

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement” or “Settlement”) is reached by and between Plaintiffs Ruben Hernandez, Patrick Joseph Neims, Arturo Ramirez, and Miguel Moreno (“Plaintiffs” or “Class Representatives”), as individuals and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendants Neovia Logistics Services, LLC and Neovia Logistics Distribution, LP (collectively, “Defendants”), on the other hand. Plaintiffs and Defendants are referred to herein collectively as the “Parties.” Plaintiffs and the Settlement Class are represented by Paul K. Haines, Fletcher W. Schmidt, and Matthew K. Moen of Haines Law Group, APC, Kashif Haque and Jessica L. Campbell of Aegis Law Firm, PC, and Marcus Bradley of Bradley Grombacher, LLP (collectively, “Class Counsel”). Defendants are represented by Tracie Childs and Keenan P. O’Connor of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

On October 28, 2022, Plaintiff Patrick Joseph Neims filed a class action complaint in the Superior Court of California, for the County of San Bernardino, titled *Patrick Joseph Neims v. Neovia Logistics Distribution, LP, et al.*, Case No. CIVSB2224879 (the “*Neims Action*”), alleging the following: (i) failure to pay minimum wages; (ii) failure to pay overtime wages; (iii) failure to provide meal periods; (iv) failure to permit rest breaks; (v) failure to reimburse business expenses; (vi) failure to provide accurate itemized wage statements; (vii) failure to pay wages timely during employment; (viii) failure to pay all wages due upon separation from employment; (ix) violation of Business and Professions Code §§17200, *et seq.*; and (x) enforcement of Labor Code §2698 *et seq.* (“PAGA”). On October 13, 2023, Defendants removed the *Neims Action* to United States District Court for the Central District of California, Case No. 5:23-cv-00716-PA-SHKx.

On March 2, 2023, Plaintiff Ruben Hernandez filed a class action complaint in the Superior Court of California, for the County of San Bernardino, titled *Ruben Hernandez v. Neovia Logistics Services, LLC, et al.*, Case No. CIVSB2305867 (the “*Action*”), alleging the following: (i) failure to pay all minimum wages; (ii) failure to pay all overtime wages; (iii) meal period violations; (iv) failure to reimburse necessary business expenses; (v) wage statement penalties; (vi) waiting time penalties; and (vii) Unfair Competition. On May 23, 2023, Plaintiff Hernandez filed a First Amended Complaint, adding an eighth cause of action for civil penalties under the Private Attorneys General Act (Labor Code §§2698, *et seq.*), based on the same underlying Labor Code violations. On June 23, 2023, Defendants removed the *Action* to United States District Court for the Central District of California, Case No. 5:23-cv-01221-PA-SHK, and on January 4, 2024, the *Action* was remanded back to Superior Court of California, County of San Bernardino by and through the stipulation for settlement of the Parties to that *Action*.

On August 17, 2023, Plaintiff Arturo Ramirez filed a class action complaint in the Superior Court of California, for the County of San Bernardino, titled *Arturo Ramirez v. Neovia Logistics Distribution, LP, et al.*, Case No. CIVSB2320935 (the “*Ramirez Action*”), alleging the following: (i) failure to pay wages; (ii) failure to provide meal periods; (iii) failure to permit rest breaks; (iv) failure to reimburse business expenses; (v) failure to provide accurate itemized wage statements; (vi) failure to pay all wages due upon separation of employment; and (vii) violation of Business & Professions Code §§17200, *et seq.* On October 13, 2023, Defendants removed the *Ramirez Action* to United States District Court for the Central District of California, Case No. 5:23-cv-02104-PA-SHK.

On September 21, 2023, Plaintiff Miguel Moreno filed a class action complaint in the Superior Court of California, for the County of San Bernardino, titled *Miguel Moreno v. Neovia Logistics Distribution, LP, et al.*, Case No. CIVSB2323010 (the “*Moreno Action*”), alleging the following: (i) failure to pay overtime wages in violation of *Labor Code* §§510 and 1198; (ii) failure to pay all wages and minimum wages in violation of *Labor Code* §§221, 233, 1182, 1194, 1197 and 1198; (iii) failure to provide to provide compliant meal periods in violation of *Labor Code* §§ 226.7, 512, 516 and 1198; (iv) failure to provide compliant rest periods in violation of *Labor Code* §§226.7, 516 and 1198; (v) failure to furnish accurate, itemized wage statements in violation of *Labor Code* §226(a) and failure to maintain accurate records in violation of *Labor Code* § 1174.5; (vi) failure to timely pay wages during employment in violation of *Labor Code* § 204; (vii) failure to pay all wages owed at termination in violation of *Labor Code* §§201-203; (viii) failure to minimize excessive heat in violation of Wage Order 4-2001, § 15, and to provide compliant recovery periods in violation of *Labor Code* §226.7; and (ix) violation of California *Business & Professions Code* §§ 17200, *et seq.* On December 1, 2023, Plaintiff Miguel Moreno filed a Representative Action Complaint under PAGA in the Superior Court of California, for the County of San Bernardino, titled *Miguel Moreno vs. Neovia Logistics Distribution, LP, et al.*, Case No. CIV SB 2328743. Defendants filed Answers to the lawsuits generally denying all allegations of wrongdoing and asserting affirmative defenses.

As a material term of this Settlement, the Parties agree that Plaintiff Ruben Hernandez will file a Second Amended Complaint (“SAC”) in the Action, adding Plaintiffs Patrick Joseph Neims, Arturo Ramirez, and Miguel Moreno as named plaintiffs in the Action, consolidating all causes of action and factual allegations in the *Neims Action*, *Ramirez Action*, and *Moreno Action* into the Action, and consolidating all claims under the PAGA based on the facts alleged in Plaintiff Hernandez’s March 2, 2023 PAGA Notice to the LWDA and November 2, 2023 Supplemental Notice, and Plaintiff Moreno’s September 20, 2023 PAGA Notice to the LWDA, into the Action. Following the filing of the SAC, Plaintiffs Neims, Ramirez and Moreno will dismiss their respective separately filed actions, without prejudice.

Given the uncertainty of litigation, Plaintiffs and Defendants wish to settle both individually and on behalf of the Settlement Class and Allegedly Aggrieved Employees Accordingly, the Parties agree as follows:

1. Settlement Class and Allegedly Aggrieved Employees Defined.

- A. Settlement Class: For the purposes of this Settlement Agreement only, Plaintiffs and Defendants stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees who worked for either and/or both Defendants in California between October 28, 2018 and December 27, 2023 (the “Class Period”).

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any

claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

- B. Allegedly Aggrieved Employees: For purposes of this Settlement Agreement only, Plaintiffs and Defendants stipulate to the following:

All current and former non-exempt employees who worked for either and/or both Defendants in California between October 28, 2021 and December 27, 2023 (the “PAGA Period”).

2. **Release by Settlement Class Members and Plaintiffs.** Plaintiffs and each Settlement Class member who does not timely opt-out of the settlement, will fully and finally release and discharge Defendants and all of their present and former parent companies, commonly owned or controlled affiliates, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, agents, attorney, insurers, successors and assigns (the “Released Parties”) as follows:

- A. Upon the full funding of the Maximum Settlement Amount, all Settlement Class members who do not timely opt out shall fully and finally release and discharge the Released Parties from liability for all claims under state, federal and local law, whether statutory, common law or administrative law, based on the factual allegations set forth in the operative complaints in the Action, Plaintiff Hernandez’s March 2, 2023 PAGA Notice to the LWDA, Plaintiff Hernandez’s November 2, 2023 Supplemental Notice to the LWDA, Plaintiff Moreno’s September 20, 2023 Notice to the LWDA, or which could have been pled in the operative complaints in the Action, the operative complaints in the PAGA Action, based on the factual allegations therein, including but not limited to claims for minimum wage violations, overtime wage violations, sick pay wages, meal period violations, rest period violations, violations of Labor Code sections 2802 and 2804, waiting time penalties, inaccurate payroll records, wage statement violations, excessive heat and failure to provide compliant recovery period violations, violations of the California Business and Professions Code section 17200, *et seq.*, and alleged violations of PAGA, that arose during the Class Period (“Released Claims”). For avoidance of doubt, this release applies to the Class Period.
- B. It is understood and acknowledged that all individuals who were employed by either or both Defendants in California and classified as a non-exempt employee at any time during the time period October 28, 2021 to December 27, 2023 (the “Allegedly Aggrieved Employees”) will be issued a check for their share of the PAGA payment, regardless of whether they validly opt-out of the class-action portion of the Settlement. Upon the full funding of the Maximum Settlement Amount, all Allegedly Aggrieved Employees and the State of California shall be deemed to have released and discharged the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged in the operative complaints in the Action, Plaintiff Hernandez’s March 2, 2023 PAGA Notice to the LWDA, Plaintiff Hernandez’s November 2, 2023 Supplemental Notice to the LWDA and Plaintiff Moreno’s September 20, 2023 Notice to the

LWDA, or which could have been pled in the operative complaints in the Action based on the factual allegations therein as set forth above (the “PAGA Released Claims”). For avoidance of doubt, this release applies to the PAGA Period.

- C. In light of Plaintiffs’ Class Representative Enhancement Payments, Plaintiffs agree to release, as individuals and in addition to the Released Claims described above, all claims, whether known or unknown, under federal law or state law and or any local or municipal law, against Defendants. Plaintiffs understand that this release includes unknown claims and that Plaintiffs are, as a result, waiving all rights and benefits afforded by California Civil Code Section 1542, which provides as follows:

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

- D. Nothing contained herein shall constitute a release of any rights or claims that cannot be waived as a matter of law (including but not limited to claims arising under workers’ compensation laws). Nor shall anything contained herein be construed to exclude the filing of an administrative charge or complaint with the Equal Employment Opportunity Commission or National Labor Relations Board, or participation in an administrative investigation or proceeding.
- E. The Settlement shall become effective on the date upon which the Court signs an Order granting final approval of the Settlement Agreement (“Effective Date”).

3. **Maximum Settlement Amount.** As consideration, Defendants agree to pay a non-reversionary “Maximum Settlement Amount” of Two Million Nine Hundred Fifty Thousand Dollars and Zero Cents (\$2,950,000.00) in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Apex Class Action Administration as the “Settlement Administrator” to administer this Settlement.
- B. Defendants shall pay the Maximum Settlement Amount to the Settlement Administrator no later than thirty (30) calendar days after the Effective Date.
- C. This is a non-reversionary settlement. The Maximum Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class members;
 - (2) All costs of the Settlement Administrator which are not to exceed \$17,990.00, subject to Court approval;

- (3) Up to \$5,000.00 each (\$20,000.00 total) for Plaintiffs' Class Representative Enhancement Payments in recognition for Plaintiffs' contributions to the Action and service to the Settlement Class, subject to Court approval;
 - (4) Up to one-third (1/3) of the Maximum Settlement Amount in Class Counsel's attorneys' fees (currently estimated at \$983,333.33), plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than \$100,000.00, subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation in the Action, including without limitation, all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received; and
 - (5) One Hundred Thousand Dollars and Zero Cents (\$100,000.00) of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties, subject to Court approval. Per Labor Code § 2699(i), 75% of such penalties, or \$75,000.00, will be payable to the LWDA, and the remaining 25%, or \$25,000.00, will be payable to the Allegedly Aggrieved Employees as the "PAGA Amount," as described below.
- D. Defendants will not oppose the reasonableness of these requests. In the event that the Court reduces or does not approve the requested Attorneys' Fees and Costs to Class Counsel, neither Plaintiff nor Class Counsel shall have the right to revoke this Agreement, and it will remain binding. Any reduction by the Court of these requests will revert to the Net Settlement Amount for distribution to the Settlement Class members who do not opt-out.
- E. **Employer Payroll Taxes.** The Maximum Settlement Amount does not include the employer's share of payroll taxes, which shall be paid by Defendants separate and apart from, and in addition to, the Maximum Settlement Amount.
- F. **Escalator Clause.** The Parties agree based on the data that there are an estimated 120,705 aggregate workweeks worked by the approximately 1,934 Settlement Class Members at the time of mediation. If the actual number of aggregate workweeks worked by the Settlement Class Members exceeds this figure by more than 10% (i.e., if there are 132,776 or more aggregate workweeks worked by the Settlement Class Members), then at Defendants' option, either the: (a) Maximum Settlement Amount shall increase by the actual amount over the ten percent (10%) increase (i.e., if the number of Workweeks increases by 11%, the Gross Settlement Amount will increase by 11%); or (b) Class Period shall end as of the date the Workweeks within the Class Period reach 132,776 Workweeks.

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment (“Individual Settlement Payment”) from the Settlement. Individual Settlement Payments will be determined and paid as follows:
- A. The Settlement Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, the Class Representative Enhancement Payments, the Settlement Administrator’s fees and expenses for administration, and the amount of PAGA civil penalties designated as payable to the LWDA. The remaining amount shall be known as the “Net Settlement Amount.”
 - B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member’s Individual Settlement Payment based on the following formula:
 - i. PAGA Amount: The \$25,000.00 payable to the Allegedly Aggrieved Employees as their 25% portion of the PAGA civil penalties shall be designated as the “PAGA Amount.” Each Allegedly Aggrieved Employee, regardless of whether they timely submit a Request for Exclusion, shall receive a portion of the PAGA Amount proportionate to the number of workweeks that he or she worked during the PAGA Period compared to the aggregate number of workweeks worked by all Allegedly Aggrieved Employees during the PAGA Period.
 - ii. Wage Statement Amount: Fifteen percent (15%) of the Net Settlement Amount shall be designated as the “Wage Statement Amount.” Each participating Settlement Class member who was employed by Defendants at any time between October 28, 2021 and the end of the Class Period, shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period, by multiplying the Wage Statement Amount by a fraction, the numerator of which is the Settlement Class member’s total workweeks worked during the aforementioned time period, and the denominator of which is the aggregate number of workweeks worked by all participating Settlement Class members during the aforementioned time period.
 - iii. Waiting Time Amount: Twenty percent (20%) of the Net Settlement Amount shall be designated as the “Waiting Time Amount.” The Waiting Time Amount shall be distributed in equal, pro-rata shares to each participating Settlement Class member who separated their employment from Defendants at any time between October 28, 2019 and the end of the Class Period.
 - iv. The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is

the Settlement Class member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the Class Period.

- C. Within ten (10) business days following the full funding of the Maximum Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate each Settlement Class member's Individual Settlement Payment, and will prepare and mail the Individual Settlement Payments to the participating Settlement Class members.
- D. Each Individual Settlement Payment shall be allocated as 20% wages (subject to applicable withholdings), and 80% as penalties and interest (not subject to withholdings). The portion of the PAGA Amount payable to the PAGA Allegedly Aggrieved Employees shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members an IRS Form W-2 for amounts paid as wages, and an IRS Form 1099 for amounts paid as penalties and interest. Settlement Class members are responsible for their share of the payroll taxes on portions of the Individual Settlement Payments allocated as unpaid wages, which will be deducted from their Individual Settlement Payments. Neither Plaintiffs nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement. To the extent that this Settlement Agreement is interpreted to contain or constitute advice regarding any state or federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Defendants are not responsible for any employee tax obligations regarding the allocation of the Maximum Settlement Amount or any payment made pursuant to this Settlement Agreement.
- E. Defendants shall fully discharge their obligations to the participating Settlement Class members through the mailing of an Individual Settlement Payment, regardless of whether such checks are actually received and/or negotiated by the recipients. Each member of the Settlement Class who receives an Individual Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any check that is not negotiated within one hundred eighty (180) days of mailing to a Settlement Class member shall be transferred to Working Wardrobes, the Parties' agreed-upon *cy pres* designee.
- F. Neither Plaintiffs nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendants will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Maximum Settlement Amount, which is currently estimated to be \$983,333.33. Additionally, Class Counsel will request an award of actual

costs and expenses as supported by declaration, in an amount not to exceed \$100,000.00 from the Maximum Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099-MISC by the Settlement Administrator for the fees and costs award approved by the Court. In the event that the Court reduces or does not approve the requested Attorneys' Fees and Costs to Class Counsel, neither Plaintiff nor Class Counsel shall have the right to revoke this Agreement, and it will remain binding. Any reduction by the Court of these requests will revert to the Net Settlement Amount for distribution to the Settlement Class members who do not opt-out.

6. **Class Representative Enhancement Payments.** Defendants will not object to a request for Class Representative Enhancement Payments in the amount of \$5,000.00 each (\$20,000.00 total) for Plaintiffs' time and risk in prosecuting this case, Plaintiffs' service to the Settlement Class, and in exchange for Plaintiffs' general release of claims. These awards will be in addition to Plaintiffs' Individual Settlement Payments as Settlement Class members, and shall be reported on an IRS Form 1099-MISC issued by the Settlement Administrator.

7. **Settlement Administrator.** Defendants agree to the appointment of Apex Class Action Administration as Settlement Administrator. Defendants will not object to Plaintiffs seeking approval to pay up to \$17,990.00 for the administration services from the Maximum Settlement Amount. The Settlement Administrator shall be responsible for establishing a QSF into which it shall deposit and hold the payment from Defendants comprising the Maximum Settlement Amount, sending Notice Packets in English and Spanish to the Settlement Class members, calculating Individual Settlement Payments and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Payments have been mailed to all participating Settlement Class members.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties and the filing of the SAC, Plaintiffs shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;
- B. Appointing Paul K. Haines, Fletcher W. Schmidt, and Matthew K. Moen of Haines Law Group, APC, Kashif Haque and Jessica L. Campbell of Aegis Law Firm, PC, and Marcus Bradley of Bradley Grombacher, LLP as Class Counsel;
- C. Appointing Plaintiffs Ruben Hernandez, Patrick Joseph Neims, Arturo Ramirez, and Miguel Moreno as Class Representatives for the Settlement Class;
- D. Approving Apex Class Action Administration as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

- F. Approving the form and content of the Notice Packet (which is comprised of the Notice of Class Action Settlement and the Notice of Individual Settlement Payment), and directing the mailing of the same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within fifteen (15) business days of the court signing an order preliminarily approving this Settlement Agreement, Defendants will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, and workweek data for all Settlement Class members during the Class Period.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline, as defined below, shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have an additional fourteen (14) calendar days after the Response Deadline to opt-out, object, or dispute their Individual Settlement Payment. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline.
- D. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).

- i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Class Member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon, except as to that portion of the Settlement and final judgment dedicated to alleged violations of the PAGA and associated penalties.
 - ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt-out of the Settlement Class, or encourage any Settlement Class member to appeal from the final judgment.
 - iii. Defendants' Right to Rescind. Notwithstanding any other provision of this Settlement Agreement, Defendants shall retain the right, in the exercise of their sole discretion, to nullify the Settlement if more than five percent (5%) of the putative Settlement Class members validly exclude themselves from the Settlement. Defendants shall communicate their decision to nullify the Settlement Agreement pursuant to this paragraph in writing to the Settlement Administrator and Class Counsel no later than ten (10) calendar days after the Response Deadline. In the event that Defendants elect to exercise this right, Defendants shall be solely responsible for paying all costs incurred by the Settlement Administrator through the date that Defendants communicate their decision to nullify the Settlement Agreement in writing to the Settlement Administrator and Class Counsel.
 - i. PAGA Allegedly Aggrieved Employees. All PAGA Allegedly Aggrieved Employees shall receive their share of the PAGA Amount and will be deemed to have released the PAGA Released Claims, regardless of whether or not they timely request to be excluded from the Settlement Class.
- E. Objections. Members of the Settlement Class who do not opt-out may object to this Settlement Agreement as explained in the Class Notice by filing a written objection

with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendants' counsel, as well as file all such objections with the Court) within the Response Deadline. Defendants' counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any objection must be postmarked no later than the Response Deadline. Any Settlement Class member who wishes to may appear in person or through their own counsel and raise an objection at the Final Approval Hearing.

- F. Notice of Individual Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Payment as well as all of the information that was used to calculate the Individual Settlement Payment. Settlement Class members will have the opportunity, should they disagree with Defendants' records regarding the information stated in the Notice of Individual Settlement Payment, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.
- G. Defendants understand their legal obligation not to retaliate against the Settlement Class members for their participation and/or election to participate in the benefits to be afforded any of them by the Settlement and/or the Action.
- H. Notice of Final Approval. A notice of the Court's Final Approval Order will be posted on the Settlement Administrator's website for the Settlement Class members and PAGA Allegedly Aggrieved Employees, in compliance with CRC Rule 3.771(b).

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiffs shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiffs' and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payments, settlement administration costs, and payment to the LWDA for its share of civil penalties under PAGA; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Circular 230 Disclaimer.** EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

13. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties or their respective counsel, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Confidentiality.** The Parties agree to keep this Settlement Agreement confidential (except for purposes of enforcement) through preliminary approval. Thereafter, neither Party will issue any press release(s), make comments to the media, or otherwise publicize the terms of the Settlement. Nothing herein shall prohibit any of the Parties from disclosing information relating to the Settlement Agreement as required by law.

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiffs: Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
fschmidt@haineslawgroup.com

if to Defendants: Tracie Childs of Ogletree, Deakins, Nash, Smoak & Stewart P.C.
4660 La Jolla Village Drive, Suite 900, San Diego, CA 92122
Tracie.childs@ogletree.com

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

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

IN WITNESS THEREOF, the Parties to this Settlement Agreement each acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions contained herein, and hereby execute it voluntarily and with full understanding of its consequences.

RUBEN HERNANDEZ



Ruben Hernandez (Aug 9, 2024 10:17 PDT)

Dated: 08/09/24

Plaintiff

PATRICK JOSEPH NEIMS

Dated: _____

Plaintiff

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiffs: Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
fschmidt@haineslawgroup.com

if to Defendants: Tracie Childs of Ogletree, Deakins, Nash, Smoak & Stewart P.C.
4660 La Jolla Village Drive, Suite 900, San Diego, CA 92122
Tracie.childs@ogletree.com

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

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IN WITNESS THEREOF, the Parties to this Settlement Agreement each acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions contained herein, and hereby execute it voluntarily and with full understanding of its consequences.

RUBEN HERNANDEZ

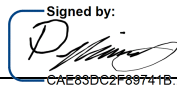
Dated: _____

Plaintiff

PATRICK JOSEPH NEIMS

Dated: 8/14/2024 | 7:33 AM PDT

Plaintiff

Signed by:

CAE63DC2F69741B...

ARTURO RAMIREZ

Dated: 8/8/2024 | 8:40 PM PDT

DocuSigned by:
Arturo Ramirez
D29F1B2E6B814F8...

Plaintiff

MIGUEL MORENO

Dated: _____

Plaintiff

NEOVIA LOGISTICS SERVICES, LLC

Dated: _____

By: _____
Its: _____

NEOVIA LOGISTICS DISTRIBUTION, LP

Dated: _____

By: _____
Its: _____

APPROVED AS TO FORM:

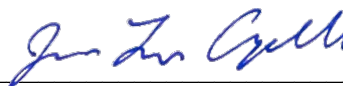
Dated: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Fletcher W. Schmidt
Matthew K. Moen
Attorneys for Plaintiffs

Dated: _____

AEGIS LAW FIRM, PC

By:  _____
Kashif Haque
Jessica L. Campbell
Attorneys for Plaintiffs

ARTURO RAMIREZ

Dated: _____

Plaintiff

MIGUEL MORENO

Dated: 8/15/2024 _____

DocuSigned by:
Miguel Moreno

FDD789106A51482...
Plaintiff

NEOVIA LOGISTICS SERVICES, LLC

Dated: _____

By: _____
Its: _____

NEOVIA LOGISTICS DISTRIBUTION, LP

Dated: _____

By: _____
Its: _____

APPROVED AS TO FORM:

Dated: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Fletcher W. Schmidt
Matthew K. Moen
Attorneys for Plaintiffs

Dated: _____

AEGIS LAW FIRM, PC

By: _____
Kashif Haque
Jessica L. Campbell
Attorneys for Plaintiffs

ARTURO RAMIREZ

Dated: _____

Plaintiff

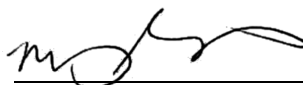
MIGUEL MORENO

Dated: _____

Plaintiff

NEOVIA LOGISTICS SERVICES, LLC

Dated: August 15, 2024

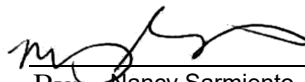


By: Nancy Sarmiento

Its: General Counsel

NEOVIA LOGISTICS DISTRIBUTION, LP

Dated: August 15, 2024



By: Nancy Sarmiento

Its: Authorized Representative

APPROVED AS TO FORM:

Dated: _____

HAINES LAW GROUP, APC

By: _____

Paul K. Haines

Fletcher W. Schmidt

Matthew K. Moen

Attorneys for Plaintiffs

Dated: _____

AEGIS LAW FIRM, PC

By: _____

Kashif Haque

Jessica L. Campbell

Attorneys for Plaintiffs

ARTURO RAMIREZ

Dated: _____

Plaintiff

MIGUEL MORENO

Dated: _____

Plaintiff

NEOVIA LOGISTICS SERVICES, LLC

Dated: _____

By: _____
Its: _____

NEOVIA LOGISTICS DISTRIBUTION, LP

Dated: _____

By: _____
Its: _____

APPROVED AS TO FORM:

Dated: 08/09/2024

HAINES LAW GROUP, APC

By: 

Paul K. Haines
Fletcher W. Schmidt
Matthew K. Moen
Attorneys for Plaintiffs

Dated: _____

AEGIS LAW FIRM, PC

By: _____
Kashif Haque
Jessica L. Campbell
Attorneys for Plaintiffs

Dated: _____

9/15/24

BRADLEY GROMBACHER, LLP

By: _____

Marcus Bradley
Attorneys for Plaintiffs

Dated: _____

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

By: _____

Tracie Childs
Keenan P. O'Connor
Attorneys for Defendants

Dated: _____

BRADLEY GROMBACHER, LLP

By: _____

Marcus Bradley
Attorneys for Plaintiffs

Dated: August 16, 2024

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

By: *Tracie Childs*

Tracie Childs
Keenan P. O'Connor
Attorneys for Defendants