions will be taken from each Individual Settlement Payment for the portion allocated to Form W-2 income and remitted to the appropriate taxing authorities. The Settlement Administrator shall issue any necessary IRS Form 1099 and Form W-2 statements to recipients for their respective Individual Settlement Payments. Class Members shall be solely and legally responsible for paying all other applicable taxes on their respective Individual Settlement Payments and shall indemnify and hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payments.

If you believe that the number of Non-Exempt Hours credited to you, as stated above, is not correct, please see Section 10 below.

8. *How Does This Settlement Affect My Rights?*

If the settlement is approved by the Arbitrator by way of an Award, and a state court confirms the Approval Award, you will release the claims resolved by the settlement. This means you will not be able to sue, continue to sue, or be part of any other lawsuit against Capstone that involves the same or similar legal claims as those resolved through this settlement. Specifically, you will be giving up or “releasing” the “Released Claims” described below:

Released Class Claims: Upon final approval of the Settlement, each member of the Settlement Class who did not submit a timely and valid Request for Exclusion shall be considered to have released forever Defendant, and each of its past, present, and future agents, employees, servants, officers, directors, business partners, clients, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations, and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns, and each of them (collectively, with Defendant, the “Released Parties”), from any and all claims that were asserted in the operative complaint filed in the Action or any claims that could have been asserted based on or arising out of the allegations or facts alleged, irrespective of the theory of recovery (the “Released Claims”). This release shall apply to all Released Claims arising at any point prior to the end of the Class Period. Settlement Class Members who have not submitted a timely and valid Request for Exclusion Form may hereafter discover facts in addition to or different from those they now know or believe to be true; however, upon final approval, all Settlement Class Members who have not submitted a timely and valid Request for Exclusion Form shall be barred from pursuing against any of the Released Parties and shall be deemed to have, and by operation of the final judgment shall have, fully, finally, and forever settled and released any and all of the Released Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, without regard to the subsequent discovery or existence of such different or additional facts.

Released PAGA Claims: Upon approval of the Settlement, each member of the PAGA Representative Group and the LWDA shall fully release and forever discharge the Released Parties, from any and all PAGA claims that are asserted in, arise from, or reasonably relate to the factual allegations and legal assertions made in the Action, including the operative complaint and amended PAGA notice. The PAGA Released Claims are all PAGA claims that were asserted in the complaints filed in the Action or any PAGA claims that could have been asserted based on or arising out of the allegations or facts alleged, irrespective of the theory of recovery, including all PAGA claims for civil penalties relating to, based upon, or arising out of the Released Parties’ alleged failure to pay all wages due, provide minimum wages or pay for all hours worked, failure to pay straight time, overtime, or double-time compensation, failure to properly calculate the regular rate of pay, failure to provide meal and/or rest breaks, failure to pay proper meal or rest period premiums, failure to keep accurate records, failure to provide and maintain accurate itemized wage statements, failure to keep accurate employee payroll records, failure to timely pay wages due during or at separation of employment, failure to reimburse all business-related expenses, and improper or unauthorized deductions (collectively, the “PAGA Released Claims”), against the Released Parties. Upon approval, Plaintiff, each member of the PAGA Representative Group, and the LWDA will be forever barred from pursuing against the Released Parties and shall be deemed to have, and by operation of the final judgment shall have, fully, finally, and forever settled and released any and all of the PAGA Released Claims, including any and all claims for civil penalties under PAGA based upon alleged violations of the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged or that could have been alleged to have been violated in, or are reasonably related to, the Action, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, without regard to the subsequent discovery or existence of different or additional facts. This release shall apply to all PAGA Released Claims arising at any point prior to the end of the Class Period.

9. *How Do I Opt Out or Exclude Myself from This Settlement?*

To exclude yourself from the Settlement Class, you must send a completed, signed and dated Request for Exclusion from the Settlement of Class (“Opt-Out”) Form to the Settlement Administrator, postmarked no later than **December 9, 2024**, at the following address: P.O. Box 2031, Tustin, CA 92781. The Request for Exclusion Form must include your full name (and former names, if any), current address, and current telephone number, and must be signed and dated by you. All Requests for Exclusion must be postmarked by **December 9, 2024** (*Within forty-five (45) calendar days from the date of mailing of this Notice, or date of remailing this Notice, if applicable*).

If you send an Opt-Out to the Settlement Administrator which complies with the above requirements, you will not be a member of the Settlement Class, you will not participate in this settlement, and you will receive no benefit from this settlement. By opting out of the Settlement Class, you will retain whatever rights or claims you may have against Capstone, and you will be free to pursue them, at your own cost, if you choose to do so.

Class Members who belong to the PAGA Representative Group are not permitted to opt out of the settlement of PAGA claims in this Action.

10. How Do I Object to The Settlement?

If you are a member of the Class who does not opt out of the Settlement Class, you may object to the Class Settlement or any aspect of the Class Settlement. You can ask the Arbitrator to deny approval of the Class Settlement by filing an objection. You cannot ask the Arbitrator to order a different settlement; the Arbitrator can only approve or reject the settlement. If the Arbitrator denies approval, no settlement payments related to the Class claims will be sent out and the lawsuit will continue as to those claims. If that is what you want to happen, you must object. Any Objection must be sent to the Arbitrator and the Settlement Administrator and must be postmarked and received by the Claims Administrator by **December 9, 2024** (*No later than 45 days after the first date of mailing of the Notice of Class Action Settlement*). All written objections and supporting papers must contain: (a) the name of this arbitration, *Andrea Otanez Verdugo v. Capstone Logistics, LLC*; (b) the full name and current address of the Class Member making the Objection; and (c) the specific reason(s) for the Objection. If you file a timely written objection, within 45 days of this Notice, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. Additionally, if you wish to be heard at the time of the Final Approval Hearing, your objection must also clearly state your intention to appear at the Final Approval Hearing. Objecting to the settlement will not remove you from the Settlement Class. A Settlement Class Member who submits an objection remains bound by the settlement. Settlement Class Members who timely submit an Objection may be subject to deposition if Plaintiff or Defendant chooses to take their deposition and receives permission from the Arbitrator to do so. To remove yourself from the Settlement Class, you must opt out of the settlement by following the instructions in Section 9, above. If you opt out of the Settlement Class, you may not object to the settlement.

11. Who Are the Attorneys Representing the Parties?

Attorneys for Plaintiff and the Settlement Class

POTTER HANDY LLP
Mark D. Potter
James M. Treglio
100 Pine Street, Suite 1250
San Francisco, California 94102

Attorneys for Capstone Logistics LLC

DUANE MORRIS LLP
Gerald L. Maatman, Jr.
Jennifer A. Riley
190 South LaSalle St., Suite 3700
Chicago, Illinois 60603

The Arbitrator has appointed the law firm of Potter Handy LLP to represent the Settlement Class. This law firm is referred to as “Class Counsel.”

You do not need to hire your own attorney because Class Counsel is working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

12. How Will Class Counsel and the Class Representative Be Paid?

Class Counsel will be paid from the Gross Settlement Fund. Class Counsel will ask for an award of attorneys’ fees not to exceed one-fourth the Gross Settlement Fund and for reimbursement of actual litigation costs and expenses in an amount not to exceed \$25,000. The actual amounts awarded shall be determined by the Arbitrator.

Class Counsel will also request that the Arbitrator approve an enhancement payment to the Class Representative of up to \$20,000.00 to be paid from the Gross Settlement Fund, for her service on behalf of the Class. Class Counsel will petition the Arbitrator for an award of attorneys’ fees by motion to be filed with the Arbitrator within 14 days after the mailing of this Notice and will be available at that time at the website listed in Section 14, below.

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

You are hereby notified that a Final Approval Hearing will be held on January 13, 2025, at 10:00 a.m., to determine whether the proposed Class Settlement is fair, reasonable, and adequate, and should be finally approved by the Arbitrator. The Arbitrator may change the date and time of the Final Approval Hearing without further notice to the Class Members.

If final approval of the Class Settlement is granted by the Arbitrator, the Arbitrator will enter an award pursuant to the Settlement, which will be submitted to a state court for confirmation, and if the Arbitrator's final approval award is confirmed by a state court, all Class Members who have not requested exclusion from the Settlement Class will be deemed to have waived and released the Released Claims against the Releasees, as defined in Section 9, above.

14. *How Do I Get More Information?*

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please contact Class Counsel at (858) 375-7385.

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

Verdugo et al. v. Capstone Logistics, LLC Class Action Settlement
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781
Toll-Free Telephone Number: 1(888) 250-6810
Website: www.ILYMgroup.com/CapstoneLogistics

PLEASE DO NOT CONTACT CAPSTONE LOGISTICS, LLC OR ITS REPRESENTATIVES FOR INFORMATION ABOUT THIS SETTLEMENT.

AVISO DE ACUERDO DE DEMANDA COLECTIVA

ID de ILYM: <<ILYMID>>

ATENCIÓN: «Nombre» «Apellido»

«Dirección1»

«Ciudad», «Estado» «Cremallera»

POR FAVOR, LEA ATENTAMENTE ESTE AVISO: EN ÉL SE INFORMA SOBRE SUS DERECHOS LEGALES.

PARA: TODAS LAS PERSONAS ACTUALES Y ANTERIORES NO EXENTAS EMPLEADAS POR CAPSTONE LOGISTICS, LLC DENTRO DEL ESTADO DE CALIFORNIA EN CUALQUIER MOMENTO DURANTE EL PERÍODO COMPRENDIDO ENTRE EL 1 DE AGOSTO DE 2019 Y EL 8 DE ABRIL DE 2024 ("MIEMBROS DEL GRUPO" O "GRUPO DEL ACUERDO").

1. ¿Por qué he recibido este aviso?

Esta Notificación de Acuerdo de Demanda Colectiva ("Notificación") se le envió para informarle que un Árbitro ha emitido un Laudo que otorga aprobación preliminar a los términos de un acuerdo de demanda colectiva en una demanda presentada contra Capstone Logistics, LLC ("Capstone" o "Demandado") por una ex empleada llamada Andrea Otanez Verdugo ("Demandante"), alegando que el Demandado: (1) no proporcionó los períodos de comida requeridos; (2) no proporcionó los descansos requeridos; (3) no pagó el salario de las horas extras; (4) no proporcionó salarios mínimos; (5) no pagó oportunamente los salarios durante el empleo; (6) no pagó oportunamente los salarios tras la separación del empleo; (7) no proporcionó declaraciones de salarios detalladas y precisas; (8) no reembolsó o indemnizó a los empleados por los gastos comerciales necesarios; (9) no mantuvo registros; (10) adeuda sanciones en virtud de la Ley de Fiscales Generales Privados de California ("PAGA") (citando el Código Laboral de California § 2698 y siguientes.); y (11) violó el Código de Negocios y Profesiones de California §§ 17200 y siguientes. La reclamación del demandante se presenta en nombre de todas las personas no exentas actuales y anteriores empleadas por Capstone dentro del estado de California entre el 1 de agosto de 2019 y el 8 de abril de 2024 [el "Período de la Clase"]. Los registros finales indican que usted puede ser un Miembro de la Clase. El acuerdo resolverá todas las Reclamaciones Exoneradas de los Miembros del Grupo (descritas en la Sección 8, a continuación) durante el período comprendido entre el 1 de agosto de 2019 y el 8 de abril de 2024.

El 8 de abril de 2024, la Fecha de entrada en vigor, el árbitro Hunter Hughes, Esq. emitió un Laudo en el que aprobaba preliminarmente el acuerdo de demanda colectiva alcanzado por el Demandante y Capstone (las "Partes") y ordenó que usted y los demás Miembros del Grupo recibieran esta Notificación. El Árbitro también designó preliminarmente al Demandante como representante del Grupo ("Representante del Grupo"). El Árbitro celebrará una Audiencia de Aprobación Final sobre el acuerdo colectivo propuesto el 13 de enero de 2025, a las 10:00 a.m., en Sonora, California.

2. ¿De qué se trata este caso?

El 15 de marzo de 2022, la Demandante presentó una demanda ante un tribunal estatal contra el Demandado, en su nombre y en el de todas las demás personas que han sido empleadas por Capstone como empleados no exentos en California (la "Acción"). El 9 de mayo de 2022, Capstone trasladó la acción al Tribunal de Distrito de los Estados Unidos para el Distrito Central de California. El demandante alegó en la acción que Capstone no proporcionó los períodos de comida y descansos requeridos; no pagó el salario de las horas extras; no proporcionó salarios mínimos; no pagó puntualmente los salarios durante el empleo; no pagó puntualmente los salarios en el momento de la separación del empleo; no proporcionó declaraciones de salarios detalladas y precisas; no reembolsó ni indemnizó a los empleados por los gastos comerciales necesarios; y adeuda multas en virtud de PAGA y el Código de Negocios y Profesiones de California §§ 17200 y siguientes.

Capstone niega todas las alegaciones hechas por el Demandante en la Acción y niega que sea responsable o que deba daños y perjuicios u otras compensaciones o recursos a cualquier persona con respecto a los supuestos hechos o causas de acción afirmados en la Acción. Posteriormente, la acción se volvió a presentar en arbitraje.

3. *¿Soy miembro de la clase?*

Usted es un Miembro del Grupo si trabajó como empleado no exento para Capstone en cualquier momento entre el 1 de agosto de 2019 y el 8 de abril de 2024. Como Miembro del Grupo, usted es parte del Grupo del Acuerdo No Exento si es un empleado actual que trabajó para Capstone dentro del Estado de California en un puesto no exento en cualquier momento desde el 1 de agosto de 2019 hasta el 8 de abril de 2024. Usted es parte del Grupo del Acuerdo por Tiempo de Espera si es un ex empleado que trabajó para Capstone dentro del Estado de California en un puesto no exento desde el 1 de agosto de 2019, pero ya no estaba empleado el 8 de abril de 2024.

Usted es parte del Grupo de Representantes de PAGA si es un empleado actual o anterior que trabajó para Capstone dentro del estado de California en un puesto no exento en cualquier momento desde el 1 de agosto de 2019 hasta el 8 de abril de 2024.

4. *¿Cómo funciona este acuerdo de demanda colectiva?*

En este reclamo, la demandante demanda en nombre de otros empleados actuales y anteriores no exentos que supuestamente tienen reclamos similares. A los efectos de este acuerdo, se considera que el Demandante y estos otros empleados forman una "Clase" y son "Miembros de la Clase". El acuerdo de esta demanda resuelve las reclamaciones de salarios y horas de todos los Miembros del Grupo, excepto de aquellos que se excluyen del Grupo. Los Miembros del Grupo que no se excluyan a sí mismos se considerarán "Miembros del Grupo del Acuerdo" y serán elegibles para recibir un pago en virtud del acuerdo en función de su número de semanas laborales (según se define en la Sección 7 a continuación) desde el 1 de agosto de 2019 hasta el 8 de abril de 2024 [Fecha de entrada en vigor] ("Acción del Acuerdo").

Las personas que decidan excluirse del Grupo no recibirán una Participación del Acuerdo, pero conservarán cualquier reclamación que puedan tener contra Capstone que se haya hecho valer o que se haya podido hacer valer sobre la base de las alegaciones de las reclamaciones originales y enmendadas de la Acción.

El Árbitro no ha decidido sobre la Acción a favor del Demandante o Capstone ni ha tomado ninguna determinación sobre los méritos de la Acción. En cambio, ambas partes acordaron resolver la Acción sin ninguna decisión o admisión de quién tiene razón o no. Al acordar resolver la Acción, todas las partes evitan los riesgos y el costo de un juicio, y las personas afectadas recibirán una compensación rápidamente. La demandante y sus abogados creen que el acuerdo es en el mejor interés del Grupo. Capstone niega las acusaciones de irregularidades y violaciones de la ley alegadas y, además, niega cualquier responsabilidad ante el Demandante o el Grupo. Capstone está resolviendo la Acción como un compromiso para evitar el gasto y la carga de futuros litigios. Se llevará a cabo una audiencia ("Audiencia de Aprobación Final"), momento en el cual el Árbitro decidirá estas cuestiones. Consulte la Sección 14 a continuación para obtener más información.

5. *¿Cuáles son mis opciones?*

El propósito de este Aviso es informarle sobre el acuerdo propuesto y sus opciones. Cada opción tiene sus consecuencias, que debes entender antes de tomar tu decisión. A continuación, se explican sus derechos con respecto a cada opción y los pasos que debe seguir para seleccionar cada opción.

PERMANECER EN LA CLASE: Si no solicita ser excluido del Grupo de la Conciliación, seguirá siendo miembro del Grupo de la Conciliación y, si el Árbitro otorga la aprobación final del acuerdo y un tribunal estatal confirma el laudo de aprobación final, recibirá una Participación del Acuerdo basada en la cantidad de semanas que trabajó para Capstone como empleado no exento dentro del Estado de California durante el período de tiempo desde el 1 de agosto de 2019 hasta el 8 de abril de 2024 ("Semanas laborales"). Si usted es miembro del Grupo de la Conciliación por Tiempo de Espera, también recibirá una parte del Fondo Neto de la Conciliación del Grupo asignado al Grupo de la Conciliación por Tiempo de Espera en función del número total de Miembros del Grupo de la Conciliación por Tiempo de Espera. A cambio, usted renuncia al derecho de demandar a Capstone por las Reclamaciones Exoneradas, que se definen en la Sección 9 a continuación. Para asegurarse de recibir su Parte del Acuerdo, todo lo que necesita hacer es mantener informado al Administrador del Acuerdo de su dirección postal actual. Si el Árbitro otorga la aprobación final del Acuerdo y un tribunal confirma el laudo, el Administrador enviará su cheque por correo a la dirección registrada para usted. Tendrá 180 días a partir de la fecha del cheque para cobrarlo. Si no cobra el cheque, el dinero revertirá al estado, pero es posible que aún pueda reclamar los fondos bajo la ley de propiedad no reclamada de California.

PIDA SER EXCLUIDO: SI USTED SOLICITA SER EXCLUIDO O "EXCLUIRSE" DEL GRUPO DE LA CONCILIACIÓN DENTRO DE LOS 45 DÍAS POSTERIORES A LA FECHA DE ESTA NOTIFICACIÓN (O LA FECHA DE REENVÍO DE ESTA NOTIFICACIÓN, SI CORRESPONDE), Y SI EL ÁRBITRO OTORGA LA APROBACIÓN FINAL

DEL ACUERDO, Y UN TRIBUNAL ESTATAL CONFIRMA EL LAUDO DE APROBACIÓN FINAL, NO RECIBIRÁ EL PAGO EN VIRTUD DEL ACUERDO, PERO CONSERVARÁ CUALQUIER DERECHO QUE PUEDA TENER PARA DEMANDAR A CAPSTONE POR LAS RECLAMACIONES RESUELTAS A TRAVÉS DE ESTE ACUERDO. NO PUEDE SOLICITAR QUE SE LE EXCLUYA Y AÚN ASÍ RECIBIR UNA PARTE DE LIQUIDACIÓN.

OBJETO: Usted puede objetar el acuerdo propuesto. Solo los Miembros del Grupo que no soliciten ser excluidos del acuerdo (*es decir*, Miembros del Grupo de la Conciliación) pueden objetar la conciliación. Tendrá 45 días a partir de la fecha de este Aviso (o la fecha de reenvío de este Aviso, si corresponde) para objetar. Si su objeción es rechazada por el Árbitro, aún recibirá una Participación en la Conciliación y estará obligado por los términos de esta conciliación.

6. ¿Qué establece el acuerdo?

Según el acuerdo propuesto, Capstone pagará \$1,422,809.21 para resolver completa y definitivamente todas las reclamaciones en la Acción (el "Fondo Bruto del Acuerdo"). El monto que se distribuirá a los Miembros del Grupo que no se excluyan del acuerdo (el "Fondo Neto del Acuerdo del Grupo") será el Fondo Bruto del Acuerdo, menos los siguientes montos: (a) Costos de Administración del Acuerdo, que no excederán los \$45,000; (b) pago de mejora a la demandante Andrea Otanez Verdugo que no exceda los \$ 20,000.00 por su trabajo y esfuerzos en el enjuiciamiento de este caso; (c) Los honorarios de los abogados de los Abogados del Grupo no excederán una cuarta parte del Fondo Bruto del Acuerdo; (d) reembolso de los costos y gastos reales del litigio de los Abogados del Grupo por un monto que no exceda los \$25,000; (e) el Monto del Acuerdo de PAGA de \$40,000, el 25% del cual (es decir, \$10,000) se pagará al Grupo Representativo de PAGA y el 75% del cual (es decir, \$30,000.00) se pagará a la Agencia de Trabajo y Desarrollo de la Fuerza Laboral por su parte de las multas bajo el PAGA ("Pago de LWDA"); y (f) los impuestos sobre la nómina del lado del empleador adeudados en relación con dicho Pago de Liquidación, y menos las retenciones aplicables. **Los honorarios de los abogados, los costos y gastos del litigio, el pago de mejoras, los costos de administración del acuerdo y el pago de LWDA están sujetos a la revisión y aprobación del árbitro y a la confirmación del tribunal estatal de los laudos de aprobación del árbitro.**

Las acciones del Fondo Neto del Acuerdo del Grupo para los Miembros del Grupo que se excluyan del Grupo del Acuerdo se distribuirán *a prorrata* a los Miembros del Grupo que no se excluyeron del Grupo del Acuerdo (*es decir*, los Miembros del Grupo del Acuerdo), en función de sus asignaciones iniciales.

7. ¿Cuánto será mi parte del acuerdo?

La Cuota de Conciliación estimada de cada Miembro del Grupo se calcula de la siguiente manera:

Fondo Neto del Acuerdo Colectivo

Grupo de la Conciliación No Exento: El setenta por ciento (70%) del Fondo Neto de la Conciliación del Grupo multiplicado por la relación entre (a) el número total de horas trabajadas como empleado no exento en California durante el Período de la Clase por cada Miembro del Grupo de la Conciliación y (b) el número total de horas no exentas trabajadas por todos los Miembros del Grupo de la Conciliación en California durante el Período de la Clase, según los registros de Capstone.

Grupo del Acuerdo por Tiempo de Espera: Treinta por ciento (30%) del Fondo Neto del Acuerdo del Grupo multiplicado por la proporción de (a) uno a (b) el número total de Miembros del Grupo del Acuerdo por Tiempo de Espera, según los registros de Capstone.

Monto de liquidación de PAGA

El Monto Neto del Acuerdo de PAGA (\$10,000) se distribuirá entre el Grupo de Representantes de PAGA de la siguiente manera: el Monto Neto del Acuerdo de PAGA multiplicado por la relación entre (a) el número total de semanas trabajadas como empleado no exento en California durante el Período de la Clase por cada miembro del Grupo de Representantes de PAGA y (b) el número total de semanas no exentas trabajadas por todos los miembros del Grupo de Representantes de PAGA en California durante el Período de la Clase, según los registros de Capstone.

Pagos de liquidación. Si es posible, los Pagos de la Conciliación a cada Miembro del Grupo se distribuirán como un solo pago ("Pago de la Conciliación Individual") y serán iguales a la parte del Fondo Neto de la Conciliación de la Clase asignada a esa persona, más la parte del Monto Neto de la Conciliación de PAGA asignada a esa persona menos

los impuestos sobre la nómina del lado del empleador adeudados en relación con dicho Pago de la Conciliación, y menos las retenciones aplicables, como se describe a continuación.

Imputación de las liquidaciones individuales por retención. Cada Pago de Liquidación Individual se caracterizará como 50% de ingresos del Formulario 1099 y 50% de ingresos del Formulario W-2, para reflejar que el 50% del pago corresponderá a multas e intereses y el 50% a salarios no pagados. De acuerdo con las leyes fiscales aplicables, las retenciones de impuestos y las deducciones de nómina requeridas se tomarán de cada Pago de Liquidación Individual por la parte asignada a los ingresos del Formulario W-2 y se remitirán a las autoridades fiscales correspondientes. El Administrador del Acuerdo emitirá las declaraciones necesarias del Formulario 1099 y el Formulario W-2 del IRS a los destinatarios para sus respectivos Pagos de Liquidación Individuales. Los Miembros del Grupo serán los únicos y legalmente responsables de pagar todos los demás impuestos aplicables sobre sus respectivos Pagos de Liquidación Individual y deberán indemnizar y eximir de responsabilidad al Demandado de cualquier reclamo o responsabilidad por impuestos, multas o intereses que surjan como resultado de los pagos.

Si cree que la cantidad de horas no exentas que se le acreditan, como se indicó anteriormente, no es correcta, consulte la Sección 10 a continuación.

8. ¿Cómo afecta este acuerdo a mis derechos?

Si el acuerdo es aprobado por el Árbitro por medio de un Laudo, y un tribunal estatal confirma el Laudo de Aprobación, usted liberará las reclamaciones resueltas por el acuerdo. Esto significa que no podrá demandar, continuar demandando o ser parte de cualquier otra demanda contra Capstone que involucre reclamos legales iguales o similares a los resueltos a través de este acuerdo. Específicamente, estará renunciando o "liberando" las "Reclamaciones Liberadas" que se describen a continuación:

Reclamaciones colectivas liberadas: Tras la aprobación final del Acuerdo, se considerará que cada miembro del Grupo de la Conciliación que no presentó una Solicitud de Exclusión oportuna y válida ha liberado para siempre al Demandado, y a cada uno de sus agentes, empleados, sirvientes, funcionarios, directores, socios comerciales, clientes, fideicomisarios, representantes, accionistas, accionistas, abogados, padres, subsidiarias, patrocinadores de capital, compañías/corporaciones relacionadas, y/o sociedades, divisiones, cesionarios, predecesores, sucesores, aseguradores, consultores, empresas conjuntas, empleadores conjuntos, afiliados, alter-egos y organizaciones afiliadas, y todos sus respectivos empleados, directores, funcionarios, agentes, abogados, accionistas, fiduciarios, matrices, subsidiarias y cesionarios, y cada uno de ellos (colectivamente, con el Demandado, las "Partes Exoneradas"), de todos y cada uno de ellos reclamaciones que se hicieron valer en la demanda operativa presentada en la Acción o cualquier reclamación que podría haberse hecho valer sobre la base de o que surja de las alegaciones o hechos alegados, independientemente de la teoría de la recuperación (las "Reclamaciones Exoneradas"). Esta exoneración se aplicará a todas las Reclamaciones Exoneradas que surjan en cualquier momento antes del final del Período de la Clase. Los Miembros del Grupo de la Conciliación que no hayan presentado un Formulario de Solicitud de Exclusión oportuno y válido pueden descubrir en lo sucesivo hechos adicionales o diferentes a los que ahora saben o creen que son ciertos; sin embargo, tras la aprobación final, todos los Miembros del Grupo de la Conciliación que no hayan presentado un Formulario de Solicitud de Exclusión oportuno y válido no podrán presentar demandas contra ninguna de las Partes Exoneradas y se considerará que tienen, y en virtud de la sentencia final han, resuelto y liberado de manera completa, definitiva y para siempre todas y cada una de las Reclamaciones Exoneradas, ya sean conocidos o desconocidos, sospechados o insospechados, contingentes o no contingentes, que ahora existen, o han existido hasta ahora, sin tener en cuenta el descubrimiento o la existencia posteriores de tales hechos diferentes o adicionales.

Reclamaciones de PAGA Exoneradas: Tras la aprobación del Acuerdo, cada miembro del Grupo de Representantes de PAGA y la LWDA liberarán completamente y liberarán para siempre a las Partes Exoneradas de todas y cada una de las reclamaciones de PAGA que se hagan valer, surjan de, o se relacionen razonablemente con las alegaciones de hecho y las afirmaciones legales hechas en la Acción, incluida la demanda operativa y la notificación de PAGA enmendada. Las Reclamaciones Exoneradas de PAGA son todas las reclamaciones de PAGA que se hicieron valer en las reclamaciones presentadas en la Acción o cualquier reclamación de PAGA que podría haberse hecho valer en base a o que surja de las alegaciones o hechos alegados, independientemente de la teoría de la recuperación, incluidas todas las reclamaciones de PAGA por sanciones civiles relacionadas, basadas en, o que surjan de la supuesta falta de pago de todos los salarios adeudados por parte de las Partes Exoneradas, proporcionar salarios mínimos o pago por todas las horas trabajadas, falta de pago de tiempo corrido, horas extras o compensación de doble tiempo, falta de cálculo adecuado de la tasa regular de pago,

falta de proporcionar descansos para comer y / o descansar, falta de pago de primas adecuadas de comida o período de descanso, falta de mantener registros precisos, falta de proporcionar y mantener declaraciones de salarios detalladas y precisas, falta de mantenimiento de registros precisos de nómina de empleados, falta de pago oportuno de los salarios adeudados durante o en el momento de la separación del empleo, falta de reembolso de todos los gastos relacionados con el negocio y deducciones indebidas o no autorizadas (colectivamente, las "Reclamaciones Exoneradas de PAGA"), contra las Partes Exoneradas. Tras la aprobación, el Demandante, cada miembro del Grupo Representativo de PAGA y la LWDA quedarán excluidos para siempre de presentar demandas contra las Partes Exoneradas y se considerará que han resuelto y liberado completa, definitiva y para siempre todas y cada una de las Reclamaciones Exoneradas de PAGA, incluidas todas y cada una de las reclamaciones de sanciones civiles en virtud de PAGA basadas en presuntas violaciones del Código Laboral de California, Órdenes salariales, reglamentos y/u otras disposiciones de la ley alegadas o que se podría haber alegado que se han violado en, o están razonablemente relacionadas con, la Acción, ya sea conocida o desconocida, sospechada o insospechada, contingente o no contingente, que ahora existen, o han existido hasta ahora, sin tener en cuenta el descubrimiento posterior o la existencia de hechos diferentes o adicionales. Esta exención se aplicará a todas las Reclamaciones Liberadas de PAGA que surjan en cualquier momento antes del final del Período de la Clase.

9. ¿Cómo puedo optar por no participar o excluirme de este acuerdo?

Para excluirse del Grupo de la Conciliación, debe enviar un Formulario de Solicitud de Exclusión de la Conciliación de la Clase ("Exclusión") completado, firmado y fechado al Administrador de la Conciliación, con matasellos de no más tarde **del 9 de diciembre de 2024**, a la siguiente dirección: P.O. Box 2031, Tustin, CA 92781. El Formulario de Solicitud de Exclusión debe incluir su nombre completo (y nombres anteriores, si los hubiera), dirección actual y número de teléfono actual, y debe estar firmado y fechado por usted. Todas las Solicitudes de Exclusión deben tener matasellos **del 9 de diciembre de 2024** (*dentro de los cuarenta y cinco (45) días calendario a partir de la fecha de envío de este Aviso, o la fecha de reenvío de este Aviso, si corresponde*).

Si envía una Exclusión voluntaria al Administrador del Acuerdo que cumpla con los requisitos anteriores, no será miembro del Grupo del Acuerdo, no participará en este acuerdo y no recibirá ningún beneficio de este acuerdo. Al optar por no participar en el Grupo de la Conciliación, conservará los derechos o reclamaciones que pueda tener contra Capstone, y será libre de ejercerlos, a su propio costo, si decide hacerlo.

Los Miembros del Grupo que pertenecen al Grupo de Representantes de PAGA no están autorizados a optar por no participar en la liquidación de las reclamaciones de PAGA en esta Acción.

10. ¿Cómo me opongo al acuerdo?

Si usted es un miembro del Grupo que no opta por no participar en el Grupo del Acuerdo, puede objetar el Acuerdo del Grupo o cualquier aspecto del Acuerdo del Grupo. Puede pedirle al Árbitro que deniegue la aprobación del Acuerdo Colectivo mediante la presentación de una objeción. No puede pedirle al Árbitro que ordene un acuerdo diferente; el Árbitro solo puede aprobar o rechazar el acuerdo. Si el Árbitro deniega la aprobación, no se enviarán pagos de liquidación relacionados con las reclamaciones colectivas y la demanda continuará en cuanto a esas reclamaciones. Si eso es lo que quieres que suceda, debes oponerte. Cualquier Objeción debe enviarse al Árbitro y al Administrador del Acuerdo y debe tener matasellos y ser recibida por el Administrador de Reclamaciones antes **del 9 de diciembre de 2024** (*a más tardar 45 días después de la primera fecha de envío de la Notificación de Acuerdo de Demanda Colectiva*). Todas las objeciones escritas y documentos de respaldo deben contener: (a) el nombre de este arbitraje, *Andrea Otanez Verdugo v. Capstone Logistics, LLC*; (b) el nombre completo y la dirección actual del Miembro del Grupo que presenta la Objeción; y (c) la(s) razón(es) específica(s) de la Objeción. Si presenta una objeción por escrito a tiempo, dentro de los 45 días posteriores a este Aviso, puede, pero no está obligado a, comparecer en la Audiencia de Aprobación Final, ya sea en persona o a través de su propio abogado. Si comparece a través de su propio abogado, usted es responsable de contratar y pagar a ese abogado. Además, si desea ser escuchado en el momento de la Audiencia de Aprobación Final, su objeción también debe indicar claramente su intención de comparecer en la Audiencia de Aprobación Final. Objetar el acuerdo no lo eliminará del Grupo del acuerdo. Un Miembro del Grupo de la Conciliación que presente una objeción permanece obligado por la conciliación. Los Miembros del Grupo de la Conciliación que presenten oportunamente una Objeción pueden estar sujetos a deposición si el Demandante o el Demandado eligen tomar su deposición y reciben permiso del Árbitro para hacerlo. Para retirarse del Grupo de la Conciliación, debe optar por no participar en la conciliación siguiendo las instrucciones de la Sección 9 anterior. Si opta por no participar en el Grupo de la Conciliación, no podrá objetar la conciliación.

11. ¿Quiénes son los abogados que representan a las partes?

Abogados del Demandante y del Grupo del Acuerdo

ALFARERO HANDY LLP
Mark D. Potter
James M. Treglio
100 Pine Street, Suite 1250
San Francisco, California 94102

Abogados de Capstone Logistics LLC

DUANE MORRIS LLP
Gerald L. Maatman, Jr.
Jennifer A. Riley
190 South LaSalle St., Suite 3700
Chicago, Illinois 60603

El Árbitro ha designado al bufete de abogados Potter Handy LLP para representar al Grupo del Acuerdo. Este bufete de abogados se denomina "Abogados de la Clase".

No es necesario que contrate a su propio abogado porque los Abogados del Grupo están trabajando en su nombre. Pero, si desea su propio abogado, puede contratar uno a su propio costo.

12. ¿Cómo se les pagará a los Abogados del Grupo y al Representante del Grupo?

A los Abogados del Grupo se les pagará con cargo al Fondo Bruto del Acuerdo. Los Abogados del Grupo solicitarán una adjudicación de honorarios de abogados que no exceda un cuarto del Fondo Bruto del Acuerdo y el reembolso de los costos y gastos reales del litigio por un monto que no exceda los \$25,000. Los montos reales otorgados serán determinados por el Árbitro.

Los Abogados del Grupo también solicitarán que el Árbitro apruebe un pago de mejora al Representante del Grupo de hasta \$20,000.00 que se pagará del Fondo Bruto del Acuerdo, por su servicio en nombre del Grupo. Los Abogados del Grupo solicitarán al Árbitro una adjudicación de honorarios de abogados mediante una moción que se presentará ante el Árbitro dentro de los 14 días posteriores al envío de este Aviso y estará disponible en ese momento en el sitio web enumerados en la Sección 14, a continuación.

13. Aviso de Audiencia sobre la Aprobación Final y Objeciones al Acuerdo de Demanda Colectiva

Por la presente, se le notifica que se llevará a cabo una Audiencia de Aprobación Final el 13 de enero de 2025 a las 10:00 a.m., para determinar si el Acuerdo Colectivo propuesto es justo, razonable y adecuado, y debe ser aprobado finalmente por el Árbitro. El Árbitro puede cambiar la fecha y hora de la Audiencia de Aprobación Final sin previo aviso a los Miembros del Grupo.

Si el Árbitro otorga la aprobación final del Acuerdo Colectivo, el Árbitro dictará un laudo de conformidad con el Acuerdo, que se presentará a un tribunal estatal para su confirmación, y si el laudo de aprobación final del Árbitro es confirmado por un tribunal estatal, se considerará que todos los Miembros del Grupo que no hayan solicitado la exclusión del Grupo del Acuerdo han renunciado y liberado las Reclamaciones Exoneradas contra los Exonerados. tal como se define en la Sección 9 anterior.

14. ¿Cómo puedo obtener más información?

Este aviso resume el acuerdo propuesto. Para conocer los términos y condiciones precisos del acuerdo, comuníquese con los Abogados del Grupo al (858) 375-7385.

Si tiene alguna pregunta adicional sobre el acuerdo, también puede comunicarse con el Administrador del Acuerdo:

Verdugo et al. v. Capstone Logistics, LLC Acuerdo de demanda colectiva
c/o ILYM Group, Inc.
Apartado Postal 2031
Tustin, CA 92781

Número de teléfono gratuito: 1(888) 250-6810
Sitio web: www.ILYMgroup.com/CapstoneLogistics

POR FAVOR, NO SE PONGA EN CONTACTO CON CAPSTONE LOGISTICS, LLC O SUS REPRESENTANTES PARA OBTENER INFORMACIÓN SOBRE ESTE ACUERDO.