

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into by and between Plaintiff Alfonso Vargas Zamores, an individual, on behalf of himself, all aggrieved employees, and the State of California as a private attorney general, on the one hand, and Defendant Ryder Integrated Logistics, Inc., on the other hand.

I. REPRESENTATIONS AND DEFINITIONS

1. “Aggrieved Employee(s)” means Plaintiff and all current and former non-exempt employees of Defendant in California who worked in a position that was subject to a warehouse productivity policy at any time during the Covered Period.

2. “Aggrieved Employee List” means the list of Aggrieved Employees that Defendant shall provide to the Settlement Administrator as described in Paragraph 55 below.

3. “Counsel for Defendant” means Mara D. Curtis, Rafael N. Tumanyan, and Tanner J. Hendershot of Reed Smith LLP.

4. “Court” means the San Bernardino County Superior Court of California.

5. “Covered Claims” are defined in Paragraph 49 below.

6. “Covered Period” means the period from May 12, 2022 to the date this Settlement Agreement is approved by the Court.

7. “Defendant” means Ryder Integrated Logistics, Inc.

8. “Effective Date” means the first date upon which all of the following have occurred:

- a) this Settlement Agreement has been executed by all Parties and by PAGA Counsel and Counsel for Defendant;
- b) the Court has approved the Settlement Agreement;
- c) the Court has issued its Order and Judgment in accordance with the terms described herein; and
- d) In the event no appeal is filed, then sixty (60) days after the entry of the Order and Judgment, or, if an appeal is filed, upon final dismissal of the appeal, writ or other appellate proceeding opposing this Settlement. In this regard, it is the intention of the Parties that the Settlement Agreement shall not become effective until the

- 1 Court's order approving the Settlement has become completely final, and there is
- 2 no timely recourse by an appellant who seeks to contest the Settlement;
- 3 e) The Settlement Agreement and Order and Judgment have been submitted to the
- 4 LWDA; and
- 5 f) The notice procedure to the Aggrieved Employees has been fully completed and
- 6 any disputes arising therefrom have been resolved.
- 7 9. "Enhancement Award" means any payment to the Plaintiff for his service to the
- 8 Aggrieved Employees and in exchange for the general release as set forth in Paragraph 51, which is
- 9 in addition to whatever payments he may otherwise be entitled to as an Aggrieved Employee.
- 10 10. "Eligible Pay Periods" means the total number of workweeks each Aggrieved
- 11 Employee worked for Defendant during the Covered Period.
- 12 11. "Gross Settlement Payment" means the maximum amount of Four Hundred and Ten
- 13 Thousand Dollars and Zero Cents (\$410,000.00) that Defendant shall be required to pay under this
- 14 Settlement Agreement.
- 15 12. "Individual PAGA Payment(s)" means the amount payable from the PAGA Fund to an
- 16 individual Aggrieved Employee.
- 17 13. "Lawsuit" means the civil action filed in the Superior Court of the State of California
- 18 for the County of San Bernardino, entitled *Alfonso Vargas Zamores v. Ryder Integrated Logistics,*
- 19 *Inc.*, San Bernardino County Superior Court Case No. CIVSB2318111, filed on July 28, 2023.
- 20 14. "LWDA" means the California Labor and Workforce Development Agency.
- 21 15. "Order and Judgment" means the order and judgment to be entered by the Court
- 22 granting approval of the Settlement Agreement as binding upon the Parties, the State of California
- 23 acting by and through the LWDA, and the Aggrieved Employees.
- 24 16. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
- 25 codified at Labor Code Sections 2698, *et seq.*
- 26 17. "PAGA Counsel" means Scott Ernest Wheeler and Justin A. Wheeler of the Law
- 27 Offices of Scott Ernest Wheeler, and Jose Garay of Garay Law APLC.
- 28 18. "PAGA Fund" means the amount of money remaining after PAGA Counsel's

attorneys' fees and costs, the settlement administration costs, and the Enhancement Award are deducted from the Gross Settlement Payment.

19. "PAGA Letters" means the letters dated May 12, 2023 and October 17, 2023 that Plaintiff caused to be sent to the LWDA and Defendant stating his intent to pursue a representative action pursuant to PAGA on behalf of himself and the State of California as well as on behalf of a proposed group of aggrieved employees.

20. "Parties" means Plaintiff and Defendant, collectively.

21. "Pay Period Amount" means the gross amount that an Aggrieved Employee shall receive for each of the Eligible Pay Periods. The Pay Period Amount shall be determined as described in Paragraph 42 below.

22. "Plaintiff" means named Plaintiff Alfonso Vargas Zamores.

23. "Released Parties" means Ryder Integrated Logistics, Inc., Ryder System, Inc., Ryder Truck Rental, Inc., Ryder Last Mile, Inc., Ryder Transportations Services, LLC and each of their present and former parents, subsidiaries, divisions, affiliates, acquired companies, and each of their respective present and former officers, directors, employees, partners, shareholders, agents, trustees, representatives, attorneys, insurers, predecessors, successors, assigns, affiliated companies and entities, and any individual or entity that could be jointly liable with any of the foregoing.

24. "Settlement" or "Settlement Agreement" means the terms and conditions set forth in this Settlement and Release agreement.

25. "Settlement Administrator" means Phoenix.

II. NATURE OF ACTION

26. On July 28, 2023, Plaintiff filed the complaint in this Lawsuit in San Bernardino Superior Court against Defendant on behalf of himself and "all other aggrieved employees – i.e., non-exempt employees who worked for Defendants in California during the statute of limitations period." Compl. ¶ 1. The complaint stated a claim under the California Labor Code Private Attorneys General Act, Labor Code Sections 2698 *et seq.* against Defendant alleging that it: (1) failed to provide written notice of a quota in violation of Labor Code Section 2101; (2) required unlawful compliance with a quota in violation of Labor Code Section 2102; and (3) failed to timely provide quota/work data in violation of Labor

Code Section 2104.

27. On May 12, 2023, Plaintiff sent a letter to the LWDA and Defendant stating his intent to pursue a representative action pursuant to PAGA on behalf of himself and the State of California as well as on behalf of aggrieved employees based on Defendant's alleged: (1) meal period violations; (2) rest period violations; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to timely pay all wages earned; (6) failure to pay all wages due upon discharge or termination; (7) failure to maintain required records; (8) failure to furnish accurate itemized wage statements; (9) failure to indemnify employees for necessary employment expenditures; and (10) violations of Labor Code Sections 2100-2112 for failure to provide notice and implementation of an illegal quota system.

28. On October 17, 2023, Plaintiff sent an amended letter to the LWDA and Defendant adding additional allegations with respect to the claims articulated in the first LWDA letter.

29. The Parties agreed to private mediation of this action. The Parties engaged in informal fact discovery and exchanged pertinent information voluntarily in anticipation of the mediation to understand the nature of the allegations and the scope of potential liability.

30. The Parties attended mediation on January 17, 2025, with respected mediator Hon. Daniel Buckley (Ret.), and, during the week following the mediation, the Parties accepted the mediator's proposal for resolution.

31. Defendant denies that any penalties or any relief of any kind should be awarded for the claims alleged in the Lawsuit, including for the Covered Claims, and further deny that this Lawsuit is appropriate for representative treatment for any purpose other than settling this Lawsuit.

32. Neither the existence of this Settlement nor anything contained in this Settlement shall be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of any of the Released Parties. Nothing herein shall constitute an admission by any of the Released Parties that the Lawsuit was properly brought as a representative action, other than for settlement purposes. Settlement of the Lawsuit, the negotiation and execution of this Settlement Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement or the settlement of the Lawsuit: (a) are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of any of the Released Parties or of the truth of

1 any of the factual allegations in the operative complaint in the Lawsuit; (b) are not, shall not be deemed
2 to be, and may not be used as, an admission or evidence of any fault or omissions on the part of any
3 of the Released Parties in any civil, criminal, or administrative proceeding in any court, administrative
4 agency or other tribunal; (c) are not, shall not be deemed to be, and may not be used as, an admission
5 or evidence of the appropriateness of these or similar claims for representative treatment, or
6 administration other than for purposes of administering this Settlement; and (d) shall not constitute or
7 be deemed a waiver of any of the Released Parties' right to compel arbitration of any dispute with
8 Aggrieved Employees that are not the subject of the releases in this Settlement Agreement.

9 33. The Parties recognize that the issues presented in the Lawsuit are likely only to be
10 resolved with extensive and costly trial proceedings and expert analysis, and that further litigation will
11 cause inconvenience, distraction, disruption, delay and expense disproportionate to the potential
12 benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome
13 inherent in any litigation.

14 34. Plaintiff and PAGA Counsel have diligently pursued an investigation of the Aggrieved
15 Employees' claims against Defendant.

16 35. Based on their own independent investigations and evaluations, the Parties and their
17 counsel are of the opinion that settlement for the consideration and on the terms set forth in this
18 Settlement is fair, reasonable, adequate, and is in the best interests of Plaintiff, the Aggrieved
19 Employees, and Defendant in light of all known facts and circumstances and the risks inherent in
20 litigation, including potential appellate issues.

21 36. The purpose of this Settlement is to settle and compromise the Lawsuit, and all Covered
22 Claims that Plaintiff, the Aggrieved Employees and the State of California may have against the
23 Released Parties.

24 **III. TERMS OF SETTLEMENT**

25 37. In consideration of the mutual covenants, promises and representations set forth in this
26 Settlement Agreement, Plaintiff, on behalf of himself, the State of California, and all Aggrieved
27 Employees, and Defendant, agree to settle and compromise the Lawsuit and the Covered Claims.

A. The Amount of Settlement

38. As consideration for the Settlement described herein and the release contained in this Settlement, Defendant agree to pay the Gross Settlement Payment of **\$410,000.00**. The Gross Settlement Payment will include:

- a) settlement administration costs of approximately **\$10,500.00**;
- b) Plaintiff's litigation costs of up to **\$16,000.00**, subject to Court approval;
- c) Plaintiff's attorneys' fees of 33% of the Gross Settlement Payment (**\$135,300.00**), subject to Court approval;
- d) Enhancement Award to Plaintiff in the amount of **\$7,000.00**.
- e) PAGA Fund of approximately **\$241,200.00** to be divided between the LWDA and the Aggrieved Employees as required by Labor Code Section 2699(i), with **\$180,900.00** (75%) going to the LWDA and **\$60,300.00** (25%) going to the Aggrieved Employees.

39. If the actual amount of claims administration, the Enhancement Award, litigation costs and/or attorneys' fees are less or more than the amounts set forth above, those funds shall be added to or subtracted from the PAGA Fund for allocation to the LWDA and Aggrieved Employees. Under no circumstances will the total amount of the Gross Settlement Payment exceed **\$410,000.00**.

40. The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund ("QSF") pursuant to Internal Revenue Service ("IRS") rules and regulations in which the Gross Settlement Payment shall be placed and from which payments required by the Settlement shall be made.

B. Allocation of the PAGA Fund

41. The asserted claims in the Lawsuit may be difficult to quantify and are subject to disputed calculations and formulas. Plaintiff and Defendant agree that the formula for allocating Individual PAGA Payments to Aggrieved Employees provided herein is reasonable and that the Individual PAGA Payments are designed to provide a fair settlement, despite the uncertainties of the amount allegedly owed and the calculation of the same.

42. Each Aggrieved Employee shall receive a portion of the PAGA Fund. 75% of the PAGA Fund shall be paid to the LWDA. The remaining 25% of the PAGA Fund shall be divided by

the total number of Eligible Pay Periods for all Aggrieved Employees. The result of this division shall yield a Pay Period Amount. The gross amount of each Individual PAGA Payment shall be calculated by multiplying the number of Eligible Pay Periods worked by the individual Aggrieved Employee by the Pay Period Amount.

C. PAGA Counsel's Fees and Costs.

43. As part of the request for approval of this Settlement, PAGA Counsel will request court approval of attorneys' fees of **\$135,300.00**, which is 33% of the Gross Settlement Payment, and reimbursement of already-incurred costs of up to **\$16,000.00**. Defendant will not oppose PAGA Counsel's request for attorneys' fees and costs. Should PAGA Counsel request a lesser amount for attorneys' fees and costs and/or the court approve a lesser amount, the difference shall be considered part of, and added to, the PAGA Fund. Any attorneys' fees and costs awarded to PAGA Counsel shall fully compensate and reimburse PAGA Counsel for any and all work already performed in connection with the Lawsuit and all work remaining to be performed in fully and finally resolving the Lawsuit.

D. Tax Treatment of Individual PAGA Payments to Aggrieved Employees.

44. The Parties agree that Individual PAGA Payments to Aggrieved Employees will be characterized 100% as penalties and the Settlement Administrator shall issue IRS Forms 1099 if necessary. The Released Parties shall not be required to provide any additional form of compensation to any Aggrieved Employee as a result of this allocation of the Individual PAGA Payments. Each Aggrieved Employee shall be responsible for paying all applicable state, local, and/or federal income taxes on all amounts the Aggrieved Employee receives pursuant to this Settlement Agreement. The Released Parties are not responsible for any employee tax obligations regarding the allocation of the settlement payments.

45. Payments made to Plaintiff or the Aggrieved Employees pursuant to this Settlement are not intended to count as wages earned by Plaintiff or the Aggrieved Employees.

46. It is expressly understood and agreed that the receipt of an Individual PAGA Payment shall not entitle any Aggrieved Employee to additional compensation or benefits under any company bonus, contest, or other compensation, benefit plan, or agreement in place during the Covered Period, nor shall it entitle any Aggrieved Employee to any increased retirement, 401(k) or matching benefits,

1 or deferred compensation benefits. The Parties agree that any Individual PAGA Payments made to
2 Aggrieved Employees under the terms of this Settlement Agreement shall not represent any
3 modification of previously credited length of service or other eligibility criteria under any bonus plan,
4 employee pension benefit plan or employee welfare plan sponsored by any of the Released Parties, or
5 to which any of the Released Parties are required to make contributions. Further, any Individual PAGA
6 Payments made under this Settlement Agreement shall not be considered compensation in any year
7 for purposes of determining eligibility for, or benefit accrual within, any employee pension benefit
8 plan or employee welfare benefit plan sponsored by any of the Released Parties or to which any of the
9 Released Parties are required to make contributions. It is the Parties' intent that the Individual PAGA
10 Payments provided for in the Settlement Agreement are the sole payments to be made by any of the
11 Released Parties to the Aggrieved Employees, and that the Aggrieved Employees are not entitled to
12 any new or additional compensation or benefits as a result of having received the Individual PAGA
13 Payments, notwithstanding any contrary terms in any agreement, contract, benefit or compensation
14 plan document that might have been in effect during the Covered Period.

15 **E. Taxes and Withholding and Indemnification.**

16 47. The Settlement Administrator shall be responsible for ensuring that all tax obligations
17 associated with the Settlement are timely paid to the appropriate governmental taxing authorities.

18 The Settlement Administrator's responsibilities include the following:

- 19 (i) filing all federal, state, and local tax returns associated with the taxes;
- 20 (ii) timely and proper filing of all required federal, state and local information returns
21 (e.g., 1099s, etc.); and
- 22 (iii) completion of any other steps necessary for compliance with any tax obligations
23 applicable to payments made under this Settlement Agreement under federal, state,
24 and/or local law.

25 48. Each party to this Settlement Agreement acknowledges and agrees that:

- 26 (i) No provision of this Settlement Agreement and no written communication or
27 disclosure between or among the Parties or their attorneys or other advisers is or
28 was intended to be, nor shall 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);

(ii) He or it (a) has relied exclusively upon his or its own, independent legal and tax advisers 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 adviser 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 him or it; and

(iii) 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 him or it of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

IV. RELEASE

A. Release By All Aggrieved Employees of Covered Claims

49. As of the Effective Date, each of the Aggrieved Employees (including Plaintiff on behalf of himself, the State of California, and all Aggrieved Employees), individually and on behalf of all their respective successors, assigns, agents, attorneys, executors, heirs and personal representatives, shall fully release and forever discharge the Released Parties from any and all claims, causes of action, demands, rights, liabilities, penalties, attorneys' fees, costs, damages, interest, restitution, and/or liability of any kind under PAGA, whether known or unknown, that were or could have been asserted against any of the Released Parties in the Lawsuit and/or the PAGA Letters, including, but not limited to, claims for failure to provide written notice of a warehouse productivity quota, requiring unlawful compliance with a warehouse productivity quota that interferes with meal periods, rest periods, OSHA, and/or recovery or restroom breaks, failure to timely provide a copy of a warehouse productivity quota and /or work data upon request, including, but not limited to, all PAGA claims for violations of Labor Code Sections 2100 *et seq.* (including, but not limited to, claims for violation of

Labor Code Sections 2101, 2102, and 2104) and IWC Wage Order 9 or any other applicable Wage Order, or under any common, local, state, or federal law (“Covered Claims”). This release shall extend to all such claims arising from or relating to any and all acts, events and omissions that occurred and/or accrued during the Covered Period.

B. Release by Zamores

50. Upon final approval of the Settlement Agreement, Plaintiff Alfonso Vargas Zamores, for himself, his successors, assigns, agents, executors, heirs and personal representatives, spouse and attorneys, and any and all of them, voluntarily and with the advice of counsel, waives and releases any and all claims, obligations, demands, actions, rights, causes of action, and liabilities against any of the Released Parties of whatever kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, constitution, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated, including all claims arising from or relating to any and all acts, events and omissions occurring prior to the date of final approval of this Settlement Agreement including, but not limited to, all claims which relate in any way to his alleged employment with any of the Released Parties. Plaintiff further releases all unknown claims against any of the Released Parties, covered by California Civil Code Section 1542, which states: **“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.”**

V. ENHANCEMENT AWARD

51. Subject to Court approval, PAGA Counsel, on behalf of Plaintiff, shall apply to the Court for an Enhancement Award not to exceed Seven Thousand Dollars and No Cents (\$7,000.00) for Plaintiff, which Defendant shall not oppose. The Enhancement Award is to compensate the Plaintiff for the risk, time, and expense of his involvement in the Lawsuit and securing the benefits of this Settlement Agreement for Aggrieved Employees, and as consideration in exchange for the general release in Paragraph 50. The Enhancement Award is in addition to the Individual PAGA Payment Plaintiff would otherwise be due under the Agreement as an Aggrieved Employee.

VI. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

52. Plaintiff will schedule a hearing before the Court and file and serve a Motion to Approve PAGA Settlement. PAGA Counsel will be responsible for drafting all documents necessary to obtain approval of the Settlement Agreement, subject to reasonable approval by Defendant. Plaintiff shall provide a draft of the Motion to Approve PAGA Settlement to Counsel for Defendant at least ten (10) working days prior to the filing deadline. Defendant agrees not to challenge or otherwise oppose Plaintiff's Motion to Approve PAGA Settlement. Plaintiff agrees to submit this Settlement Agreement to the LWDA at the time that it is submitted to the Court for approval.

53. Plaintiff shall file and serve a Proposed Final Approval Order and a Proposed Final Judgment concurrently with the Motion to Approve PAGA Settlement in the forms attached hereto as **Exhibit B** and **Exhibit C**, respectively.

54. Because this Settlement Agreement must be approved by the Court, Plaintiff and Defendant enter into this Settlement Agreement on a conditional basis. If the Court, or any other court, agency or tribunal taking jurisdiction over this matter, does not approve all material aspects of the Settlement or makes any ruling substantially altering the material terms of the Settlement, the Settlement shall be voidable and unenforceable as to Plaintiff and Defendant, at the option of any party. Under these circumstances only, any party may exercise his or its option to void this Settlement by giving notice, in writing, to the other Parties and to the Court at any time before approval by the Court of this Settlement. The request for attorneys' fees and costs shall not be considered material term(s) of this Settlement Agreement. In the event that the Effective Date does not occur: (i) this Settlement shall be considered null and void; (ii) neither this Settlement nor any of the related negotiations or proceedings shall be of any force or effect nor shall they be referred to or utilized for any purpose; and (iii) all Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court.

VII. DUTIES AFTER COURT APPROVAL AND ADMINISTRATION OF THE SETTLEMENT

55. Within thirty (30) calendar days after the Court enters and Defendant receives the Order and Judgment, Defendant will send a list of all Aggrieved Employees to the Settlement Administrator,

1 containing each Aggrieved Employee's: (1) full name; (2) last known home address; (3) total number
2 of Eligible Pay Periods; and (4) social security number. Defendant shall transmit this list in Microsoft
3 Office Excel format to the Settlement Administrator. This data shall only be used by the Settlement
4 Administrator for the purpose of calculating the Individual PAGA Payments and notifying the
5 Aggrieved Employees of the Settlement. This data shall not be disclosed to PAGA Counsel, the
6 Plaintiff, or any other Aggrieved Employees without the written consent of Defendant or order by the
7 Court. The Settlement Administrator shall be responsible for following all privacy laws and taking
8 appropriate steps to ensure that Aggrieved Employees' personal information is safeguarded and
9 protected from improper disclosure or use.

10 56. Within five (5) calendar days after receipt of the Aggrieved Employee List, the
11 Settlement Administrator shall send an email to the Parties confirming receipt of the Aggrieved
12 Employee List.

13 57. Within seven (7) calendar days of receipt of the Aggrieved Employee List, the
14 Settlement Administrator shall cross-reference all the addresses provided in the Aggrieved Employee
15 List with the United States Postal Service NCOA database (which provides updated addresses for any
16 individual who has moved in the previous four years who has notified the U.S. Postal Service of a
17 forwarding address) to obtain current address information.

18 58. Within fifteen (15) calendar days after the Effective Date, the Settlement Administrator
19 shall mail a letter approved by the Parties and the Court to the Aggrieved Employees. The letter, which
20 will be substantially in the form of **Exhibit A** hereto, will explain the terms of the Settlement, and will
21 notify each Aggrieved Employee of the binding nature of the release and of the number of Eligible
22 Pay Periods that Defendant's records show the Aggrieved Employee worked during the Covered
23 Period. Aggrieved Employees may dispute their number of Eligible Pay Periods worked during the
24 Covered Period by notifying the Settlement Administrator of their dispute in writing, signed under
25 penalty of perjury, and by providing any evidence supporting their dispute in a written statement
26 postmarked within twenty (20) calendar days of the date of mailing of the letter. The Settlement
27 Administrator will notify Counsel for Defendant and PAGA Counsel of any dispute raised by any
28 Aggrieved Employee, or any claim by anyone purporting to be an Aggrieved Employee, no later than

two (2) business days after receiving notice of the dispute. In the case of a dispute, Defendant's records shall be presumed accurate unless clear and compelling documentary evidence is provided by the Aggrieved Employee to the Settlement Administrator that establishes that a mistake was made by Defendant. The Settlement Administrator shall investigate the dispute, and make the final determination of whether any additional amount is owed within ten (10) calendar days of receiving the dispute. In no case shall a dispute result in payment by Defendant in excess of the Gross Settlement Payment.

59. Within sixty (60) calendar days after the Effective Date, Defendant shall transmit the Gross Settlement Payment due under this Settlement Agreement to the Settlement Administrator.

60. The Settlement Administrator shall transmit 75% of the PAGA Fund to the LWDA and shall transmit attorneys' fees and costs to PAGA Counsel within seventy-five (75) calendar days after the Effective Date.

61. Within ninety (90) calendar days after the Effective Date, the Settlement Administrator shall mail via U.S. First Class mail each Individual PAGA Payment to each Aggrieved Employee's last known address with directions to the Postmaster to deliver the checks to any applicable forwarding address and to return all undeliverable checks to the Settlement Administrator. It will be conclusively presumed that an Aggrieved Employee's Individual PAGA Payment was received if the check has not been returned within thirty (30) calendar days of the original mailing of the check. The date of the initial mailing of the check shall be conclusively determined according to the records of the Settlement Administrator.

62. Any Individual PAGA Payment that remains uncashed after one hundred and eighty (180) days of disbursement shall be void. The Parties agree that this disposition results in no "unpaid cash residue," or "unclaimed or abandoned funds" under California Code of Civil Procedure section 384, as amended effective June 27, 2018, as the entire PAGA Fund will be paid out to the Aggrieved Employees, whether or not they cash their payment checks. The entire amount of each Aggrieved Employees' uncashed settlement check(s) shall be turned over to the California State Controller's Office in the name of the individual Aggrieved Employee. The Parties acknowledge that California Civil Procedure Code section 384 and the Doctrine of Cy Pres are not applicable to this Settlement

1 because the terms of the Settlement expressly provide for the disposition of the entire PAGA Fund,
2 whether claimed or unclaimed. None of the settlement funds will revert back to Defendant. Defendant
3 shall not be liable for any additional amount due to this subsequent distribution. In any event, the
4 Aggrieved Employees nonetheless shall be bound by the release of Covered Claims and the terms of
5 this Settlement Agreement.

6 63. Upon completion of administration of the Settlement, the Settlement Administrator will
7 provide a written declaration under oath to certify such completion to counsel for all Parties.

8 **VIII. SUFFICIENT NOTICE**

9 64. The Parties agree that compliance with the procedures described in this Settlement
10 Agreement constitutes due and sufficient notice to the Aggrieved Employees of this Settlement, and
11 satisfies the requirements of due process, and that nothing else shall be required to provide notice of
12 this Settlement to the Aggrieved Employees.

13 **IX. PARTIES' AUTHORITY**

14 65. The signatories hereto represent that they are fully authorized to enter into this
15 Settlement and bind the Parties hereto to the terms and conditions hereof.

16 **X. MUTUAL FULL COOPERATION**

17 66. The Parties agree to fully cooperate with each other to accomplish the terms of this
18 Settlement, including, but not limited to, execution of such documents and to take such other action
19 as may reasonably be necessary to implement the terms of this Settlement. The Parties shall use their
20 best efforts, including all efforts contemplated by this Settlement and any other efforts that may
21 become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set
22 forth herein. As soon as practicable after execution of this Settlement, PAGA Counsel shall, with the
23 assistance and cooperation of Defendant and their counsel, take all necessary steps to secure the
24 approval of this Settlement from the Court.

25 **XI. NO PRIOR ASSIGNMENTS**

26 67. The Parties hereto represent, covenant, and warrant that they have not directly or
27 indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any
28 person or entity any portion of any liability, claim, demand, action, cause of action or rights herein

released and discharged except as set forth herein.

XII. NO ADMISSION

68. Nothing contained herein shall be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of any of the Released Parties. Each of the Parties hereto has entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses.

XIII. NON-EVIDENTIARY USE

69. Whether or not the Effective Date occurs, neither this Settlement Agreement nor any of its terms nor the Settlement itself shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to any of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Lawsuit, or any other civil, criminal, or administrative action or proceeding except for the purposes of effectuating the Settlement pursuant to this Settlement Agreement or for Defendant to establish that an Aggrieved Employee has resolved any of his/her claims released through this Settlement Agreement.

XIV. ATTORNEYS' FEES, COSTS AND EXPENSES

70. No party shall be considered a prevailing party for any purpose. Except as specifically set forth herein, each party shall bear its/her own attorneys' fees, costs and expenses, taxable or otherwise, incurred by him/it arising out of the Lawsuit, and shall not seek reimbursement thereof from any other party to this Settlement Agreement.

XV. CONSTRUCTION

71. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Settlement Agreement constitutes the entire agreement between Plaintiff and Defendant regarding actual or potential claims asserted by Plaintiff against the Released Parties. This Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel

1 participated in the drafting of this Settlement Agreement.

2 **XVI. CAPTIONS AND INTERPRETATIONS**

3 72. Paragraph titles or captions contained herein are inserted as a matter of convenience
4 and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any
5 provision hereof. Each term of this Settlement is contractual and not merely a recital.

6 **XVII. MODIFICATION**

7 73. This Settlement may not be changed, altered, or modified, except in writing and signed
8 by the Parties hereto, and approved by the Court. This Settlement may not be discharged except by
9 performance in accordance with its terms or by a writing signed by the Parties hereto.

10 **XVIII. NO INDUCEMENTS**

11 74. Plaintiff and Defendant acknowledge that they are entering into this Settlement as a
12 free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever,
13 and that neither Plaintiff nor Defendant have relied on any promises, representations or warranties
14 regarding the subject matter hereof other than as set forth in this Settlement Agreement.

15 **XIX. INTEGRATION CLAUSE**

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

20 **XX. BINDING ON ASSIGNS**

21 76. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and
22 their respective heirs, trustees, executors, administrators, successors and assigns.

23 **XXI. COUNTERPARTS**

24 77. This Settlement may be executed in counterparts, and when each party has signed and
25 delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken
26 together with other signed counterparts, shall constitute one Settlement, which shall be binding upon
27 and effective as to all Parties. The counterparts may be transmitted electronically by Portable
28 Document Format (.pdf) ("PDF") or by facsimile, and facsimile or PDF signatures shall be valid as

original signatures.

XXII. ENFORCEABILITY

78. The Parties agree that upon approval by the Court, this Settlement shall be enforceable by the Court, and the Court shall retain exclusive and continuing equity jurisdiction pursuant to California Code of Civil Procedure Section 664.6 of this action over all Parties and Aggrieved Employees to interpret and enforce the terms, conditions, and obligations set forth in this Settlement.

XXIII. CALIFORNIA LAW

79. All terms of this Settlement Agreement and its exhibit shall be governed and interpreted by and according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

XXIV. SUBMISSION OF COURT'S JUDGMENT OR ORDERS TO LWDA

80. PAGA Counsel shall submit a copy of the Court's Order and Judgment to the LWDA within ten (10) days after entry of the Order and Judgment in accordance with the applicable provision of PAGA. In the event that the Settlement is not approved by the Court, PAGA Counsel will make all required submissions to the LWDA in accordance with the applicable provision of PAGA. Plaintiff further agrees to submit this Settlement Agreement to the LWDA at the time that it is submitted to the Court for approval pursuant to the applicable provision of PAGA, and Plaintiff further agrees to submit a copy of the superior court's judgment in this action and any other order in this action that either provides for or denies an award of civil penalties within 10 days after entry of the judgment or order.

XXV. ADMINISTRATIVE COSTS IF SETTLEMENT FAILS

81. If the Settlement is not approved by the Court, voided or rescinded, any costs incurred by the Settlement Administrator shall be paid: (1) in the event that a Party voids or rescinds the Settlement Agreement, by the Party voiding or rescinding the Settlement; or (2) in the event not approved by the Court or otherwise voided or rescinded, equally by the Parties (half by Plaintiff and/or PAGA Counsel and half by Defendant).

XXVI. LIMITATIONS ON DISCLOSURE

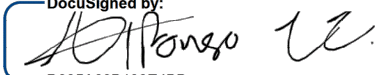
82. Plaintiff and Defendant and their respective counsel agree that they shall not issue, post, or otherwise publish or cause to be published any press, internet, or other media (including social

media) release regarding this Settlement. Plaintiff, Defendant, and their respective counsel agree that they shall not respond substantively to any press or other media inquiry or otherwise communicate with the press or media regarding this Settlement, nor utilize it in any way in their marketing or advertising materials or website. Notwithstanding the above, PAGA Counsel and Counsel for Defendant may communicate to any court, tribunal, or administrative agency, including the LWDA, the terms of the Settlement for purposes of approval of this Settlement and/or for purposes of enforcement of the Settlement.

83. This Settlement Agreement, the Settlement, and any proceedings or actions or negotiations in connection therewith shall be deemed settlement communications covered by California Evidence Code Sections 1152 and 1154, Federal Rule of Evidence 408, and any other similar provisions or law, and shall not be construed as an admission of truth of any allegation or the validity of any cause of action or claim asserted or of any liability therein.

I HAVE READ THE FOREGOING SETTLEMENT AND RELEASE. I ACCEPT AND AGREE TO THE PROVISIONS IT CONTAINS, AND HEREBY EXECUTE IT VOLUNTARILY WITH FULL UNDERSTANDING OF ITS CONSEQUENCES.

DATED: 4/2/2025

DocuSigned by:

D095A60B199E4BB...

Alfonso Vargas Zamores

DATED: _____

RYDER INTEGRATED LOGISTICS, INC.

Heather Gatley
VP & Deputy General Counsel, Global Labor &
Employment, Ryder System, Inc.
On Behalf of Defendant Ryder Integrated Logistics, Inc.

APPROVED AS TO FORM AND CONTENT:

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

media) release regarding this Settlement. Plaintiff, Defendant, and their respective counsel agree that they shall not respond substantively to any press or other media inquiry or otherwise communicate with the press or media regarding this Settlement, nor utilize it in any way in their marketing or advertising materials or website. Notwithstanding the above, PAGA Counsel and Counsel for Defendant may communicate to any court, tribunal, or administrative agency, including the LWDA, the terms of the Settlement for purposes of approval of this Settlement and/or for purposes of enforcement of the Settlement.

83. This Settlement Agreement, the Settlement, and any proceedings or actions or negotiations in connection therewith shall be deemed settlement communications covered by California Evidence Code Sections 1152 and 1154, Federal Rule of Evidence 408, and any other similar provisions or law, and shall not be construed as an admission of truth of any allegation or the validity of any cause of action or claim asserted or of any liability therein.

I HAVE READ THE FOREGOING SETTLEMENT AND RELEASE. I ACCEPT AND AGREE TO THE PROVISIONS IT CONTAINS, AND HEREBY EXECUTE IT VOLUNTARILY WITH FULL UNDERSTANDING OF ITS CONSEQUENCES.

DATED: _____

Alfonso Vargas Zamores

DATED: 4/3/2025 | 7:40:09 AM PDT

RYDER INTEGRATED LOGISTICS, INC.



Heather Gatley
VP & Deputy General Counsel, Global Labor & Employment, Ryder System, Inc.
On Behalf of Defendant Ryder Integrated Logistics, Inc.

APPROVED AS TO FORM AND CONTENT:

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

1 DATED: April 2, 2025
2
3

LAW OFFICES OF SCOTT ERNEST WHEELER

By: 
Scott Ernest Wheeler
Attorney for Plaintiff and the Aggrieved Employees

4 DATED:
5
6

GARAY LAW, APLC

By: _____
Jose Garay
Attorney for Plaintiff and the Aggrieved Employees

7
8
9 DATED: _____
10

REED SMITH LLP

By: _____
Mara Curtis
Attorney for Defendant Ryder Integrated Logistics,
Inc.

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: _____

LAW OFFICES OF SCOTT ERNEST WHEELER

By: _____
Scott Ernest Wheeler
Attorney for Plaintiff and the Aggrieved Employees

DATED: 4/2/2025

GARAY LAW, APLC

By: _____
Jose Garay
Attorney for Plaintiff and the Aggrieved Employees

DocuSigned by:
JOSE GARAY
A0491320E35D46E...

DATED: _____

REED SMITH LLP

By: _____
Mara Curtis
Attorney for Defendant Ryder Integrated Logistics,
Inc.

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: _____

LAW OFFICES OF SCOTT ERNEST WHEELER

By: _____
Scott Ernest Wheeler
Attorney for Plaintiff and the Aggrieved Employees

DATED: _____

GARAY LAW, APLC

By: _____
Jose Garay
Attorney for Plaintiff and the Aggrieved Employees

DATED: 4/2/2025 | 2:58:04 PM PDT

REED SMITH LLP
By: Mara Curtis
Mara Curtis
Attorney for Defendant Ryder Integrated Logistics, Inc.

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

EXHIBIT “A”

1 [Mailing Date]

2
3 NOTICE OF SETTLEMENT

4 Re: *Alfonso Vargas Zamores v. Ryder Integrated Logistics, Inc.*
San Bernardino Superior Court Case No. CIVSB2318111

5 [Settlement Administrator's info]

6 Dear [Employee/Former Employee]:

7 You are receiving this Notice because Ryder Integrated Logistics, Inc.'s records indicate that you
8 are/were employed as a non-exempt employee who worked in a position that was subject to a
warehouse productivity policy in California during the time period from May 12, 2022 to [REDACTED]
9 ("Covered Period").

10 A settlement has been reached in a representative action lawsuit brought by Plaintiff Alfonso Vargas
Zamores ("Plaintiff") against Ryder Integrated Logistics, Inc. (together "Defendant") entitled *Alfonso*
11 *Vargas Zamores v. Ryder Integrated Logistics, Inc.*, San Bernardino County Superior Court Case No.
CIVSB2318111 (the "Lawsuit"). In the Lawsuit, Plaintiff alleged a single claim under the California
12 Labor Code Private Attorneys General Act, Labor Code Section 2698, *et seq.*, ("PAGA") against
Defendant alleging that: (1) Defendant failed to provide written notice of a quota in violation of Labor
13 Code Section 2101; (2) Defendant required unlawful compliance with a quota in violation of Labor Code
Section 2102; and (3) Defendant failed to timely provide quota/work data in violation of Labor Code Section
14 2104. In connection with the Lawsuit, Plaintiff caused to be sent to the LWDA and Defendant letters
stating his intent to pursue a representative action pursuant to PAGA on behalf of himself and the State
15 of California as well as on behalf of a proposed group of aggrieved employees on May 12, 2023 and
October 17, 2023.

16 Defendant denies all liability in the Lawsuit and believes that it has strong legal and factual defenses
17 to the claims, but it recognizes the risks, distractions, and costs associated with the litigation.
Defendant contends that its conduct is and has been lawful at all times relevant and that Plaintiff's
18 claims do not have merit and do not meet the requirements to maintain a representative action. The
Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses.

19 On XXXX, the Court issued an order approving the settlement. You may be eligible to receive benefits
20 under the settlement.

21 The Aggrieved Employees eligible to receive a payment under this settlement are defined as all current
and former non-exempt employees of Defendant in California who worked in a position that was
22 subject to a warehouse productivity policy at any time during the Covered Period ("Aggrieved
Employees"). According to Defendant's records, you are an Aggrieved Employee.

23 Defendant has agreed to pay a Gross Settlement Payment of \$410,000, which is inclusive of all
24 Individual PAGA Payments to the Aggrieved Employees, all attorneys' fees and costs, settlement
administration costs and expenses, the Enhancement Award to Plaintiff, and all payments to the State
25 of California Labor & Workforce Development Agency ("LWDA") for PAGA penalties. After
accounting for Court-approved deductions from the Gross Settlement Payment for: (1) attorneys' fees
26 estimated in the amount of \$135,300.00 and costs in the amount of \$16,000.00; (2) administration of
the settlement in the amount of approximately \$10,500.00, and (3) the Enhancement Award to Plaintiff
27 of \$7,000.00, the remainder is estimated to be \$241,200.00 which is referred to hereinafter as the
PAGA Fund. Of the remainder, the law requires that 75% be allocated and paid to the LWDA and
28 25% be allocated and paid to the Aggrieved Employees. Therefore, the State of California is estimated

REED SMITH LLP
A limited liability partnership formed in the State of Delaware

to receive **\$180,900.00** (75% of the PAGA Fund) and the Aggrieved Employees will each receive a pro-rata share of the remaining **\$60,300.00** (25% of the PAGA Fund).

The calculation of your pro-rata share of the PAGA Fund is based on the following formula: 25% of the PAGA Fund (**\$60,300.00**) was divided by the total number of Eligible Pay Periods for all Aggrieved Employees. The result of this division yields a Pay Period Amount. The gross amount of your Individual PAGA Payment was calculated by multiplying the number of Eligible Pay Periods you worked by the Pay Period Amount.

Eligible Pay Periods means the total number of workweeks each Aggrieved Employee worked for Defendant during the Covered Period. According to Defendant's records, you worked [redacted] Eligible Pay Periods during the Covered Period. If you disagree with the number of Eligible Pay Periods listed above, please write to the Settlement Administrator at the address listed below explaining the reason for your disagreement, the number of Eligible Pay Periods you believe you worked, and attach any documents that you have to support your position. Your written statement must be signed by you under the penalty of perjury and must be postmarked by [20 calendar days after mailing]. Please be advised that the number of Eligible Pay Periods listed above will be deemed correct unless you submit clear and compelling documentation to establish that Defendant's records are wrong.

Your settlement check will be mailed to you on [insert date]. You may deposit or cash the check without any further obligation on your part, and there is no need for you to contact the Settlement Administrator, the parties, or the Court. Your check is valid for 180 days from the date of issuance. If you fail to cash your check within this time period, the funds represented by such uncashed check will be sent to the California State Controller's Office in your name. You are bound to the release of the Covered Claims for the Covered Period, as defined below, regardless of whether you cash your check.

Pursuant to the Settlement Agreement and Judgment in the Lawsuit, you, individually and on behalf of all your respective successors, assigns, agents, attorneys, executors, heirs and personal representatives, fully release and forever discharge Ryder Integrated Logistics, Inc., Ryder System, Inc., Ryder Truck Rental, Inc., Ryder Last Mile, Inc., Ryder Transportations Services, LLC and each of their present and former parents, subsidiaries, divisions, affiliates, acquired companies, and each of their respective present and former officers, directors, employees, partners, shareholders, agents, trustees, representatives, attorneys, insurers, predecessors, successors, assigns, affiliated companies and entities, and any individual or entity that could be jointly liable with any of the foregoing (together, the "Released Parties") from any and all claims, causes of action, demands, rights, liabilities, penalties, attorneys' fees, costs, damages, interest, restitution, and/or liability of any kind under PAGA, whether known or unknown, that were or could have been asserted against any of the Released Parties in the Lawsuit and/or the PAGA Letters, including, but not limited to, claims for failure to provide written notice of a warehouse productivity quota, requiring unlawful compliance with a warehouse productivity quota that interferes with meal periods, rest breaks, OSHA, and/or recovery or restroom breaks, failure to timely provide a copy of a warehouse productivity quota and /or work data upon request, including, but not limited to, all PAGA claims for violations of Labor Code Sections 2100 *et seq.* (including, but not limited to, claims for violation of Labor Code Sections 2101, 2102, and 2104) and IWC Wage Order 9 or any other applicable Wage Order, or under any common, local, state, or federal law ("Covered Claims"). This release shall extend to all such claims arising from or relating to any and all acts, events and omissions that occurred and/or accrued during the Covered Period.

You are responsible for paying any federal, state or local taxes owed as a result of this payment.

This Notice only summarizes the Lawsuit, the Settlement, and related matters. For more information, you may inspect the Court files at the Superior Court of San Bernardino located at 247 West 3rd Street, San Bernardino, California 92415, or at <https://www.sb-court.org/>.

If you have any questions concerning this Settlement, please contact Phoenix at XXXX.