

EXHIBIT A

CLASS ACTION SETTLEMENT AGREEMENT

This Agreement shall constitute the full Class Action Settlement Agreement (“Agreement”) between Plaintiff Milton Quinones (“Plaintiff”), on behalf of himself and the other members of the Class and/or Preexisting Contractor Subclass, as defined below, and Defendants STG Logistics, Inc. and STG Cartage, LLC, formerly known as XPO Logistics Cartage, LLC (collectively, “Defendants” or “STG”), collectively, the “Parties,” to settle, fully and finally, all of the Released Claims (as defined below).

A. Certain disputes and differences have arisen between the Parties concerning STG’s classification of individuals providing trucking services as independent contractors instead of employees. Plaintiff alleges that based upon this employment classification, he and the other Class Members were, among other things, unlawfully deprived of the benefits of various employment laws, deprived of various rights under the common law, not paid all wages due, and bore expenses that should have been borne by STG.

B. *Milton Quinones v. STG Logistics, Inc. et al.*, Case No. 2:23-cv-01301-AB-KS (“*Quinones*”), is a putative class action lawsuit currently pending in the United States District Court for the Central District of California, and constitutes the “Lawsuit” referenced herein.

C. In the Second Amended Complaint in *Quinones*, which the parties agree Plaintiff will file with the court no later than November 20, 2023 (the “Second Amended Complaint”), Plaintiff brings eight claims for relief against STG: (1) failure to reimburse expenses (Cal. Lab. Code § 2802); (2) unlawful deductions from wages (Cal. Lab. Code §§ 221-223); (3) failure to provide accurate wage statements (Cal. Labor Code § 226); (4) failure to pay wages when due (Cal. Lab. Code §§ 201-203); (5) failure to pay minimum wage (Cal. Lab. Code §§ 1194, 1194.2, 1197); (6) unfair business practices (Cal. Bus. & Prof. Code §§ 17200 *et seq.*); (7) failure to pay wages for missed meal and rest periods (Cal. Lab. Code §§ 226.7, 512); and (8) civil penalties under the Private Attorneys General Act (“PAGA”) (Cal. Lab. Code §§ 2698 *et seq.*) (related to California Labor Code sections 200 *et seq.*, 201, 202, 203, 204, 210, 218.5, 218.6, 221, 223, 224, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 400 *et seq.*, 402, 404, 405, 408, 432.5, 450, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 2775, 2800, 2802, and 2804). STG denies all of the allegations asserted in the Lawsuit and denies that it has committed any violation of law, misconduct, wrongdoing, or any other actionable conduct, and also denies that it has misclassified Plaintiff or the members of the Class and/or Preexisting Contractor Subclass.

D. On June 5, 2023, the Court ordered the Parties appear before a private mediator no later than February 7, 2024 (Dkt. 22).

E. The Parties attended mediation with the Honorable Jay C. Gandhi (Ret.) on September 12, 2023, which resulted in a memorandum of understanding between the Parties regarding the terms reflected in this Agreement.

F. This Agreement is made in consideration of the facts and recitals set forth herein. The Parties understand, acknowledge, and agree that this Agreement constitutes a

compromise of all the disputed claims at issue in the Lawsuit and that it is the desire and intention of each of the Parties to effect a final and complete resolution of the Lawsuit and of the Released Claims reflected herein of Plaintiff individually and of the Class, including all costs and attorneys' fees incurred.

G. Plaintiff and Class Counsel: (1) have examined and considered the benefits to be provided to Class Members under the settlement provided for in this Agreement (the "Settlement," as defined below); (2) have considered the applicable law and the claims that have been and could have been asserted in the Second Amended Complaint arising out of or relating to the allegations of misclassification of the Class Members as independent contractors; and (3) believe the Settlement to be fair, reasonable, and adequate, and in the best interest of the Class Members, taking into account the benefits provided to the Class Members through the terms of the Settlement, the decisions rendered in the Lawsuit, the risks of litigation, and the length of time that would be required to complete the litigation and any appeals.

H. The Parties further acknowledge that this Agreement is a compromise of disputed claims and that STG is not in any way admitting liability by entering into this Agreement. STG has at all times disputed, and continues to dispute, the allegations in the Lawsuit and denies any liability for any of the claims that have or could have been raised in the Lawsuit regarding the alleged misclassification of Plaintiff and the other Class Members as independent contractors, but believes that the settlement terms provided in this Agreement will avoid the substantial expense and disruption of continued litigation.

I. The Parties believe that the Settlement is fair, reasonable, and adequate. The Settlement was arrived at through arm's-length negotiations, taking into account all relevant factors, and will materially benefit the Class Members. The Parties recognize the uncertainty, risk, expense, and delay attendant to continuing the Lawsuit through trial, and any further appeals following trial. Accordingly, the Parties desire to fully, finally, and forever settle, compromise, and discharge all disputes and claims arising from or relating to the Lawsuit.

Therefore, in consideration of the promises and agreements contained herein, and intending to be legally bound, the Parties agree and covenant as follows:

I. DEFINITIONS

As used in this Agreement, the following definitions (in addition to those set forth elsewhere herein) shall apply:

A. "Class Settlement Fund" means the fund that will be established and maintained to resolve the claims at issue, as described in Section I.D below, and which is intended to be a qualified settlement fund within the meaning of Internal Revenue Code § 468B and Treasury Regulation § 1.468B-1.

B. "Effective Date" means the first business day after the following has occurred: (i) thirty-five (35) days have elapsed from the Court's entry of the Final Approval Order in the Lawsuit and the judgment thereon, and no notice of appeal of the judgment or any Order in the Lawsuit has been filed, the time provided for in Rule 4 of the Federal Rules of Appellate Procedure to take any such appeal has expired, and any right to take any such appeal from the judgment or from any such Order has been waived or otherwise lost; or (ii) if an appeal

has been taken, thirty-five (35) days have elapsed since each such appeal has been finally adjudicated and the Final Approval Order and judgment have been upheld in all respects by each such final adjudication, and either the time for initiation of the next step in the appellate process (*e.g.*, a petition for writ of *certiorari*) has expired without any action by appellant(s) or the next step in the appellate process was invoked and has been concluded without any impact on the Final Approval Order or judgment.

C. “Fairness Hearing” means the final approval hearing, to be held after Settlement Notices have been provided to the Class Members in accordance with Section IV of this Agreement, to determine whether the Settlement should obtain final approval.

D. “Final Approval Order” means the order to be entered in the Lawsuit granting final approval to the Settlement, a proposed version of which is attached hereto as **Exhibit 4**.

E. “Form 1099” means the current version of the Internal Revenue Service’s Form 1099 (Miscellaneous Information).

F. “Individual Settlement Payment” means each Class Member’s share of the Net Settlement Amount, to be distributed to that Class Member as allocated by the Settlement Administrator in accordance with the formula provided in Section III.2.

G. “Net Settlement Amount” means the four million, two hundred thousand dollar (\$4,200,000) Settlement Payment, minus the combined total of: (1) any attorneys’ fees and costs approved by the Court; (2) any Service Award approved by the Court; (3) notice and administration costs; and (4) the PAGA payment described in Section III.5.

H. “Opt-Out Form” means the document Class Members must complete and mail to the Settlement Administrator if they wish to exclude themselves from the Agreement and its Settlement terms, attached hereto as **Exhibit 8**.

I. “Plaintiff’s Released Claims” means, with respect to Plaintiff in his individual, as opposed to representative, capacity, any and all claims, actions, causes of action, administrative claims, demands, charges, debts, damages, penalties, interest, costs, attorneys’ fees, obligations, judgments, expenses, or liabilities, in law or in equity, whether now known or unknown, contingent or absolute, that Plaintiff had, has, or could have had against the Releasees (defined in Section I.T) by reason of any act, omission, harm, matter, cause, or event whatsoever, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law or contract, arising or accruing at any time in the Release Period, for any type of relief, including without limitation wages, pay, unpaid/unreimbursed costs, deductions, penalties, general damages, compensatory damages, liquidated damages, punitive damages, interest, attorneys’ fees, litigation and other costs, expenses, restitution, and equitable and declaratory relief. The Plaintiff’s Released Claims are further defined under “Released Claims” (*see* Section I.S).

J. “Preliminary Approval Order” means the order to be entered in the Lawsuit granting preliminary approval to the Settlement, attached hereto as **Exhibit 3**.

K. “Putative Class” or “Class” means all individuals who: (1) entered into an Independent Contractor Operating Contract (“ICOC”) with STG (or before it, XPO) in California, either personally or on behalf of a Related Entity, where the ICOC was operative during the period of February 1, 2021 to the Effective Date; (2) personally drove a truck he

or she owned or leased to perform services for STG (or, before it, XPO) in California during the Class Period; and (3) they and/or the Related Entity on whose behalf they signed the ICOC was classified by STG (or, before it, XPO) as an independent contractor. The Parties believe there are approximately 379 members of the Class. Notwithstanding the use of the term “Class” throughout this Agreement and related documents, the Parties agree that, unless and until the Court has preliminary certified a class for settlement purposes, no class exists.

L. “Putative Class Counsel” or “Class Counsel” means Craig M. Nicholas, Shaun Markley, and Jordan Belcastro of Nicholas & Tomasevic, LLP.

M. “Putative Class Member” or “Class Member” means, individually or collectively depending on whether the singular or plural is used, any individual meeting the qualifications set forth in the definition of “Putative Class” or “Class” in Section I.K and/or any individual whom the Parties otherwise agree shall be considered a member of the Class. A list of Class Members in the Lawsuit is attached to this Agreement as **Exhibit 1**. Notwithstanding the list attached to this Agreement as Exhibit 1, nothing shall prevent the Parties, through their counsel, from mutually agreeing to subsequently modify the list of Class Members to correct errors or omissions therein.

N. “Putative Class Member Released Claims” or “Class Member Released Claims” means, as to Plaintiff and all Class Members in this Lawsuit, all claims, actions, causes of action, administrative claims, demands, debts, damages, penalties, costs, interest, attorneys’ fees, obligations, judgments, expenses, or liabilities, in law or in equity, whether now known or unknown, contingent or absolute, from February 1, 2021 to the Effective Date which: (1) are owned or held by Plaintiff and Class Members and/or by their Related Entities (if any), or any of them, as against Releasees, or any of them; (2) arise under any statutory or common law claim which is asserted in either the Second Amended Complaint, in any of the prior complaints in the Lawsuit or, whether or not asserted, could have been brought arising out of or based on the allegations of misclassification of Plaintiff and Class Members as independent contractors set forth in the Second Amended Complaint; and (3) pertain to any time in the Release Period. The Released Claims include any known or unknown claims for damages and injunctive relief. The Released Claims include but are not limited to, claims under California Labor Code §§ 200 *et seq.*, 201, 202, 203, 204, 210, 218.5, 218.6, 221, 223, 224, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 400 *et seq.*, 402, 404, 405, 408, 432.5, 450, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 2698 *et seq.* (*i.e.*, *PAGA*), 2699, 2699.3, 2775, 2800, 2802, and 2804; Industrial Welfare Commission Wage Order No. 9-2001; California Business and Professions Code §§ 17200 *et seq.*; California Code of Civil Procedure § 1021.5; California Civil Code §§ 3287 and 3288; claims for conversion of personal property; repair and maintenance expense reimbursement claims; any alleged or contemplated claims of retaliation; and common law claims for fraud, breach of contract, rescission, unjust enrichment, or declaratory judgment. The Class Member Released Claims are further defined under “Released Claims” in Section I.S.

O. “Putative Class Period” or “Class Period” refers to the time period from February 1, 2021 to the Effective Date.

P. “Putative Preexisting Contractor Subclass” or “Preexisting Contractor Subclass” means all individuals who: (1) entered into an ICOC with STG (or, before it, XPO) in California, either personally or on behalf of a Related Entity, where the ICOC was operative during the period of January 1, 2022 to the Effective Date; (2) personally drove a

truck he or she owned or leased to perform services for STG (or, before it, XPO) in California during the Class Period; (3) they and/or the Related Entity on whose behalf they signed the ICOC was classified by STG (or, before it, XPO) as an independent contractor; and (4) were members of the certified class in *Alvarez et al. v. XPO Logistics Cartage, LLC*, C.D. Cal. Case No. 2:18-cv-03736-RGK-E.

Q. “Related Entity” or “Related Entities” means any business entity or entities (whether a partnership, limited liability company, sole proprietorship, corporation, or any other business structure) which: (1) was a party to an ICOC with STG (or, before it, XPO) at any time during the Class Period, including, but not limited to, an entity which assumed an assignment or substitution of a STG or XPO ICOC; and (2) a Plaintiff or Class Member was the authorized officer of, and/or had an ownership interest in (in full or in part), at any time during the Class Period.

R. “Release Period” refers to the time period from February 1, 2021 to the Effective Date .

S. “Released Claims” means all claims released pursuant to this Agreement, including, but not limited to, Plaintiff’s Released Claims and the Class Member Released Claims. The Released Claims include any known or unknown claims for damages or injunctive relief, which were asserted or which could have been asserted, based on the claims described in the Second Amended Complaint. Specifically, Plaintiff and all Class Members, in exchange for the valuable consideration offered herein, on their own behalf, and on behalf of any Related Entity(ies), hereby expressly waive any and all rights and benefits conferred upon them by Section 1542 of the California Civil Code and expressly consent that this Agreement (including, but not limited to, the Release set forth herein) shall be given full force and effect according to each and all of its express terms and provisions, including those related to unknown and unsuspected claims, if any, as well as those relating to any other claims hereinabove specified. Section 1542 provides:

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

T. “Releasees” means: (1) STG, and its consolidated subsidiaries, successors, predecessors, assigns, affiliates, parent companies, shareholders, officers, directors, agents, insurers, attorneys, and employees; and (2) STG’s past, present, and future shareholders, officers, directors, agents, employees, attorneys, and insurers.

U. “Service Award(s)” shall have the meaning set forth in Section VII.B of this Agreement.

V. “Settlement” means collectively the rights and duties of the Parties under this Agreement and the processes for approval and payment to Class Members described in this Agreement.

W. “Settlement Administrator” means CPT Group, who the Parties designate as the qualified firm to be approved by the Court to administer the Settlement and keep in trust the Class Settlement Fund as described in Sections I.D and I.F of this Agreement.

X. “Settlement Notice” means, individually or collectively as the context may indicate, the written Proposed Class Notice attached hereto as **Exhibit 2**, to be approved by the Court and mailed to Class Members in accordance with Section IV of this Agreement.

Y. “Settlement Payment” means the amount set forth in Section I.A of this Agreement that STG will transfer to the Class Settlement Fund to resolve the Released Claims.

Z. “Form W-9” means the current version of the Internal Revenue Service’s Form W-9.

AA. “Work Weeks” means the number of weeks in which a Class Member contracted with STG (or, before that, XPO) during the Class Period. Providing services for at least three (3) periods of driving activity on separate days in a weekly pay period or settlement period constitutes a Work Week. The Work Week calculation does not include any week in which the Class Member had no driving time, or had less than three (3) periods of driving activity on separate days providing services for STG or XPO.

II. REQUIRED EVENTS

The events set forth in this Section II, in addition to the occurrence of the “Effective Date” as described in Section I.B, are conditions precedent to this Agreement becoming effective.

A. As soon as practicable after the execution of the Agreement by Plaintiff and STG, Plaintiff shall file the Agreement with the Court and move for an Order granting Preliminary Approval of the Settlement, substantially in the form of Exhibit 3 hereto. The Preliminary Approval Order shall by its terms accomplish all of the following:

1. Preliminarily approve this Settlement as fair, reasonable, and adequate to the Class Members.
2. Approve and designate CPT Group as the Settlement Administrator and approve it to perform the Settlement administration duties set forth in Section III below.
3. Approve estimated compensation and costs to the Settlement Administrator not to exceed \$10,500.00, in accordance with the terms of **Exhibit 5**.
4. Approve the “§ 1.468B-3 Statement” for the Class Settlement Fund that STG will provide to the Settlement Administrator by March 1 of the year following the calendar year in which STG transfers the Settlement Payment to the Class Settlement Fund.
5. Approve the form, contents, and methods of notice to be given to the Class Members as set forth in Section IV below.

6. Establish procedures and deadlines for Class Members to return Form W-9s, to object to the Settlement, and/or to challenge the Payment Calculations, all consistent with the terms of this Agreement.

7. Schedule deadlines for the filing of objections to the Settlement and the filing of papers in support of final approval of the Settlement.

8. Schedule the Fairness Hearing.

B. At the Fairness Hearing, Plaintiff will request that the Court enter the Final Approval Order for the Lawsuit, substantially in the form of Exhibit 4 hereto, which: (1) grants final approval of the Settlement and this Agreement as fair, reasonable, and adequate to the Class Members; (2) provides for the release of all Released Claims and enjoins any and all Class Members from asserting, filing, maintaining, or prosecuting any of the Released Claims in the future; (3) orders the dismissal with prejudice of all Released Claims, and incorporates the releases, indemnities, and covenant not to sue stated in this Agreement, with each of the Parties to bear its or his own costs and attorneys' fees (except as provided in Sections VII.A and VII.E of this Agreement); (4) authorizes the Settlement Administrator to issue settlement payments to Class Members in accordance with the terms of this Agreement; (5) authorizes the payment of a Service Award to Plaintiff as detailed in Section VII.B of this Agreement; (6) authorizes the payment to the California Labor and Workforce Development Agency ("LWDA") of its portion of the allotted PAGA payment; (7) authorizes the payment of attorneys' fees and costs; (8) authorizes the payment to the Settlement Administrator of allotted administration costs; and (9) retains the Court's jurisdiction over the administration of the Settlement and enforcement of this Agreement.

C. The Settlement Administrator will sign a written acknowledgement and acceptance of its duties in the form of Exhibit 5 hereto.

D. Plaintiff, Class Counsel, and STG will cooperate and take all reasonable actions to accomplish the above. If the Court fails to grant the Preliminary Approval Order of the Settlement or the Final Approval Order in the form submitted by the Parties, Plaintiff, Class Counsel, and STG will use all reasonable efforts that are consistent with this Agreement to cure any defect identified by the Court. If, despite such efforts, the Court does not enter an Order granting preliminary approval and/or final approval of the Settlement, the Parties will return to their prior positions in the Lawsuit in accordance with Section XII.A of this Agreement.

III. PAYMENT TO CLASS SETTLEMENT FUND AND PROCEDURES FOR PROVIDING PAYMENTS TO CLASS MEMBERS

A. Payment to Class Settlement Fund

The Settlement Payment that STG will transfer to the Class Settlement Fund for this Lawsuit is four million, two hundred thousand dollars and zero cents (\$4,200,000.00) (the "Settlement Payment"). No later than ten (10) business days before the scheduled date for hearing for final approval of this Agreement, STG shall pay the Settlement Payment to the mutually-agreed third-party Settlement Administrator (*i.e.*, the CPT Group), payment of which shall satisfy in full all claims between STG, Plaintiff, and the Class Members.

All costs of Settlement administration, Class Counsel's fees and costs, and LWDA

payments will be paid from the Settlement Payment. Plaintiff shall submit his fees and costs requests to the Court, along with any Service Award requested by Plaintiff. Any such Service Award shall also be paid from the Settlement Payment.

Notwithstanding Plaintiff's claims and causes of action asserted in the Lawsuit, receipt of the Settlement Payment shall be the sole relief received by Plaintiff and the other Class Members in satisfaction of all the relief requested in this Lawsuit.

There will be no reversion to Defendants of any part of the Settlement Payment paid pursuant to this Agreement.

Plaintiff will ask the Court to allocate the Settlement Payment as follows:

1. A Service Award of up to \$15,000.00 to Plaintiff Milton Quinones;
2. Settlement Administrator's costs not to exceed \$10,500.00;
3. Attorneys' costs not to exceed \$25,000.00;
4. Up to 25 percent (*i.e.*, \$1,050,000.00) for attorneys' fees;
5. \$200,000.00 for Plaintiff's PAGA claims, of which 75 percent (*i.e.*, \$150,000.00) shall be paid to the LWDA of the State of California;

The Parties intend the Class Settlement Fund to be a "qualified settlement fund" under Internal Revenue Code § 468B and Treasury Regulation § 1.468B-1. Accordingly, STG shall retain no rights or reversionary interests in the Settlement Payment once transferred to the Class Settlement Fund. Furthermore, STG's obligation to make the Settlement Payment is contingent on the Court's entry of the Preliminary Approval Order appointing the Settlement Administrator and approving the Settlement Administrator to establish and maintain the Class Settlement Fund for the Lawsuit. Under no circumstances shall STG be required to pay more under this Settlement than the amount of the Settlement Payment as set forth herein. The Class Settlement Fund is a common fund that includes respective Class Counsel's fees and costs as described more fully in this Agreement, the Service Award to Plaintiff as described more fully in Section VII.B of this Agreement, and the administrative costs of the Settlement Administrator.

B. Payment Calculations of Preliminary Individual Settlement Payments for Class Members

1. Within ten (10) days from the execution of this Agreement, STG shall provide the Settlement Administrator with information on each of the Class Members' Work Weeks, including their full names, addresses, and social security numbers. The Settlement Administrator shall prepare and finalize their preliminary calculations of Individual Settlement Payments no later than ten (10) days after receipt of said information from STG.

2. The Net Settlement Amount shall be allocated by the Settlement Administrator on a *pro rata* basis as set forth below:

a. The Settlement Administrator shall calculate the total aggregate number of Work Weeks that all Class Members drove during the Class Period (“Total Work Weeks”).

b. The Net Settlement Amount shall be divided by the Total Work Weeks, resulting in the “Work Week Point Value”.

c. A preliminary Individual Settlement Payment amount for each Class Member shall then be determined by first multiplying the individual Class Member’s number of Work Weeks by the Work Week Point Value. In the event information regarding the Class Member’s Work Weeks is not available, then the said Class Member’s Work Weeks shall be deemed to be twenty (20) percent of the average number of Work Weeks as computed by the Settlement Administrator. This preliminary estimate of each Class Member’s Individual Settlement Amount shall be included with the Settlement Notice and the Opt-Out Form.

3. Any Class Member who disputes the number of Work Weeks provided for in the Settlement Notice may submit information in support of his/her claim to the Settlement Administrator. All supporting documentation should be provided by the Class Member on or before the date which is sixty (60) days after the Settlement Notices are first mailed to the Class Members. This deadline is extended for Class Members who only received the Settlement Notice from the Settlement Administrator’s second mailing to a date corresponding to the 60th day from the date of the second mailing. The Settlement Administrator will provide a copy of information submitted to Defendants’ counsel and Class Counsel. The Settlement Administrator will investigate the claim and make a final, non-appealable decision with regard to the number of Work Weeks performed by the Class Member.

4. A Class Member who wishes to object to the Settlement must notify the Settlement Administrator of their objection, in writing, on or before the date which is sixty (60) days after the Settlement Notices are first mailed to Class Members. Instructions regarding how to object are found in Section VII of Exhibit 2. This deadline is extended for Class Members who only received the Settlement Notice from the Settlement Administrator’s second mailing to a date corresponding to the 60th day from the date of the second mailing. Class Members who fail to file and serve both a timely written objection or a notice of intention to appear and object in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. In the case of Class Members who received the Settlement Notices after the second mailing by the Settlement Administrator, the 60-day period within which to object shall commence from the second mailing date.

5. If any Class Member does not collect his or her Individual Settlement Payment by cashing that Settlement Payment check sent to him or her by the Settlement Administrator within ninety (90) days after the date the check is issued, and does not request reissuance of the settlement payment pursuant to subsection 6 below, then the amount of the Class Settlement Fund allocable to that Class Member shall be re-allocated on a *pro-rata* basis to the Class Members who do collect their settlement payments by cashing their settlement payment checks within ninety (90) days after the

date the checks are issued, which sum shall be remitted to such Class Members in a second round distribution of the Class Settlement Fund. For purposes of the second round distribution, each eligible Class Member's *pro rata* portion of the unclaimed funds shall be equal to that Class Member's proportionate share of the Class Settlement Fund allocable to all Class Members who collected their Individual Settlement Payments during the first round distribution by cashing their settlement payment checks within ninety (90) days. Although Class Members who do not cash the settlement checks sent to them within ninety (90) days will not receive a settlement payment under this Agreement, they shall still be bound by the other provisions of this Agreement—including, without limitation, the release of claims provided in this Agreement.

6. If a Class Member informs the Settlement Administrator within seventy-five (75) days of either the first or second round distribution that his or her settlement payment check was misplaced, lost in the mail, or otherwise could not be cashed, the Settlement Administrator shall cancel the check containing the settlement payment and re-issue the settlement payment to the Class Member, and said Class Member's funds shall not be subject to the redistribution described elsewhere in this Agreement.

C. *Cy Pres*

Upon occurrence of the Effective Date, the Settlement Administrator shall distribute settlement payments in accordance with this Section III of the Agreement. To the extent checks from the second distribution are not cashed within ninety (90) days following the second distribution, these funds shall be deposited with the organization RefugeeNet, as *cy pres* beneficiary.

D. Settlement Administrator's Duties

The Settlement Administrator shall be solely responsible for the following functions in accordance with the terms of this Agreement, the Court's Preliminary Approval Order and Final Approval Order in the Lawsuit:

1. Mailing (or causing to be mailed) by first-class United States Mail, the Settlement Notice (with the Fairness Hearing date and deadlines established by the Court in the Preliminary Approval Order), along with preliminary Net Settlement and Individual Settlement Payment Amount calculations, and a Form W-9 to all Class Members who are identified in Exhibit 1 within fifteen (15) days after entry of the Preliminary Approval Order. Class Members who have not provided their Form W-9s within thirty (30) days of mailing of the Settlement Notice shall be provided with a written reminder via first-class mail that they should mail their signed Form W-9s before the deadline.

2. Providing to STG and Class Counsel a list identifying all Class Members whose Settlement Notices were returned or undeliverable for whatever reason, and a list of Class Members who have not sent their Form W-9s, within thirty (30) days of mailing of the Settlement Notice. The Settlement Administrator shall also undertake an in-depth search in which it shall attempt to determine the correct address using a skip-trace and other search procedures using the name, address, and or social security number of the Class Member who did not receive a Settlement Notice to obtain

address updates utilizing a national change of address database. The Settlement Administrator shall then do a second mailing with the Settlement Notices with the Form W-9s via first-class mail within fifty (50) days of the prior mailing date to the updated addresses obtained from its search.

3. Establishing a dedicated toll-free number where Class Members are able to speak to a live, bi-lingual (*i.e.*, English- and Spanish-speaking) representative regarding case information.

4. Providing STG and Class Counsel a list identifying all Class Members who have either submitted an objection or Opt-Out Form pursuant to Section IV of this Agreement and copies of all papers received by them.

5. Processing objections to the Settlement, including challenges to the preliminary Individual Settlement Payment or the preliminary Net Settlement Payment calculations, as well as creating an opt-out list of all Class Members who submitted an Opt-Out Form and chose to opt-out of the Settlement.

6. Submitting Plaintiff's and Class Members' taxpayer identification numbers, as provided in the executed Form W-9s, to the Internal Revenue Service taxpayer identification number matching service, and obtaining (prior to issuing payment) a corrected Form W-9 from Plaintiff and/or Class Member whose taxpayer identification number does not result in a match in the above-referenced IRS process.

7. Providing the notice required by the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1715, substantially in the form attached hereto as **Exhibit 6**, to be mailed in accordance with the provisions of CAFA to the appropriate federal and state officials identified in **Exhibit 7**.

8. Calculating and providing, within 15 days of Final Approval Order, final calculations of payments from Class Settlement Fund to be distributed to Plaintiff and the Class Members.

9. Mailing, by first-class United States Mail, settlement payments to Plaintiff and Class Members in accordance with the finalized Individual Settlement Payment for each such Class Member.

10. Mailing, by first-class United States Mail, or otherwise delivering payment(s) for attorneys' fees and costs to Class Counsel.

11. Mailing, by first-class United States Mail, the Service Award to Plaintiff.

12. Mailing payments of unclaimed settlement funds to the designated *cy pres* beneficiaries, if any.

13. Establishing, designating, and maintaining the Class Settlement Fund as a "qualified settlement fund" under Internal Revenue Code § 468B and Treasury Regulation § 1.468B-1, for the purpose of resolving the contested claims of Plaintiff and Class Members.

14. Maintaining the assets of the Class Settlement Fund in an interest-bearing escrow account segregated from the assets of STG and any person related to STG.
15. Obtaining an employer identification number (“EIN”) for the Class Settlement Fund pursuant to Treasury Regulation § 1.468B-2(k)(4).
16. Preparing and filing federal income tax returns in the name of the Class Settlement Fund, as well as any other tax filings the Class Settlement Fund must make under federal, state, or local law.
17. Cooperating with STG to jointly file a relation-back election under Treasury Regulation § 1.468B-1(j)(2), if necessary, to treat the Class Settlement Fund as coming into existence as of the earliest possible date.
18. Paying and depositing the federal taxes owed by the Class Settlement Fund under Treasury Regulation § 1.468B-2, if any, and remitting the withholding taxes associated with the minimum wage claims, as well as any state or local taxes owed by the Class Settlement Fund, if any.
19. Preparing, filing, and issuing all necessary tax reporting forms in the name of the Class Settlement Fund, including providing Form W-9s to all Class Members, Class Counsel, and Plaintiff for their final individual payments from the Class Settlement Fund.
20. Providing STG with copies of all tax reporting and filings made for the Class Settlement Fund, including copies of the checks and Form W-9s issued to Class Members, Class Counsel, and Plaintiff, and any other documentation to show that the tax reporting and filings were timely transmitted to the claimants and the applicable taxing authorities.
21. Paying any additional tax liabilities (including penalties and interest), if any, that arise from the establishment and administration of the Class Settlement Fund. Any such tax payment shall be made solely from the assets of that Class Settlement Fund without any recourse against STG for additional monies with the exception of the Class Members’ withholding tax liability associated with the allocation of the Class Members’ minimum wage claim, which shall be STG’s responsibility.
22. Providing 75 percent of the allocated PAGA payment (*i.e.*, \$200,000.00) to the LWDA of the State of California.
23. Providing the final accounting to STG and Class Counsel.
24. Liquidating any remaining assets of the Class Settlement Fund after all payments to the Class Members, Class Counsel, and Plaintiff have been made and all tax obligations have been satisfied, and distributing such assets as directed by the Court.
25. Petitioning the Court for termination of the Class Settlement Fund once all of the duties listed above in subsections (1) to (23) have been completed.

E. Payments to Plaintiff and Class Members

Upon occurrence of the Effective Date, the Settlement Administrator shall, as soon as thereafter reasonably practicable, but within no more than seven (7) additional days, mail, by first-class United States Mail, to Plaintiff and Class Members checks in the amounts it determined pursuant to Section I.B of this Agreement and drawn on the account of the Class Settlement Fund. To the extent checks are not cashed within ninety (90) days, the remaining funds shall be distributed to Plaintiff and Class Members who cashed their settlement payment checks within the 90-day period in *pro rata* shares, as described in Section I.B above in a second-round distribution. To the extent checks issued in the second-round distribution are not cashed within ninety (90) days, amounts remaining in the Class Settlement Fund shall be deposited with the *cy pres* recipient specified in Section I.C of this Agreement or as ordered by this Court.

Nothing in this paragraph shall prohibit the Settlement Administrator from cancelling and/or re-issuing a settlement payment check to a Class Member whose settlement payment check is lost in the mail or is otherwise unable to be cashed.

F. Settlement Administrator's Acceptance of Duties and Compensation

The Settlement Administrator will sign an agreement acknowledging its responsibilities under this Agreement and setting forth the price of its services. If STG or Class Counsel reasonably believe or suspect that the Settlement Administrator is failing to perform its duties, STG or Class Counsel shall have a right to petition the Court for a remedy.

IV. SETTLEMENT NOTICE

The proposed Settlement Notice is attached hereto as Exhibit 2. The Parties agree that the Settlement Notice provides information sufficient to inform the Class Members of the material terms of this Settlement, the appropriate means for obtaining additional information regarding this Agreement and the Lawsuit, the appropriate means for and information about obtaining settlement amounts pursuant to the Settlement, and the appropriate means to either object or to opt-out of the Settlement.

In order to object to the Settlement, a Class Member must file and deliver his or her written objection to the Settlement Administrator and mail a copy of the objection to the Settlement Administrator. The objection must be filed and mailed or delivered within sixty (60) days of the Settlement Administrator mailing the Settlement Notices. This deadline is extended for Class Members who only received the Settlement Notice from the Settlement Administrator's second mailing to a date corresponding to the 60th day from the date of the second mailing. An objection must reference the proposed *Quinones* Settlement and include the Class Member's name, address, telephone number, signature, and state (1) his or her reason(s) for why the Court should not approve any part or all of the Settlement terms; and (2) a statement of whether or not the Class Member intends to appear at the Fairness Hearing.

If any individual or entity falls within the definitions set forth above in Section I.K, then they will automatically become a Class Member until they elect to exclude themselves from the Class by opting-out. To opt-out of the Class, they must mail the Settlement Administrator a completed Opt-Out Form, expressing their intention to not be included in the Lawsuit or the Settlement.

To facilitate the efficient administration of this Settlement, and to facilitate the making of settlement amounts to Class Members under the Settlement, the Settlement Administrator will provide all Class Members with copies of the Settlement Notice pertaining to the Lawsuit, as well as contact information for the Settlement Administrator's toll free line and the appropriate Class Counsel in the event they have questions.

As soon as practicable, but no later than fifteen (15) days after the Court's entry of the Preliminary Approval Order unless otherwise ordered by the Court, the Settlement Administrator shall send or cause to be sent, by first-class United States Mail, a copy of the Settlement Notice and a Form W-9 to every Class Member listed in Exhibit 1. Before the mailing of these documents, the Settlement Administrator will obtain or cause to be obtained address updates utilizing a national change of address database.

The Parties agree that the dissemination of the Settlement Notice by first-class mail in the manner specified in this Section IV satisfies the notice requirements of due process and Rule 23 of the Federal Rules of Civil Procedure. Plaintiff will request the Court to approve, in the Preliminary Approval Order, the direct mailing of the Settlement Notice and Form W-9 as set forth in this Section IV.

V. COSTS OF NOTICE AND CLAIMS ADMINISTRATION

All fees and expenses incurred in administering this Agreement, including payments made for the services of the Settlement Administrator for the duties set forth in Section III.D above, shall be paid from the Class Settlement Fund. Unless otherwise specifically agreed in writing, STG shall not be responsible for any cost that may be incurred by, on behalf of, or at the direction of Plaintiff or Class Counsel in (1) defending the Agreement against any challenge to it; (2) defending against any challenge to any order or judgment entered pursuant to the Agreement; or (3) for any other reason.

VI. PROCEDURES FOR SETTLEMENT APPROVAL

A. Preliminary Approval

Plaintiff shall, consistent with this Court's Order and following the execution of this Agreement by all Parties, move the Court to enter the Preliminary Approval Order. Plaintiff shall file its Motion for Preliminary Approval by November 29, 2023 (*i.e.*, within seventy-five (75) days of the parties' September 15, 2023 Joint Report Regarding Status of Alternative Dispute Resolution Settlement Discussions (Dkt. 39)) or as soon thereafter as is practical. The proposed deadlines to be established in the Preliminary Approval Order are as follows, unless otherwise ordered by the Court:

1. Fifteen (15) days after entry of the Preliminary Approval Order: date on or before which Settlement Administrator shall distribute the Settlement Notice and Form W-9 to each Class Member via first-class mail. This begins the time for Class Members to: (1) complete and submit the Opt-Out Form to exclude themselves from the Class; or (2) object to parts or all of the Settlement; or (3) submit their completed Form W-9s to participate in the Settlement.

2. Thirty (30) days after the initial mailing of the Settlement Notices: date on or before which the Settlement Administrator shall mail a written reminder by first-

class mail to Class Members who have not yet provided his or her Form W-9s to submit them before the deadline.

3. Fifty (50) days after the initial mailing of the Settlement Notices: date on or before which Settlement Administrator shall send by first-class mail a second Settlement Notice for any Class Member who did not successfully receive the Settlement Notice.

4. Sixty (60) days after initial mailing of the Settlement Notices: date on or before which Class Members who received the initial mailing must: (1) elect to opt-out of the Class by mailing to Settlement Administrator a completed Opt-Out Form excluding the Class Member from the Lawsuit and its Settlement terms; (2) date on or before which any objections to the Settlement must be submitted (consistent with the instructions in the Settlement Notice); and (3) date on or before which Class Members who do not opt-out or object to the Settlement must submit completed Form W-9s in order to participate in the Settlement and receive an Individual Settlement Payment, except that late claims may be accepted based on a showing of excusable neglect, and only in the event that the late claim will not delay distribution of the Class Settlement Fund under the terms of this Agreement.

5. Sixty (60) days after second mailing of the Settlement Notices: date on or before which Class Members who did not receive the initial mailing must (1) elect to opt-out of the Class by mailing to Settlement Administrator a completed Opt-Out Form excluding the Class Member from the Lawsuit and its Settlement terms; (2) date on or before which any objections to the Settlement must be submitted (consistent with the instructions in the Settlement Notice); and (3) date on or before which Class Members who do not opt-out or object to the Settlement must submit completed Form W-9s in order to participate in the Settlement and receive an Individual Settlement Payment, except that late claims may be accepted based on a showing of excusable neglect, and only in the event that the late claim will not delay distribution of the Class Settlement Fund under the terms of this Agreement

6. One hundred and twenty (120) days after the Court enters a Preliminary Approval Order: date by or after which the Parties will have coordinated with the Court to set as a date for the Fairness Hearing.

B. Final Approval

At least seven (7) calendar days prior to the Fairness Hearing scheduled by the Court, or on such other date as the Court may require, Class Counsel will file with the Court a motion, in a form agreeable to Counsel for STG, seeking entry of an order granting Final Approval of the Settlement.

At the Fairness Hearing, Plaintiff shall request the Court to enter the Final Approval Order, substantially in the form of Exhibit 4 to this Agreement. STG shall cooperate with Class Counsel as necessary and reasonable to obtain final approval and the Court's final judgment.

VII. CLASS COUNSEL'S FEES AND COSTS, AND SERVICE AWARD TO PLAINTIFF

A. Class Counsel may request attorneys' fees of up to 25 percent of the Class Settlement Fund (\$1,050,000.00) and costs of up to \$25,000.00, covering all legal services provided by Class Counsel in the past and future to the members of the Class Members in connection with the Lawsuit, the settlement of the Lawsuit, any appeal in connection with the Settlement, implementation of the Settlement, or otherwise.

B. Class Counsel may request a Service Award to Plaintiff up to \$15,000.00. This Service Award shall be paid above what Plaintiff is otherwise eligible to receive as an Individual Settlement Payment under Section III of this Agreement. The Service Award shall be paid from the common Class Settlement Fund.

C. The agreed amounts set forth above in this Section **VII** will be subject to Court approval, which approval shall be stated in the Final Approval Order of the Court.

D. Upon occurrence of the Effective Date, the Settlement Administrator shall, as soon as thereafter reasonably practicable, but within no more than seven (7) additional days, mail, by first-class United States Mail, or otherwise deliver to Plaintiff and Class Counsel checks drawn on the account of the Class Settlement Fund in the amounts specified above, as approved by the Court. Class Counsel shall provide, in a timely matter, to the Settlement Administrator all information needed with respect to the issuance of the checks for attorneys' fees, costs, and the Plaintiff's Service Award, including Class Counsel's Form W-9s. The Settlement Administrator shall have no obligation to make payments under this Section **VII** until such information is received.

E. Upon transferring the Settlement Payment to the Class Settlement Fund created for this Lawsuit, STG will have no further responsibility or liability for any amount of attorneys' fees or costs for services performed or expenses incurred in connection with the Lawsuit to any of the Class Counsel or to any other counsel for Plaintiff or any Class Member. In the event any claim for attorneys' fees or costs in connection with the Lawsuit is made by any counsel other than Class Counsel, the Parties agree that STG has no obligation of any kind to satisfy any such claim. Class Counsel represents that there are no liens related to any fees associated with the claims of the Class Members as of the execution date of this Agreement. Any attorneys' fees or costs dispute between Class Counsel and any other attorney(s) will not interfere with the Settlement, the provisions of this Agreement, the dismissal of the Lawsuit, or the releases obtained pursuant to the Agreement. STG is hereby released from potential liability for statutory attorneys' fees upon transferring the Settlement Payment to the Class Settlement Fund.

VIII. RELEASE

Plaintiff will be bound by the release of all Class Member Released Claims and Released Claims.

All Class Members will be bound by the release of all Class Member Released Claims and Released Claims.

By executing this Agreement, Plaintiff, on behalf of himself and all Class Members (including their Related Entities, if any), and STG acknowledge that, upon entry of the Final Approval Order by the Court, the Lawsuit shall be dismissed with prejudice, an order of dismissal with prejudice shall be entered, and all Released Claims, including Class Member Released Claims (each as defined herein), shall thereby be conclusively settled,

compromised, satisfied, and released as to the Releasees.

In connection with such release of claims, Plaintiff and the Class Members hereby acknowledge that they are aware that they or their attorneys may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the Released Claims, but that it is their intention to hereby fully, finally, and forever settle and release all of the Released Claims, known or unknown, suspected or unsuspected, that they may have against Releasees. In furtherance of such intention, the release herein given to the Releasees by Plaintiff and Class Members shall be and remain in effect as a full and complete release of all Released Claims.

Notwithstanding the above, the Parties shall request the Court retain jurisdiction over the Parties, the Class Members and the Settlement with respect to the future performance of the terms of this Agreement, and to assure that all payments and other actions required by the Settlement are properly carried out.

IX. COVENANT NOT TO SUE

Plaintiff, on behalf of himself, the Class Members, and their Related Entities (if any): (1) covenants and agrees that neither Plaintiff nor any of the Class Members, nor any of Plaintiff's or Class Members' Related Entities (if any), nor anyone authorized to act on behalf of any of them, will commence, authorize, or accept any benefit from any judicial or administrative action or proceeding, other than as expressly provided for in this Settlement, against Releasees, or any of them, in either their personal or corporate capacity, with respect to any claim, matter, or issue that in any way arises from, is based on, or relates to any alleged loss, harm, or damages allegedly caused by Releasees, or any of them, in connection with the Released Claims; (2) waives and disclaims any right to any form of recovery, compensation, or other remedy in any such action or proceeding brought by or on behalf of any of them; and (3) agrees that this Settlement shall be a complete bar to any such action.

X. REPRESENTATIONS AND WARRANTIES

Each of the Parties represents and warrants to, and agrees with, each of the other Parties as follows:

A. Each of the Parties has had the opportunity to receive, and has received, independent legal advice from his or its attorneys regarding the advisability of making the Settlement, the advisability of executing this Agreement, and fully understands and accepts the terms of this Settlement.

B. Plaintiff represents and warrants that no portion of any claim, right, demand, action, or cause of action against any of the Releasees that Plaintiff is releasing in this Agreement, and no portion of any payment to which Plaintiff may be entitled, has been assigned, transferred, or conveyed by or for Plaintiff in any manner; and no person other than Plaintiff and the Class Members have any legal or equitable interest in the claims, demands, actions, or causes of action to be released in this Agreement. Plaintiff and Class Members represent and warrant that they have authority to: (1) enter into this Settlement on behalf of any Related Entities; (2) bind such Related Entities to this Agreement, including, but not limited to, the release of claims provided in this Agreement for any and all of the Related Entities' Released Claims arising or accruing during the Class Period; and (3) to direct STG

and/or the Settlement Administrator to issue payments under this Settlement to be made payable to themselves individually rather than to such Related Entities.

C. Any other person or entity (including, but not limited to, insurers, lien holders, business partners, related or associated business entities, or other creditors) that has any judgments, liens, subrogation interests, or related claims which arise out of the Released Claims or the damages alleged by Plaintiff and the Class as a result of the Released Claims must be satisfied from the payments to Plaintiff and Class Members as detailed in Section III herein. Plaintiff and Class Members, in their individual capacity and in their capacity as corporate officers, agree that they are liable for, and will release, hold harmless, defend, and indemnify the Releasees from and against any and all Released Claims, known or unknown, that may be brought by any person, shareholder, partner, owner (in whole or part), firm, corporation, or other entity, including any lien holders, or any other person asserting an interest in any such entity, against the Releasees for any such judgments, liens, interests, or claims that exist arising out of the Released Claims, this Settlement, and/or the distribution of payments under this Agreement.

D. None of the Parties relies or has relied on any statement, representation, omission, inducement, or promise of any other party (or any officer, agent, employee, representative, or attorney for any other party) in executing this Agreement, or in making the Settlement provided for herein, except as expressly stated in this Agreement.

E. Each of the Parties has investigated the facts pertaining to the Settlement and this Agreement, and all matters pertaining thereto, to the full extent deemed necessary by that party and his or its attorneys.

F. Each of the Parties has carefully read, and knows and understands, the full contents of this Agreement and is voluntarily entering into this Agreement after having had the opportunity to consult with, and having in fact consulted with, his or its attorneys.

G. Section titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Settlement or any provision hereof.

H. Each of the Parties has participated in the drafting of all provisions of this Agreement, has had an adequate opportunity to read, review, and consider the effect of the language of this Agreement, and has agreed to its terms.

I. It is understood and agreed that this Agreement is for the compromise of disputed claims and is not to be construed as or deemed to be an admission of any liability, fault, or responsibility on the part of STG or any other Releasee.

J. It is understood and agreed that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this 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 participated in the drafting of this Agreement.

K. This Agreement constitutes and comprises the entire agreement among the Parties with respect to the subject matter hereof. It supersedes all prior and contemporaneous oral and written agreements and discussions. It may be amended only by an agreement in writing, signed by all Parties hereto.

L. The Parties agree that any dispute regarding the interpretation or enforcement of the terms of this Settlement or in connection with this Agreement shall be resolved by the Court.

XI. PRELIMINARY TIMELINE FOR COMPLETION OF SETTLEMENT

Below is the preliminary schedule for notice, approval, and payment procedures to carry out this settlement. The schedule may be modified depending on whether and when the Court grants necessary approvals and orders notice to the Class, sets further hearings, or otherwise orders modifications to this schedule. In the event of such modification, the Parties shall cooperate in order to complete the settlement procedures as expeditiously as reasonably practicable. To the extent this Section XI conflicts with one or more other provisions of this Agreement, the other provision(s) shall supersede this Section XI.

TIME REQUIRED	EVENT
Within fifteen (15) days of entry of Preliminary Approval Order	Mailing of Settlement Notices (with Fairness Hearing Date) and Form W-9s, as well as preliminary Net Settlement Amount calculations.
Within thirty (30) days of initial mailing of Settlement Notices	Settlement Administrator to send Parties' counsel a list of Class Members whose Settlement Notices were returned or undeliverable for whatever reason, and a list of Class Members who have not sent their Form W-9s.
Within thirty (30) days of initial mailing of Settlement Notices	The Settlement Administrator to conduct skip-trace/search efforts and to create a list of Class Members whose Settlement Notices were returned or undeliverable or whose listed address is found to be inaccurate. For those Class Members whose Settlement Notice was successfully delivered, but from whom a Form W-9 has not yet been received, the Settlement Administrator shall send by first-class mail a written reminder that they should send their Form W-9s before the deadline.
Within fifty (50) days of initial mailing of the Settlement Notices	The Settlement Administrator shall mail Settlement Notices and Form W-9s to Class Members' updated addresses obtained from its previous search.

Within sixty (60) days of initial mailing of Settlement Notices	Last day for Class Members to submit either Form W-9s to participate in the settlement, provide written objections to this Agreement and the Settlement terms, or to opt-out of the Lawsuit.
Within sixty (60) days of second mailing of Settlement Notices	Last day for Class Members who did not receive the initial mailing to submit either Form W-9s to participate in the Settlement, provide written objections to the Settlement terms, or to opt-out of the Settlement.
Ten (10) business days before the scheduled date of Fairness Hearing of this Agreement	STG to transfer Settlement Amount to the Settlement Administrator.
At least seven (7) days prior to Fairness Hearing (or at another time established by the Court)	Plaintiff to file Motion for Final Approval.
To be determined by the Court, but no sooner than one hundred and twenty(120) days after entry of the Preliminary Approval Order	Fairness Hearing/Final Approval Order.
Within thirty (30) days of entry of Final Approval Order	Settlement Administrator to provide final calculation of settlement payments from the Class Settlement Fund to be distributed to Plaintiff and the Class Members.
Within seven (7) days of Effective Date	Settlement Administrator to distribute and pay: (1) initial payments to Plaintiff and Class Members; (2) administration costs to Settlement Administrator; (3) Plaintiff's Service Award; (4) attorneys' fees and costs; (5) PAGA payments to the LWDA.
Within seventy-five (75) days of distribution of Class Members' initial settlement checks	Class Member must inform Settlement Administrator that their settlement check was misplaced, lost in the mail, or could not be cashed in order to have the check cancelled and re-issued.
Within ninety (90) days of date of Class Members' initial settlement checks	Expiration of settlement payment checks sent to Class Members.
Within ten (10) days of expiration of Class Members' initial settlement checks.	Settlement Administrator to make the final calculation of payments to be distributed to the eligible Class Members of the remainder of the Net Settlement Amount and provide respective counsel with a report listing the amount of all payments to be made to each eligible Class Member, and amounts, if any, to be paid to unidentified Class Members who submit claims for settlement shares from the reserve fund.
Within twenty (20) days of expiration of Class Members' initial settlement checks	Settlement Administrator to distribute and pay funds remaining from the Net Settlement Amount and reserve fund to eligible identified and unidentified Class Members (second-round distribution).

Within seventy-five (75) days of second-round distribution of Class Members' settlement checks	Class Member must inform Settlement Administrator that their second-round check was misplaced, lost in the mail, or could not be cashed to cancel the check and have it re-issued.
Within ninety (90) days after payment of second-round distribution of Class Members' settlement checks	Expiration of second-round distribution of Class Member checks. Settlement Administrator to pay any residual funds to <i>cy pres</i> beneficiaries and close the settlement fund.

XII. MISCELLANEOUS

A. Conditional Nature of Agreement

If the Court materially alters the terms of this Agreement to the detriment of STG, STG may resort to the procedures provided in the next paragraph. A material alteration shall be considered to have occurred only in the following instances: (1) a material increase in the amount of payments due from STG other than those amounts provided for in this Agreement; (2) an undue narrowing or limiting of the negotiated scope of releases; (3) a material decrease in the number of Class Members and Related Entities covered by those releases (when such decrease is not attributable to the act or omission of STG in supplying class settlement and deductions data on which the Parties rely in this Settlement); or (4) the Court fails to enter the Preliminary Approval Order or Final Approval Order in the Lawsuit.

If STG believes that a material alteration has occurred to its detriment as a result of changes required by, or action of, the Court, STG shall notify Class Counsel within ten (10) days of the issuance of the Order or action of the Court prompting the decision. The Parties shall then personally confer in good faith to determine whether, rather than terminating this Agreement, the Parties can renegotiate its terms to address the material alteration and resubmit it for the Court's approval. If, after reasonable efforts, this process is unsuccessful, STG may, at its option, provide written notice to Class Counsel of its intention to terminate the Agreement, to maintain that it is null and void, and that no obligation on the part of any of the Parties will accrue. This is without prejudice to the right of either party to seek any form of relief in court, including Plaintiff's right to seek enforcement of the Agreement if he believes the alterations at issue were not material and thus maintain the validity of the Agreement. Any appeal by Class Counsel of the attorneys' fees and costs awarded by the Court in connection with this Settlement shall not be a basis for any party to have this Agreement become null and void.

If this Agreement becomes null and void, the Parties shall move forward with the Lawsuit as though no settlement had been reached, all of the Parties to the Lawsuit being placed in the same position they were before this Settlement was proposed, negotiated, and agreed upon, and Plaintiff's motions for approval of this Settlement shall be withdrawn.

B. Severability

None of the terms of this Agreement is severable from the others. However, if the Court should rule that any term is void, illegal, or unenforceable for any reason, STG, in its sole discretion, and Plaintiff, in his sole discretion (but acting in accord with his duties and obligations to the Class), may elect to waive any such deficiency and proceed with the Settlement under the terms and conditions ultimately approved by the Court.

C. Effectiveness, Amendments, and Binding Nature

This Agreement may be amended only by written agreement signed by the Parties. Except as otherwise stated above, each of the Parties, including Plaintiff on behalf of himself and the Class, expressly accepts and assumes the risk that, if facts or laws pertinent to matters covered by this Agreement are hereafter found to be other than as now believed or assumed by that party to be true or applicable, this Agreement shall nevertheless remain effective.

This Agreement is binding on, and shall inure to the benefit of, the Parties in the Lawsuit and the Class Members and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, executors, administrators, insurers, and successors in interest. All Releasees other than STG, which is a party, are intended to be third-party beneficiaries of this Agreement.

D. Cooperation in Implementation

STG, Plaintiff, and their respective counsel (including Class Counsel) agree to prepare and execute any additional documents that may reasonably be necessary to effectuate the terms of this Agreement.

E. Governing Law

This Agreement shall be construed and governed in accordance with the procedural and substantive law of the State of California, except that all matters of federal law and the Class Settlement Fund's compliance with Internal Revenue Code § 468B and the Treasury Regulations thereunder shall be governed by federal income tax law.

F. Interpretation of Agreement

Neither party shall be considered the drafter of this Agreement for purposes of contract interpretation.

G. No Admission of Liability

The Parties are entering into this Settlement for the purpose of compromising and settling disputed claims. Nothing in this Agreement or in the documents relating to the Settlement shall be construed, deemed, or offered as an admission by any of the Parties, or by any member of the Class, for any purpose in any judicial or administrative action or proceeding, whether in law or in equity, and regardless of whether this Agreement ultimately becomes effective.

H. Income Tax Obligations

No representation nor tax advice has been made to Plaintiff and Class Members by STG or Class Counsel regarding the taxability of any portion of the payments under this Agreement. Plaintiff, Class Members, and Class Counsel are solely responsible for their own tax filing and payment obligations arising from this Agreement, except that the Settlement Administrator will provide Plaintiff, Class Members, and Class Counsel with copies of Form W-9s for any payments the Class Settlement Fund makes to them under this Agreement. Nothing in this paragraph is intended to alter the duties of the Settlement Administrator set

forth in this Agreement.

I. Signatures

This Agreement may be executed in counterparts, and, when so executed, shall constitute a binding original. A signature, or copy of a signature, transmitted electronically, including by facsimile or email, shall serve as an original for all purposes.


Milton R Quinones Ferrer (Nov 20, 2023 17:25 EST)
Plaintiff Milton Quinones
Date: November 20, 2023


STG Logistics, Inc.
By: Chase Welsh
Its: Chief Administrative Officer &
General Counsel
Date: November 20, 2023


STG Cartage, LLC
By: Chase Welsh
Its: Chief Administrative Officer &
General Counsel
Date: November 20, 2023

APPROVED and ACKNOWLEDGED


Shaun Markley
Class Counsel
Nicholas & Tomasevic, LLP
Date: November 20, 2023

APPROVED and ACKNOWLEDGED


Scott Voelz
Counsel for STG
O'Melveny & Myers LLP
Date: November 20, 2023

forth in this Agreement.

I. Signatures

This Agreement may be executed in counterparts, and, when so executed, shall constitute a binding original. A signature, or copy of a signature, transmitted electronically, including by facsimile or email, shall serve as an original for all purposes.

Plaintiff Milton Quinones
Date: November 20, 2023



STG Logistics, Inc.
By: Chase Welsh
Its: Chief Administrative Officer &
General Counsel
Date: November 20, 2023

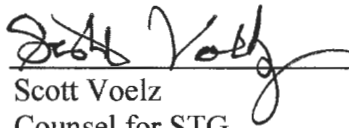


STG Cartage, LLC
By: Chase Welsh
Its: Chief Administrative Officer &
General Counsel
Date: November 20, 2023

APPROVED and ACKNOWLEDGED

Shaun Markley
Class Counsel
Nicholas & Tomasevic, LLP
Date: November 20, 2023

APPROVED and ACKNOWLEDGED



Scott Voelz
Counsel for STG
O'Melveny & Myers LLP
Date: November 20, 2023

EXHIBIT 1

[illegible]

[illegible]

[illegible]

[illegible]

EXHIBIT 2

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

MILTON QUINONES, an individual, on
behalf of himself and all others similarly
situated,

Plaintiff,

v.

STG LOGISTICS, INC., a California
corporation; STG CARTAGE, LLC, a
Delaware corporation; and DOES 1
through 100, inclusive

Defendants.

Case No. 2:23-cv-01301-AB-KS
Hon. André Birotte Jr.

CLASS ACTION

**NOTICE OF PROPOSED
CLASS ACTION
SETTLEMENT**

**IF YOU SIGNED AN INDEPENDENT CONTRACTOR OPERATING
CONTRACT AND PERSONALLY DROVE A TRUCK FOR STG
CARTAGE, LLC OR XPO LOGISTICS CARTAGE, LLC IN CALIFORNIA,
YOU MAY BE ENTITLED TO A PAYMENT FROM A CLASS ACTION
SETTLEMENT**

*A federal court authorized this Notice. This is not an advertisement or
solicitation from a lawyer.*

The purpose of this Notice is to inform you of the proposed settlement
agreement of a class action (hereafter, the “Settlement”) and the hearing to be held
by the Court (hereafter, the “Fairness Hearing”) to consider: (1) whether the
Settlement should be approved; (2) the application of Class Counsel for attorneys’

1 fees and expenses; and (3) certain other matters relevant to the Settlement. This
2 Notice describes important rights you may have to participate in the Settlement.

- 3 • If approved by the Court, the Settlement will provide a four million,
4 two hundred thousand dollar and zero cent (\$4,200,000.00) cash
5 settlement fund for the benefit of the Class Members (the “Class
6 Settlement Fund”).¹
- 7 • The Settlement resolves: (1) claims by Plaintiff Milton Quinones
8 (“Plaintiff”), asserted on behalf of the Class, that Defendants STG
9 Logistics, Inc. and STG Cartage, LLC, formerly known as XPO
10 Logistics Cartage, LLC (hereafter collectively referred to as “STG” or
11 “Defendants”) violated California employment laws; (2) pays money
12 to drivers like you; and (3) releases STG from liability.
- 13 • Whether you act or do not act, your legal rights will be affected. Please
14 read this Notice carefully.
- 15 • The Court will review the Settlement at the Fairness Hearing to be held
16 in the United States District Court for the Central District of California
17 on _____, 2024.

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27 ¹ All capitalized terms used and not expressly defined in this Notice are defined
28 in the Parties’ Class Action Settlement Agreement (the “Settlement”), dated
Month XX, 2023.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING	You will not receive a payment but will release certain claims, and you will be bound by the Settlement.
SUBMIT THE ENCLOSED FORM W-9 BY _____, 2024	You will receive a settlement payment based on the calculation set forth in this Notice, you will release certain claims, and you will be bound by the Settlement.
OBJECT BY _____, 2024	Write to the Court (and mail a copy to the Settlement Administrator) about why you oppose the Settlement. <i>See</i> Section VII below for details. You may both object <i>and</i> submit a Form W-9 so that, if the Settlement is approved, you will still receive payment from the Settlement.
OPT-OUT BY _____, 2024	Complete and submit via mail an Opt-Out Form, in the form attached hereto as Exhibit A , indicating that you wish to exclude yourself from the Agreement and its Settlement terms. You will not receive a settlement payment. You will, however, remain bound by the Settlement with respect to the resolution of the California Labor Code Private Attorneys General Act (“PAGA”).
GO TO FAIRNESS HEARING ON _____, 2024	Ask to speak in Court about the Settlement at the Fairness Hearing.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals, if any, are resolved. Please be patient for the process to reach its conclusion.

1 **I. SUMMARY OF THIS NOTICE**

2 **(a) Statement of Plaintiff's Recovery**

3 Pursuant to this Settlement, a Class Settlement Fund consisting of four
4 million, two hundred thousand dollars and zero cents (\$4,200,000.00) in cash will
5 be established. Each Class Member's individual recovery (hereafter, the
6 "Individual Settlement Payment") will be a portion of the Net Settlement Amount,
7 determined in accordance with the allocation plan detailed below. *See* Question 9
8 below for information on your Individual Settlement Payment.

9 **(b) Statement of Potential Outcome if the Lawsuit were Continued to**
10 **be Litigated**

11 Plaintiff and Defendants disagree on the issue of class certification, as well
12 as liability and damages. They also do not agree on the amount of damages, if any,
13 that would be recoverable if Plaintiff were to prevail on each claim alleged.
14 Plaintiff maintains that certain deductions should not have been made from Class
15 Members' pay, and that the Class Members should have been paid the minimum-
16 wage compensation guaranteed to employees under California law. Defendants
17 have denied, and continue to deny, any wrongdoing. While Plaintiff believes that
18 he has meritorious claims, he recognizes that there are significant obstacles in the
19 way to recovery, and that if the Lawsuit were litigated to a conclusion, there is a
20 possibility that there may be no Class and/or that the Class might receive nothing.

21 **(c) Statement of Attorneys' Fees and Litigation Expenses Sought**

22 Class Counsel intend to make a motion asking the Court to award attorneys'
23 fees in an amount equivalent to 25 percent of the Class Settlement Fund, and, in
24 addition, to approve payment of litigation expenses incurred to date in prosecuting
25 this Lawsuit in an amount not to exceed (\$25,000.00).

26 Class Counsel actively commenced work on this matter in 2022, and
27 expended considerable time and effort in the prosecution of this litigation without
28 receiving any payment thus far. They have advanced all of the expenses of the

1 litigation, such as discovery and investigation, with the expectation that if they
2 were successful in obtaining a recovery for the Class they would be paid from such
3 recovery. In this type of litigation, it is reasonable and customary for counsel to be
4 awarded a percentage of the common fund recovered as attorneys' fees and costs.

5 **(d) The Service Award**

6 Class Counsel also intends to make a motion for a Service Award to Plaintiff,
7 in the amount of: (\$15,000.00). The Service Award is subject to court approval,
8 and would be in addition to the amounts Plaintiff will receive in his Individual
9 Settlement Payment.

10 The Service Award is to compensate the Plaintiff for the time and expense
11 he incurred in acting as intermediary between Class Counsel and the Class, and
12 assisting Class Counsel with propounding and responding to discovery, as well as
13 participating in mediation. The Service Award is also meant to compensate
14 Plaintiff for the significant risks he took in choosing to actively participate in the
15 prosecution of this Lawsuit.

16 **(e) Labor Code Private Attorneys General Act Payment**

17 Some of the claims raised by Plaintiff arose under PAGA. The Settlement
18 allocates (\$200,000.00) to these claims. PAGA requires that 75 percent of this
19 allocation be paid to the California Labor and Workforce Development Agency
20 ("LWDA"). The remaining 25 percent will revert to the Net Settlement Amount
21 from which Individual Settlement Payments will be distributed.

22 **(f) Reasons for the Settlement**

23 For Plaintiff, the principal reason for the Settlement is the immediate and
24 substantial benefits provided to the Class. These benefits must be contrasted to the
25 risk of zero recovery after a contested class certification process, and a contested
26 trial, as well as likely appeals—possibly years into the future—and potential
27 collectability problems.

28 For STG, which continues to deny all allegations of wrongdoing and

1 liability, the principal reason for the Settlement is to eliminate the burden, expense,
2 uncertainty, and distraction of further litigation.

3 **(g) Further Information**

4 Further information regarding this Lawsuit, the Settlement, and this Notice
5 may be obtained by contacting the Court-approved Settlement Administrator, CPT
6 Group, Inc. (“Settlement Administrator”), which can be reached by mail at 50
7 Corporate Park, Irvine, CA 92606, or by phone at (800) 542-0900.

8 ***** DO NOT CALL THE COURT WITH QUESTIONS ABOUT THE
9 SETTLEMENT *****

10 **II. BASIC INFORMATION**

11 **1. Why did I get this notice package?**

12 You are receiving this Notice because: (1) you entered into an Independent
13 Contractor Operating Contract (“ICOC”) with STG (or, before it, XPO Logistics
14 Cartage, LLC (“XPO”)) in California, either personally or on behalf of a Related
15 Entity, where the ICOC was operative during the period of February 1, 2021 to
16 thirty-five (35) days after the Court has entered the Final Approval Order in the
17 Lawsuit, and no notice of appeal of the judgment has been filed (the “Effective
18 Date”) (hereafter collectively referred to as the “Class Period”); (2) you personally
19 drove a truck you owned or leased to provide services for STG (or, before it, XPO)
20 in California during the Class Period; (3) you and/or the Related Entity on whose
21 behalf you signed the ICOC were classified by STG (or, before it, XPO) as an
22 independent contractor; and (4) you did not previously enter into a separate
23 settlement or release with STG (or, before it, XPO) of the entirety of your claims
24 arising from the performance of services for STG (or, before it, XPO).

25 The Court in charge of the case is the United States District Court for the
26 Central District of California, Western Division (“the Court”). The Lawsuit is
27 known as *Milton Quinones v. STG Logistics, Inc., et al.*, Case No. 2:23-cv-01301-
28 AB-KS, and is assigned to the Honorable André Birotte Jr., United States District

1 Judge. The person who sued is called the plaintiff, and the companies he sued are
2 called the defendants. The Plaintiff is Milton Quinones, and as noted above, the
3 Defendants are STG Logistics, Inc. & STG Cartage, LLC, collectively the
4 “Parties.”

5 The Court directed that this Notice be sent to Class Members because they
6 have a right to know about a proposed settlement of a class action lawsuit, and
7 about all of their options, before the Court decides whether to approve the
8 Settlement. The Court will review the Settlement at a Fairness Hearing on
9 _____, 2024, at 350 West First Street, Los Angeles,
10 California 90012, at _____ a.m./p.m. in Courtroom 7B. If the Court
11 approves the Settlement, and after any objections and appeals are resolved, the
12 Settlement Administrator will make the Individual Settlement Payments to
13 members of the Class that the Settlement allows.

14 This Notice explains the Lawsuit, the Settlement, Class Members’ legal
15 rights, what benefits are available, who is eligible for them, and how they will be
16 distributed.

17 **2. What is this Lawsuit about?**

18 This action was initially filed in the Superior Court of California for the
19 County of Los Angeles on December 13, 2022. On February 21, 2023, Defendants
20 removed this action to the United States District Court for the Central District of
21 California, on the basis of diversity under the Class Action Fairness Act (“CAFA”),
22 28 U.S.C. § 1332(d).

23 The Second Amended Complaint of the Lawsuit asserts a variety of claims,
24 including alleged violations of California’s labor codes, unfair business practices
25 (Cal. Bus. & Prof. Code § § 17200 *et seq.*), and PAGA (Labor Code § 2698, *et*
26 *seq.*).

27 On _____, 2023, the Court entered its Order
28 Granting Preliminary Approval of Class Action Settlement, Approving Form and

1 Manner of Notice, and Setting Date for Fairness Hearing (the “Preliminary
2 Approval Order”), which preliminarily approved the Settlement, authorized that
3 this Notice be sent to Class Members, and scheduled the Fairness Hearing for
4 _____, 2024 at _____ a.m./p.m., where the
5 Court will consider whether to grant final approval to the Settlement.

6 **3. Why is this a class action?**

7 In a class action, one or more people called class representatives (in this case,
8 the Plaintiff) sue on behalf of people who have supposedly-similar claims, who are
9 known as class members. Bringing a case as a class action potentially allows
10 adjudication of many similar claims of persons and entities that might be
11 economically too small to bring individually, and/or would take up too much of
12 valuable court resources to resolve many individual cases involving essentially the
13 same claims. In a certified class action, one court resolves the issues for all class
14 members, except for those who exclude themselves from the class. For purposes
15 of settling a lawsuit, potential class members must opt-out of the class if they do
16 not wish to be bound by a proposed settlement. Additionally, to share in the
17 proceeds of the Settlement, class members must complete and submit the required
18 documents.

19 **4. What are the reasons for the Settlement?**

20 The Court did not finally decide in favor of Plaintiff or Defendants. Prior to
21 trial, and determining whether the case should proceed as a Class, the Parties
22 participated in a court-ordered mediation on September 12, 2023 with the
23 Honorable Jay C. Gandhi, a retired federal magistrate. With Judge Gandhi’s
24 assistance, the Parties reached a resolution at the conclusion of the mediation. A
25 Settlement Agreement was then jointly drafted by Defendants’ counsel and Class
26 Counsel, which was executed by all Parties on Month XX, 2023.

27 Plaintiff and Class Counsel believe that the claims asserted in the Lawsuit
28 have merit. Plaintiff and Class Counsel recognize, however, the expense and

1 length of continued proceedings necessary to pursue these claims through trial and
2 appeals, as well as the challenges in establishing liability and collecting any money
3 from the Defendants even if liability is established. Plaintiff and Class Counsel
4 have considered the uncertain outcome and the risks of litigation, as well as the
5 difficulties and delays inherent in such litigation. For example, Defendants have
6 raised a number of arguments and defenses, which they would raise at trial and (if
7 necessary) on appeal. Even assuming Plaintiff could establish liability, the Parties
8 disagree about whether there are any recoverable damages, how to calculate
9 damages, and the amounts of each category of damages. In the absence of a
10 settlement, the Parties would present factual and expert testimony on each of these
11 issues, and there is considerable risk that the Court would find against Plaintiff and
12 the Class. In the absence of a settlement, there is significant uncertainty as to any
13 potential class recovery, including the potential for significant delays in resolution.

14 In light of the amount of the Settlement and the immediate recovery to the
15 Class Members, Plaintiff and Class Counsel believe that the proposed Settlement
16 is fair, reasonable and adequate, and in the best interests of the Class. The Net
17 Settlement Amount, which totals four million, two hundred thousand dollars and
18 zero cents (\$4,200,000.00) in cash (less the various deductions described in this
19 Notice), provides substantial benefits now as compared to the risk that a similar or
20 smaller recovery would be achieved after trial and appeal, possibly years in the
21 future, or that there be no recovery for the Class Members at all.

22 Defendants, for their part, deny and continue to deny each and every one of
23 the claims alleged by Plaintiff in the Lawsuit. Defendants have expressly denied,
24 and continue to deny, any wrongdoing. Defendants have taken into account the
25 burden, expense, uncertainty, distraction, and risks inherent in any litigation, and
26 have concluded that it is desirable that the Lawsuit be fully and finally settled upon
27 the terms and conditions set forth in the Settlement.
28

III. WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the Settlement?

The Class consists of all persons who: (1) entered into an ICOC with STG (or, before it, XPO) in California, either personally or on behalf of a Related Entity, where the ICOC was operative during the period of the Class Period; (2) personally drove a truck they owned or leased to perform services for STG (or, before it, XPO) in California during the Class Period; and (3) they and/or the Related Entity on whose behalf they signed the ICOC was classified by STG (or, before it, XPO) as an independent contractor.

6. Are there exceptions to being included in the Class?

Excluded from the Class are those individuals who would otherwise be a Class Member per the above definition but have: (1) entered into a separate settlement or release with STG (or, before it, XPO) of all of his or her claims arising from the performance of services as a driver for STG (or, before it, XPO) during the Class Period; or (2) timely and properly opted-out from the Class by submitting a valid Opt-Out Form in response to this Notice disseminated to all Class Members between Month XX, 2024 and Month XX, 2024.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Settlement Administrator, CPT Group, by mail at 50 Corporate Park, Irvine, CA 606, or by phone at (800) 542-0900, for more information.

IV. THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims (defined below) against Defendants, Defendants have agreed to create a four million, two hundred thousand dollars and zero cents (\$4,200,000.00) cash fund, to be divided—after deduction of Court-awarded attorneys’ fees and expenses, the LWDA’s portion of civil penalties under PAGA, a Service Award approved by the

1 Court, and settlement administration costs—proportionally amongst the Class
2 Members.

3 **9. How much will my payment be?**

4 Each Class Member's individual share of the Class Settlement Fund will
5 depend on how many weeks he or she actually provided services to STG (or, before
6 it, XPO), performing trucking services, pursuant to an ICOC signed by said Class
7 Member, during the Class Period, as reflected in Defendants' records.

8 To compute the preliminary Individual Settlement Payments of the Class,
9 the Settlement Administrator first determined the total aggregate number of Work
10 Weeks that all Class Members provided services during the Class Period. A Work
11 Week consists of any week within the Class Period in which a given Class Member
12 provided services for at least three (3) periods of driving activity on separate days.
13 The Settlement Administrator then divided the amount of the Net Settlement
14 Amount (*i.e.*, the Class Settlement Fund minus Court-awarded attorneys' fees and
15 expenses, the LWDA's portion of civil penalties under PAGA, the Service Award
16 approved by the Court, and settlement administration costs) by that total aggregate
17 number of Work Weeks for the Class to determine the Work Week Point Value.
18 The number of Work Weeks that you provided services during the Class Period
19 was then multiplied by the Work Week Point Value to determine your preliminary
20 Individual Settlement Payment.

21 Defendants' records show that you personally provided services for STG (or,
22 before it, XPO), pursuant to an ICOC that you signed, for _____ Work Weeks
23 during the Class Period. Based on your number of Work Weeks, your estimated
24 preliminary Individual Settlement Payment is \$ _____.

25 If you believe the above number of Work Weeks is incorrect, you should
26 send a letter to the Settlement Administrator before _____, indicating what
27 you believe the correct number of Work Weeks and the dates you provided
28 services. You should send any documents or other information that support your

1 belief that Defendants' records are incorrect. The Settlement Administrator will
2 have the final authority to resolve any dispute based upon Defendants' records and
3 any information you provide.

4 V. HOW YOU GET A PAYMENT

5 **10. How can I receive a payment?**

6 **To receive a payment, you need to complete and submit the enclosed**
7 **Form W-9.** If you submit the attached form, you will receive a payment because
8 you are an identified member of the Class. If you have any questions regarding
9 your eligibility to receive an Individual Settlement Payment, you should contact
10 the Settlement Administrator.

11 If you have moved recently, contact the Settlement Administrator by mail at
12 50 Corporate Park, Irvine, CA 92606, or by phone at (800) 542-0900 to provide an
13 updated address.

14 **11. When will I get my payment?**

15 The Individual Settlement Payments will be distributed only if the Court
16 approves the Settlement. The Court will hold a Fairness Hearing on
17 _____, 2024 to decide whether to approve the Settlement.
18 Even if the Court approves the Settlement, however, there may still be appeals of
19 that Final Approval Order that would take additional time to resolve, which can
20 last for more than a year. Please be patient, as the settlement administration process
21 takes time.

22 **12. What am I giving up as part of the Settlement?**

23 Upon the Effective Date of the Settlement, you will release all Released
24 Claims against Releasees. Releasees means: (1) STG and its consolidated
25 subsidiaries, successors, predecessors, assigns, affiliates, parent companies,
26 shareholders, officers, directors, agents, insurers, attorneys, and employees; and (2)
27 STG's past, present, and future shareholders, officers, directors, agents, employees,
28 attorneys, and insurers.

1 Released Claims are all claims, actions, causes of action, administrative
2 claims, demands, debts, damages, penalties, costs, interest, attorneys' fees,
3 obligations, judgments, expenses, or liabilities, in law or in equity, whether now
4 known or unknown, contingent or absolute, which: (1) are owned or held by the
5 Class Members and/or by their Related Entities, if any, or any of them, as against
6 Releasees, or any of them; (2) arise under any statutory or common law claim
7 which was asserted in this Lawsuit, or, whether or not asserted, could have been
8 brought arising out of or related to the allegations of misclassification in this
9 Lawsuit; and (3) pertain to any time in the Release Period, which is defined as the
10 Class Period.

11 Moreover, upon the Effective Date of the Settlement, each Class Member
12 shall be deemed to have, and by operation of the Final Approval Order shall have,
13 to the fullest extent permitted by law, expressly waived and relinquished any and
14 all provisions, rights and benefits conferred by Cal. Civ. Code § 1542, which
15 provides:

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

21 The Effective Date of Settlement will occur on the first business day after
22 one of the following has occurred: (1) thirty-five (35) days have elapsed from the
23 Court's entry of a Final Approval Order of the Settlement and the judgment
24 thereon, and no notice of appeal has been filed, the time provided for in Rule 4 of
25 the Federal Rules of Appellate Procedure to appeal has expired, and any right to
26 appeal has been waived or otherwise lost; or (2) if an appeal has been taken, thirty-
27 five (35) days have elapsed since such appeal was finally adjudicated with the Final
28 Approval Order and judgment upheld, and either the time for initiation of the next

1 step in the appellate process has expired without any action by appellant or the next
2 step in the appellate process was invoked and has been concluded without any
3 impact on the Final Approval Order or judgment.

4 As a member of the Class, all of the Court's orders about the Settlement will
5 apply to you and legally bind you. For more information regarding the scope of
6 the release, including specific claims being released and specific claims not being
7 released, please refer to the Settlement in this case, which is on file with the Court.

8 **VI. THE LAWYERS REPRESENTING THE CLASS**

9 **13. Do I have a lawyer in this case?**

10 The Court appointed the following attorneys as Class Counsel: Craig M.
11 Nicholas, Shaun Markley, and Jordan Belcastro of Nicholas & Tomasevic, LLP.
12 You will not be separately charged for these lawyers. The Court will determine
13 the amount of Class Counsel's fees and expenses, which will be paid from the Class
14 Settlement Fund. If you want to be represented by a separate lawyer, you may hire
15 one at your own expense.

16 **14. How will the lawyers be paid?**

17 Class Counsel have not yet received any payment for their services in
18 pursuing the claims in this Lawsuit on behalf of the Class, nor have they been paid
19 for their litigation expenses. At the Fairness Hearing, or at such other time as the
20 Court may order, Class Counsel will ask the Court to award them, from the Class
21 Settlement Fund, attorneys' fees in an amount representing 25 percent of the Class
22 Settlement Fund, and litigation expenses that have been incurred in pursuing the
23 Action. The request for litigation expenses will not exceed \$25,000.00.

24 **VII. OBJECTING TO OR OPTING-OUT OF THE SETTLEMENT**

25 **15. How do I tell the Court that I do not like the proposed Settlement?**

26 If you are a Class Member, you can object to the Settlement or any of its
27 terms. You may write to the Court setting out your objection(s). You may give
28 reasons why you think the Court should not approve any part or all of the

1 Settlement terms or arrangements. The Court will only consider your views if you
2 file a proper written objection within the deadline and according to the following
3 procedures.

4 To object, you must file and deliver a written objection with the Court, and
5 mail a copy of the objection to the Settlement Administrator, referencing the
6 proposed Settlement in the case of *Milton Quinones v. STG Logistics, Inc., et al.*,
7 Case No. 2:23-cv-01301-AB-KS. Please also include your name, address,
8 telephone number, and your signature, and state: (1) the reasons why you believe
9 the Court should find that the proposed Settlement should not be approved; and (2)
10 a statement of whether or not you intend to appear at the Fairness Hearing where
11 your objection(s) would be considered by the Court.

12 Your objection or Opt-Out Form must be filed with the Court, and mailed or
13 delivered to the Settlement Administrator, on or before
14 _____, 2024.

15 **COURT:**

16 Clerk of the Court

17 United States District Court of the Central District of California

18 350 West First Street, Courtroom 7B

19 Los Angeles, California 90012

20 **SETTLEMENT ADMINISTRATOR:**

21 CPT Group, Inc.

22 50 Corporate Park

23 Irvine, CA 92606

24 (800) 542-0900

25 **16. How do I opt-out of the Settlement if I do not wish to be included?**

26 If you do not want to be involved in the Settlement or its terms, you can
27 exclude yourself by submitting by mail a completed Opt-Out Form to the
28 Settlement Administrator, expressing your intention to not be included in the

Lawsuit or the Settlement on or before _____, 2024.

VIII. THE FAIRNESS HEARING

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

The Court will hold a Fairness Hearing at _____ a.m./p.m. on _____, 2024, at the United States District Court of the Central District of California, 350 West First Street, Los Angeles, California 90012 in Courtroom 7B. At this hearing, the Honorable André Birotte Jr., United States District Judge, will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider the proposed plan of allocation for the Net Settlement Amount, the application of Class Counsel for attorneys' fees and litigation expenses, and the application for the Service Award to Plaintiff. The Court will take into consideration any written objections filed in accordance with the instructions set out in Question 15 above. The Court also may listen to people who have properly indicated, within the Court's deadline identified above, an intention to speak at the Fairness Hearing, but decisions regarding the conduct of the Fairness Hearing will be made by the Court. *See* Question 19, below, for more information about speaking at the Fairness Hearing. At or after the Fairness Hearing, the Court will decide whether to approve the Settlement, and, if the Settlement is approved, how much in attorneys' fees and expenses, and the Service Award, should be awarded. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Fairness Hearing without another notice being sent to the Class. If you want to come to the hearing, you should check with Class Counsel before coming to be sure that the date or time has not changed.

18. Do I have to come to the Fairness Hearing?

No. Class Counsel will answer questions the Court may have at the Fairness Hearing. However, you are welcome to come at your own expense. Class

Members do not need to appear at the Fairness Hearing, or take any other action to indicate their approval. If you submit an objection, you do not have to come to Court to talk about it. As long as you filed and sent your written objection on time, and in the manner set forth in Question 15 above, the Court will consider it. You may also pay your own, separate lawyer to attend, but it is not necessary.

19. May I speak at the Fairness Hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* Question 15 above) a statement stating that it is your intention to speak at the Fairness Hearing. If you wish to present evidence or witnesses in support of your objection(s) at the Fairness Hearing, your written objection (*see* Question 15) must include the identity of any witness(es) you intend to call to testify, as well as a description of the documents or other evidence you intend to introduce at the Fairness Hearing. You may have an attorney of your choosing, at your expense, speak on your behalf. Unless the Court orders otherwise, you cannot speak at the Fairness Hearing if you have not provided written notice of your objection and intention to speak at the Fairness Hearing in accordance with the procedures described in Questions 15 and 19 of this Notice.

IX. IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you do nothing (and do not submit the attached Form W-9), the Settlement is approved, and you are a member of the Class, **you will NOT get money from this Settlement**, and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Releasees about the Released Claims, ever again.

In order to receive your Individual Settlement Payment, you must submit the attached Form W-9 through any of the following means:

- a. Mailing your completed Form W-9, using the attached stamped

envelope, to the Settlement Administrator, addressed as follows: CPT Group, 50 Corporate Park, Irvine, CA 92606; or

b. You can send it via email to TBD; or

c. You can fax it at (949) 419-3346.

X. GETTING MORE INFORMATION

21. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement dated Month XX, 2023, that the Parties filed with the Court. You may review the Settlement filed with the Court, or documents filed in the case, during business hours at the Office of the Clerk of the United States District Court of the Central District of California, 350 West First Street, Los Angeles, California 90012. You can also call the Settlement Administrator toll free at (800) 542-0900; or write to them at CPT Group, 50 Corporate Park, Irvine, CA 92606.

***** Please Do Not Call The Court With Questions About The Settlement *****

Dated: _____

By: _____
HON. ANDRÉ BIROTTE JR.
United States District Judge

EXHIBIT A

MILTON QUINONES V. STG LOGISTICS, INC. et al.

Notice

c/o CPT Group, Inc., 50 Corporate
Park,
Irvine, CA, 92606

OPT-OUT FORM

THIS OPT-OUT FORM MUST BE SIGNED AND RETURNED ONLY IF YOU WISH TO BE EXCLUDED FROM THIS LAWSUIT. IT MUST BE POSTMARKED BY NO LATER THAN

Barcode Bar Display
First Name Last Name
Address Line 1
Address Line 2
City, State Zip-Zip4

Name/Mailing Address Changes

Daytime Telephone Number

INSTRUCTIONS

YOU MAY EXCLUDE YOURSELF FROM THIS LAWSUIT. If you exclude yourself from this Lawsuit: (1) you will no longer be a Class Member, except for the purposes of the Private Attorneys General Act, Cal. Lab. Code §§ 2698 *et seq.* (“PAGA”) claim; (2) except as to the PAGA claim, you will not be eligible to receive money from the Settlement; and (3) you will retain the right to sue STG LOGISTICS, INC. and/or STG CARTAGE, LLC on your own about the legal claims included in this Lawsuit (except for the PAGA claim), but the statute of limitations period on your claim will continue to run after you opt-out.

To exclude yourself, you must sign and return this Opt-Out Form to the Settlement Administrator, c/o CPT Group, Inc., at the address listed above. To be timely, your Opt-Out Form must be postmarked no later than _____, 2024.

SIGNATURE

By signing this Opt-Out Form, I hereby exclude myself from this Lawsuit and not be bound by any settlement or judgment in this case.

Dated: _____

(Signature)

(Printed Name)

THIS OPT-OUT FORM MUST BE POSTMARKED BY NO LATER THAN

EXHIBIT 3

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

MILTON QUINONES, an individual, on
behalf of himself and all others similarly
situated,

Plaintiff,

v.

STG LOGISTICS, INC., a California
corporation; STG CARTAGE, LLC, a
Delaware corporation; and DOES 1
through 100, inclusive

Defendants.

Case No. 2:23-cv-01301-AB-KS
Hon. André Birotte Jr.

CLASS ACTION

**[Proposed] ORDER
GRANTING PRELIMINARY
APPROVAL OF CLASS
ACTION SETTLEMENT,
APPROVING FORM AND
MANNER OF NOTICE, AND
SETTING DATE FOR
FAIRNESS HEARING**

WHEREAS, Plaintiff Milton Quinones (“Plaintiff”), on behalf of himself
and the Class, and Defendants STG Logistics, Inc. and STG Cartage, LLC
(formerly known as XPO Logistics Cartage, LLC) (hereafter collectively referred
to as “STG” or “Defendants”), collectively, the “Parties,” by and through their
respective duly-authorized counsel, entered into a Class Action Settlement
Agreement (hereafter, the “Settlement”) in the above-captioned litigation
(hereafter, the “Lawsuit”), which is subject to approval by the Court under Rule 23
of the Federal rules of Civil Procedure, and which, together with the exhibits
thereto, sets forth the terms and conditions of the proposed settlement of the claims

1 asserted by the Parties in the Lawsuit;

2 WHEREAS, the Court has reviewed and considered the Settlement and the
3 accompanying exhibits;

4 WHEREAS, all capitalized terms used in this Order that are not otherwise
5 defined herein have the meanings defined in the Settlement;

6 WHEREAS, all parties in this Lawsuit have consented to the entry of this
7 Order, and good cause appearing therefor,

8 IT IS HEREBY ORDERED as follows:

9 1. The Court has reviewed the Settlement and preliminarily finds the
10 Settlement, in the non-reversionary amount of four million, two hundred thousand
11 dollars and zero cents (\$4,200,000.00), to have been entered into in good faith, and
12 further finds the terms set forth therein to be fair, reasonable and adequate, subject
13 to further consideration at the Fairness Hearing described below.

14 2. A hearing pursuant to Rule 23(e) of the Federal Rules of Civil
15 Procedure (the “Fairness Hearing”) is hereby scheduled to be held before this Court
16 on _____, 2024, at _____ a.m./p.m., for the following
17 purposes:

- 18 a. To determine whether the proposed Settlement should be finally
19 approved by the Court as fair, reasonable, and adequate;
- 20 b. To determine whether the proposed Order as provided under the
21 Settlement should be entered, and to determine whether the
22 releases, as set forth in the Settlement, should be provided;
- 23 c. To determine whether the proposed plan of allocation for the
24 proceeds of the Settlement should be finally approved as fair and
25 reasonable;
- 26 d. To consider Class Counsel’s application for an award of
27 attorneys’ fees and litigation expenses, and application for a
28 Service Award to Plaintiff in direct relation to his efforts in

1 prosecuting this Lawsuit in representation of the Class; and

2 e. To rule upon such other matters as the Court may deem
3 appropriate.

4 3. The Court reserves the right to approve the Settlement with or without
5 modification, and with or without further notice to the Class of any kind. The Court
6 further reserves the right to enter the Order regardless of whether it has approved the
7 plan of allocation or awarded attorneys' fees, costs and expenses. The Court may
8 also adjourn the Fairness Hearing or modify any of the dates herein without further
9 notice to Class Members.

10 4. The Court certifies this case as a class action under Federal Rule of Civil
11 Procedure 23 for settlement purposes. A class action may be certified if Rule 23(a)
12 is satisfied and if one of Rule 23(b)'s several provisions is satisfied. Fed. R. Civ. P.
13 23. Such is the case here. With respect to the requirements of Rule 23(a), the class
14 is sufficiently numerous because it consists of approximately five hundred (500)
15 individuals that personally drove for Defendants in California during the relevant
16 Class Period. *Rannis v. Recchia*, 380 Fed. App'x. 646, 650 (9th Cir. 2010) (quoting
17 Fed. R. Civ. P. 23(a)(1)). There is also commonality with respect to whether the
18 Class of drivers were misclassified as independent contractors and thus denied wages
19 and other benefits under California's employment laws. *See e.g. Fleming v. Matco*
20 *Tools Corp.*, 19-CV-00463-WHO, 2021 WL 673445, at *3 (N.D. Cal. Feb. 21, 2021)
21 ("The key threshold legal issue underlying the case is whether the putative class
22 members were misclassified as independent contractors...This is a common
23 issue..."). Plaintiff's claims are also typical of the Class in that he was classified as
24 an independent contractor and denied the benefits of California's employment laws.
25 Plaintiff and Class Counsel also have no conflicts with the Class and have vigorously
26 prosecuted this case to bring about the Settlement satisfying adequacy. *Staton v.*
27 *Boeing Co.*, 327 F.3d 938, 957 (9th Cir. 2003). This Lawsuit also satisfies Rule
28 23(b)(3). The misclassification inquiry predominates over others. *Fleming*, 2021

1 WL 673445 at *9. Finally, a class resolution to this case is superior to individual
2 actions. *Fleming*, 2021 WL 673445, *16.

3 5. The Court approves the form, substance and requirements of the
4 Settlement Notice, in the form attached hereto as **Exhibit A**.

5 6. The Court approves the retention of CPT Group as the Settlement
6 Administrator. The Settlement Administrator shall cause the Settlement Notice, in
7 the form attached hereto, to be mailed, by first-class mail, postage prepaid, on or
8 before fifteen (15) days after entry of this Preliminary Approval Order (the “Notice
9 Date”), to all Class Members who can be identified with reasonable effort. For Class
10 Members who did not receive the Settlement Notice based on returned or
11 undeliverable mailings, the Settlement Administrator shall send the same by first-
12 class mail, postage prepaid, using the updated addresses obtained from its search.
13 This second mailing shall be done within fifty (50) days of the initial mailing of the
14 Settlement Notice. Within thirty (30) days from the initial mailing of the Settlement
15 Notice, the Settlement Administrator shall mail to Class Members who have not yet
16 provided their Form W-9s a written reminder by first-class mail that they should send
17 their Form W-9s before the deadline.

18 7. Class Counsel shall, at or before the Fairness Hearing, file with the
19 Court proof of mailing of the Settlement Notice.

20 8. The form and content of the notice described herein, and the methods
21 sets forth herein of notifying Class Members of the Settlement, and its terms and
22 conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure
23 and constitutional due process, constitute the best notice practicable under the
24 circumstances, and shall constitute due and sufficient notice to all persons entitled
25 thereto.

26 9. In order to be eligible to receive a distribution from the Net Settlement
27 Amount, in the event the proposed settlement becomes effective in accordance with
28 the terms and conditions set forth in the Settlement, Class Members must complete

1 and return either the enclosed Form W-9 provided to them by the Settlement
2 Administrator with the Settlement Notice, or otherwise provide a Form W-9 form to
3 the Settlement Administrator.

4 **10.** Any Class Member may enter an appearance in this Lawsuit, at their
5 own expense, individually or through counsel of their own choice. If any Class
6 Member does not enter an appearance, he or she will be represented by Class
7 Counsel.

8 **11.** The Court will consider any Class Member's objection to the
9 Settlement, including to its proposed plan of allocation, and/or to the application for
10 an award of attorneys' fees and litigation costs, and a Service Award, only if such
11 Class Member has served, by hand or by mail, a written objection, and any supporting
12 papers, upon the Settlement Administrator, and has also properly filed said objections
13 and supporting papers with the Clerk of the United States District Court for the
14 Central District of California, Western Division, by no later than ten (10) days prior
15 to the date of the Fairness Hearing. Any Class Member who does not make their
16 objection in the manner provided for in the Settlement Notice shall be deemed to
17 have waived such objection and shall forever be foreclosed from making any
18 objection to any aspect of the Settlement, and to the application for attorneys' fees
19 and litigation costs, and a Service Award, unless otherwise ordered by the Court, but
20 shall otherwise be bound by the Final Approval Order to be entered in this Lawsuit
21 and releases to be given pursuant to the Settlement. Attendance at the Fairness
22 Hearing is not necessary; *however*, any persons wishing to be heard orally in
23 opposition to the final approval of the Settlement, and/or the application for an award
24 of attorneys' fees and litigation costs, and a Service Award, are required to indicate
25 in their written objection their intention to appear at the Fairness Hearing. Persons
26 who intend to object to the Settlement, and/or the application for an award of
27 attorneys' fees and litigation costs, a Service Award, and desire to present evidence
28 at the Fairness Hearing, must include in their written objections the identity of any

1 witnesses they may call to testify and exhibits they intend to introduce into evidence
2 at the Fairness Hearing. Class Members do not need to appear at the Fairness Hearing
3 or take any other action to indicate their approval.

4 **12.** Pending final determination as to whether the Settlement should be
5 finally approved by the Court, Plaintiff, all other Class Members, and anyone who
6 acts or purports to act on their behalf, shall not institute, commence or prosecute any
7 action or proceeding that asserts Released Claims against the Releasees.

8 **13.** All papers in support of the Settlement, and Class Counsel's application
9 for an award of attorneys' fees and litigation costs, and a Service Award, shall be
10 filed with the Court and served on or before seven (7) calendar days prior to the date
11 set for the Fairness Hearing. If reply papers are necessary, they are to be filed with
12 the Court and served no later than three (3) calendar days prior to the Fairness
13 Hearing.

14 **14.** The passage of title and ownership to the Class Settlement Fund to the
15 Settlement Administrator in accordance with the terms and obligations of the
16 Settlement is approved. No person who is not a Class Member shall have any right
17 to any portion of, or to any distribution or, the Net Settlement Amount unless
18 otherwise ordered by the Court or otherwise provided in the Settlement.

19 **15.** All funds held in escrow shall be deemed and considered to be in
20 *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court
21 until such time as such funds shall be disbursed pursuant to the Settlement or further
22 order of the Court.

23 **16.** This Court hereby retains exclusive continuing jurisdiction over the
24 Lawsuit, the Parties to the Lawsuit, the Class, and the Class Settlement Fund, to
25 consider all further matters arising out of or connected with the Settlement.

26 Dated: _____

27 By: _____
28 HON. ANDRÉ BIROTTE JR.
United States District Judge

EXHIBIT A

1
2
3
4
5
6
7 **UNITED STATES DISTRICT COURT**
8 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**
9

10 MILTON QUINONES, an individual, on
11 behalf of himself and all others similarly
situated,

12 Plaintiff,

13 v.

14 STG LOGISTICS, INC., a California
15 corporation; STG CARTAGE, LLC, a
Delaware corporation; and DOES 1
16 through 100, inclusive

17 Defendants.

Case No. 2:23-cv-01301-AB-KS
Hon. André Birotte Jr.

CLASS ACTION

**NOTICE OF PROPOSED
CLASS ACTION
SETTLEMENT**

18 **IF YOU SIGNED AN INDEPENDENT CONTRACTOR OPERATING**
19 **CONTRACT AND PERSONALLY DROVE A TRUCK FOR STG**
20 **CARTAGE, LLC OR XPO LOGISTICS CARTAGE, LLC IN CALIFORNIA,**
21 **YOU MAY BE ENTITLED TO A PAYMENT FROM A CLASS ACTION**
22 **SETTLEMENT**

23 *A federal court authorized this Notice. This is not an advertisement or*
24 *solicitation from a lawyer.*

25 The purpose of this Notice is to inform you of the proposed settlement
26 agreement of a class action (hereafter, the “Settlement”) and the hearing to be held
27 by the Court (hereafter, the “Fairness Hearing”) to consider: (1) whether the
28 Settlement should be approved; (2) the application of Class Counsel for attorneys’
fees and expenses; and (3) certain other matters relevant to the Settlement. This
Notice describes important rights you may have to participate in the Settlement.

- If approved by the Court, the Settlement will provide a four million, two hundred thousand dollar and zero cent (\$4,200,000.00) cash settlement fund for the benefit of the Class Members (the “Class Settlement Fund”).¹
- The Settlement resolves: (1) claims by Plaintiff Milton Quinones (“Plaintiff”), asserted on behalf of the Class, that Defendants STG Logistics, Inc. and STG Cartage, LLC, formerly known as XPO Logistics Cartage, LLC (hereafter collectively referred to as “STG” or “Defendants”) violated California employment laws; (2) pays money to drivers like you; and (3) releases STG from liability.
- Whether you act or do not act, your legal rights will be affected. Please read this Notice carefully.
- The Court will review the Settlement at the Fairness Hearing to be held in the United States District Court for the Central District of California on _____, 2024.

¹ All capitalized terms used and not expressly defined in this Notice are defined in the Parties’ Class Action Settlement Agreement (the “Settlement”), dated Month XX, 2023.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING	You will not receive a payment but will release certain claims, and you will be bound by the Settlement.
SUBMIT THE ENCLOSED FORM W-9 BY _____, 2024	You will receive a settlement payment based on the calculation set forth in this Notice, you will release certain claims, and you will be bound by the Settlement.
OBJECT BY _____, 2024	Write to the Court (and mail a copy to the Settlement Administrator) about why you oppose the Settlement. <i>See</i> Section VII below for details. You may both object <i>and</i> submit a Form W-9 so that, if the Settlement is approved, you will still receive payment from the Settlement.
OPT-OUT BY _____, 2024	Complete and submit via mail an Opt-Out Form, in the form attached hereto as Exhibit A , indicating that you wish to exclude yourself from the Agreement and its Settlement terms. You will not receive a settlement payment. You will, however, remain bound by the Settlement with respect to the resolution of the California Labor Code Private Attorneys General Act (“PAGA”).
GO TO FAIRNESS HEARING ON _____, 2024	Ask to speak in Court about the Settlement at the Fairness Hearing.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals, if any, are resolved. Please be patient for the process to reach its conclusion.

1 **I. SUMMARY OF THIS NOTICE**

2 **a. Statement of Plaintiff's Recovery**

3 Pursuant to this Settlement, a Class Settlement Fund consisting of four
4 million, two hundred thousand dollars and zero cents (\$4,200,000.00) in cash will
5 be established. Each Class Member's individual recovery (hereafter, the
6 "Individual Settlement Payment") will be a portion of the Net Settlement Amount,
7 determined in accordance with the allocation plan detailed below. *See* Question 9
8 below for information on your Individual Settlement Payment.

9 **b. Statement of Potential Outcome if the Lawsuit were Continued to**
10 **be Litigated**

11 Plaintiff and Defendants disagree on the issue of class certification, as well
12 as liability and damages. They also do not agree on the amount of damages, if any,
13 that would be recoverable if Plaintiff were to prevail on each claim alleged.
14 Plaintiff maintains that certain deductions should not have been made from Class
15 Members' pay, and that the Class Members should have been paid the minimum-
16 wage compensation guaranteed to employees under California law. Defendants
17 have denied, and continue to deny, any wrongdoing. While Plaintiff believes that
18 he has meritorious claims, he recognizes that there are significant obstacles in the
19 way to recovery, and that if the Lawsuit were litigated to a conclusion, there is a
20 possibility that there may be no Class and/or that the Class might receive nothing.

21 **c. Statement of Attorneys' Fees and Litigation Expenses Sought**

22 Class Counsel intend to make a motion asking the Court to award attorneys'
23 fees in an amount equivalent to 25 percent of the Class Settlement Fund, and, in
24 addition, to approve payment of litigation expenses incurred to date in prosecuting
25 this Lawsuit in an amount not to exceed (\$25,000.00).

26 Class Counsel actively commenced work on this matter in 2022, and
27 expended considerable time and effort in the prosecution of this litigation without
28 receiving any payment thus far. They have advanced all of the expenses of the

1 litigation, such as discovery and investigation, with the expectation that if they
2 were successful in obtaining a recovery for the Class they would be paid from such
3 recovery. In this type of litigation, it is reasonable and customary for counsel to be
4 awarded a percentage of the common fund recovered as attorneys' fees and costs.

5 **d. The Service Award**

6 Class Counsel also intends to make a motion for a Service Award to Plaintiff,
7 in the amount of: (\$15,000.00). The Service Award is subject to court approval,
8 and would be in addition to the amounts Plaintiff will receive in his Individual
9 Settlement Payment.

10 The Service Award is to compensate the Plaintiff for the time and expense
11 he incurred in acting as intermediary between Class Counsel and the Class, and
12 assisting Class Counsel with propounding and responding to discovery, as well as
13 participating in mediation. The Service Award is also meant to compensate
14 Plaintiff for the significant risks he took in choosing to actively participate in the
15 prosecution of this Lawsuit.

16 **e. Labor Code Private Attorneys General Act Payment**

17 Some of the claims raised by Plaintiff arose under PAGA. The Settlement
18 allocates (\$200,000.00) to these claims. PAGA requires that 75 percent of this
19 allocation be paid to the California Labor and Workforce Development Agency
20 ("LWDA"). The remaining 25 percent will revert to the Net Settlement Amount
21 from which Individual Settlement Payments will be distributed.

22 **f. Reasons for the Settlement**

23 For Plaintiff, the principal reason for the Settlement is the immediate and
24 substantial benefits provided to the Class. These benefits must be contrasted to the
25 risk of zero recovery after a contested class certification process, and a contested
26 trial, as well as likely appeals—possibly years into the future—and potential
27 collectability problems.

28 For STG, which continues to deny all allegations of wrongdoing and

1 liability, the principal reason for the Settlement is to eliminate the burden, expense,
2 uncertainty, and distraction of further litigation.

3 **g. Further Information**

4 Further information regarding this Lawsuit, the Settlement, and this Notice
5 may be obtained by contacting the Court-approved Settlement Administrator, CPT
6 Group, Inc. (“Settlement Administrator”), which can be reached by mail at 50
7 Corporate Park, Irvine, CA 92606, or by phone at (800) 542-0900.

8 ***** DO NOT CALL THE COURT WITH QUESTIONS ABOUT THE
9 SETTLEMENT *****

10 **II. BASIC INFORMATION**

11 **1. Why did I get this notice package?**

12 You are receiving this Notice because: (1) you entered into an Independent
13 Contractor Operating Contract (“ICOC”) with STG (or, before it, XPO Logistics
14 Cartage, LLC (“XPO”)) in California, either personally or on behalf of a Related
15 Entity, where the ICOC was operative during the period of February 1, 2021 to
16 thirty-five (35) days after the Court has entered the Final Approval Order in the
17 Lawsuit, and no notice of appeal of the judgment has been filed (the “Effective
18 Date”) (hereafter collectively referred to as the “Class Period”); (2) you personally
19 drove a truck you owned or leased to provide services for STG (or, before it, XPO)
20 in California during the Class Period; (3) you and/or the Related Entity on whose
21 behalf you signed the ICOC were classified by STG (or, before it, XPO) as an
22 independent contractor; and (4) you did not previously enter into a separate
23 settlement or release with STG (or, before it, XPO) of the entirety of your claims
24 arising from the performance of services for STG (or, before it, XPO).

25 The Court in charge of the case is the United States District Court for the
26 Central District of California, Western Division (“the Court”). The Lawsuit is
27 known as *Milton Quinones v. STG Logistics, Inc., et al.*, Case No. 2:23-cv-01301-
28 AB-KS, and is assigned to the Honorable André Birotte Jr., United States District

1 Judge. The person who sued is called the plaintiff, and the companies he sued are
2 called the defendants. The Plaintiff is Milton Quinones. As noted above, the
3 Defendants are STG Logistics, Inc. & STG Cartage, LLC.

4 The Court directed that this Notice be sent to Class Members because they
5 have a right to know about a proposed settlement of a class action lawsuit, and
6 about all of their options, before the Court decides whether to approve the
7 Settlement. The Court will review the Settlement at a Fairness Hearing on
8 _____, 2024, at 350 West First Street, Los Angeles,
9 California 90012, at _____ a.m./p.m. in Courtroom 7B. If the Court
10 approves the Settlement, and after any objections and appeals are resolved, the
11 Settlement Administrator will make the Individual Settlement Payments to
12 members of the Class that the Settlement allows.

13 This Notice explains the Lawsuit, the Settlement, Class Members' legal
14 rights, what benefits are available, who is eligible for them, and how they will be
15 distributed.

16 **2. What is this Lawsuit about?**

17 This action was initially filed in the Superior Court of California for the
18 County of Los Angeles on December 13, 2022. On February 21, 2023, Defendants
19 removed this action to the United States District Court for the Central District of
20 California, on the basis of diversity under the Class Action Fairness Act ("CAFA"),
21 28 U.S.C. § 1332(d).

22 The Second Amended Complaint of the Lawsuit asserts a variety of claims,
23 including alleged violations of California's labor codes, unfair business practices
24 (Cal. Bus. & Prof. Code § § 17200 *et seq.*), and PAGA (Labor Code § 2698, *et*
25 *seq.*).

26 On _____, 2023, the Court entered its Order
27 Granting Preliminary Approval of Class Action Settlement, Approving Form and
28 Manner of Notice, and Setting Date for Fairness Hearing (the "Preliminary

1 Approval Order”), which preliminarily approved the Settlement, authorized that
2 this Notice be sent to Class Members, and scheduled the Fairness Hearing for
3 _____, 2024 at _____ a.m./p.m., where the
4 Court will consider whether to grant final approval to the Settlement.

5 **3. Why is this a class action?**

6 In a class action, one or more people called class representatives (in this case,
7 the Plaintiff) sue on behalf of people who have supposedly-similar claims, who are
8 known as class members. Bringing a case as a class action potentially allows
9 adjudication of many similar claims of persons and entities that might be
10 economically too small to bring individually, and/or would take up too much of
11 valuable court resources to resolve many individual cases involving essentially the
12 same claims. In a certified class action, one court resolves the issues for all class
13 members, except for those who exclude themselves from the class. For purposes
14 of settling a lawsuit, potential class members must opt-out of the class if they do
15 not wish to be bound by a proposed settlement. Additionally, to share in the
16 proceeds of the Settlement, class members must complete and submit the required
17 documents.

18 **4. What are the reasons for the Settlement?**

19 The Court did not finally decide in favor of Plaintiff or Defendants. Prior to
20 trial, and determining whether the case should proceed as a Class, the Parties
21 participated in a court-ordered mediation on September 12, 2023 with the
22 Honorable Jay C. Gandhi, a retired federal magistrate. With Judge Gandhi’s
23 assistance, the Parties reached a resolution at the conclusion of the mediation. A
24 Settlement Agreement was then jointly drafted by Defendants’ counsel and Class
25 Counsel, which was executed by all Parties on Month XX, 2023.

26 Plaintiff and Class Counsel believe that the claims asserted in the Lawsuit
27 have merit. Plaintiff and Class Counsel recognize, however, the expense and
28 length of continued proceedings necessary to pursue these claims through trial and

1 appeals, as well as the challenges in establishing liability and collecting any money
2 from the Defendants even if liability is established. Plaintiff and Class Counsel
3 have considered the uncertain outcome and the risks of litigation, as well as the
4 difficulties and delays inherent in such litigation. For example, Defendants have
5 raised a number of arguments and defenses, which they would raise at trial and (if
6 necessary) on appeal. Even assuming Plaintiff could establish liability, the Parties
7 disagree about whether there are any recoverable damages, how to calculate
8 damages, and the amounts of each category of damages. In the absence of a
9 settlement, the Parties would present factual and expert testimony on each of these
10 issues, and there is considerable risk that the Court would find against Plaintiff and
11 the Class. In the absence of a settlement, there is significant uncertainty as to any
12 potential class recovery, including the potential for significant delays in resolution.

13 In light of the amount of the Settlement and the immediate recovery to the
14 Class Members, Plaintiff and Class Counsel believe that the proposed Settlement
15 is fair, reasonable and adequate, and in the best interests of the Class. The Net
16 Settlement Amount, which totals four million, two hundred thousand dollars and
17 zero cents (\$4,200,000.00) in cash (less the various deductions described in this
18 Notice), provides substantial benefits now as compared to the risk that a similar or
19 smaller recovery would be achieved after trial and appeal, possibly years in the
20 future, or that there be no recovery for the Class Members at all.

21 Defendants, for their part, deny and continue to deny each and every one of
22 the claims alleged by Plaintiff in the Lawsuit. Defendants have expressly denied,
23 and continue to deny, any wrongdoing. Defendants have taken into account the
24 burden, expense, uncertainty, distraction, and risks inherent in any litigation, and
25 have concluded that it is desirable that the Lawsuit be fully and finally settled upon
26 the terms and conditions set forth in the Settlement.

III. WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the Settlement?

The Class consists of all persons who: (1) entered into an ICOC with STG (or, before it, XPO) in California, either personally or on behalf of a Related Entity, where the ICOC was operative during the period of the Class Period; (2) personally drove a truck they owned or leased to perform services for STG (or, before it, XPO) in California during the Class Period; and (3) they and/or the Related Entity on whose behalf they signed the ICOC was classified by STG (or, before it, XPO) as an independent contractor.

6. Are there exceptions to being included in the Class?

Excluded from the Class are those individuals who would otherwise be a Class Member per the above definition but have: (1) entered into a separate settlement or release with STG (or, before it, XPO) of all of his or her claims arising from the performance of services as a driver for STG (or, before it, XPO) during the Class Period; or (2) timely and properly opted-out from the Class by submitting a valid Opt-Out Form in response to this Notice disseminated to all Class Members between Month XX, 2024 and Month XX, 2024.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Settlement Administrator, CPT Group, by mail at 50 Corporate Park, Irvine, CA 606, or by phone at (800) 542-0900, for more information.

IV. THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims (defined below) against Defendants, Defendants have agreed to create a four million, two hundred thousand dollars and zero cents (\$4,200,000.00) cash fund, to be divided—after deduction of Court-awarded attorneys' fees and expenses, the

1 LWDA's portion of civil penalties under PAGA, a Service Award approved by the
2 Court, and settlement administration costs—proportionally amongst the Class
3 Members.

4 **9. How much will my payment be?**

5 Each Class Member's individual share of the Class Settlement Fund will
6 depend on how many weeks he or she actually provided services to for STG (or,
7 before it, XPO), performing trucking services, pursuant to an ICOC signed by said
8 Class Member, during the Class Period, as reflected in Defendants' records.

9 To compute the preliminary Individual Settlement Payments of the Class,
10 the Settlement Administrator first determined the total aggregate number of Work
11 Weeks that all Class Members provided services during the Class Period. A Work
12 Week consists of any week within the Class Period in which a given Class Member
13 provided services for at least three (3) periods of driving activity on separate days.
14 The Settlement Administrator then divided the amount of the Net Settlement
15 Amount (*i.e.*, the Class Settlement Fund minus Court-awarded attorneys' fees and
16 expenses, the LWDA's portion of civil penalties under PAGA, the Service Award
17 approved by the Court, and settlement administration costs) by that total aggregate
18 number of Work Weeks for the Class to determine the Work Week Point Value.
19 The number of Work Weeks that you provided services during the Class Period
20 was then multiplied by the Work Week Point Value to determine your preliminary
21 Individual Settlement Payment.

22 Defendants' records show that you personally provided services for STG (or,
23 before it, XPO), pursuant to an ICOC that you signed, for _____ Work Weeks
24 during the Class Period. Based on your number of Work Weeks, your estimated
25 preliminary Individual Settlement Payment is \$ _____.

26 If you believe the above number of Work Weeks is incorrect, you should
27 send a letter to the Settlement Administrator before _____, indicating what
28 you believe the correct number of Work Weeks and the dates you provided

1 services. You should send any documents or other information that support your
2 belief that Defendants' records are incorrect. The Settlement Administrator will
3 have the final authority to resolve any dispute based upon Defendants' records and
4 any information you provide.

5 **V. HOW YOU GET A PAYMENT**

6 **10. How can I receive a payment?**

7 **To receive a payment, you need to complete and submit the enclosed**
8 **Form W-9.** If you submit the attached form, you will receive a payment because
9 you are an identified member of the Class. If you have any questions regarding
10 your eligibility to receive an Individual Settlement Payment, you should contact
11 the Settlement Administrator.

12 If you have moved recently, contact the Settlement Administrator by mail at
13 50 Corporate Park, Irvine, CA 92606, or by phone at (800) 542-0900 to provide an
14 updated address.

15 **11. When will I get my payment?**

16 The Individual Settlement Payments will be distributed only if the Court
17 approves the Settlement. The Court will hold a Fairness Hearing on
18 _____, 2024 to decide whether to approve the Settlement.
19 Even if the Court approves the Settlement, however, there may still be appeals of
20 that Final Approval Order that would take additional time to resolve, which can
21 last for more than a year. Please be patient, as the settlement administration process
22 takes time.

23 **12. What am I giving up as part of the Settlement?**

24 Upon the Effective Date of the Settlement, you will release all Released
25 Claims against Releasees. Releasees means: (1) STG and its consolidated
26 subsidiaries, successors, predecessors, assigns, affiliates, parent companies,
27 shareholders, officers, directors, agents, insurers, attorneys, and employees; and (2)
28 STG's past, present, and future shareholders, officers, directors, agents, employees,

1 attorneys, and insurers.

2 Released Claims are all claims, actions, causes of action, administrative
3 claims, demands, debts, damages, penalties, costs, interest, attorneys' fees,
4 obligations, judgments, expenses, or liabilities, in law or in equity, whether now
5 known or unknown, contingent or absolute, which: (1) are owned or held by the
6 Class Members and/or by their Related Entities, if any, or any of them, as against
7 Releasees, or any of them; (2) arise under any statutory or common law claim
8 which was asserted in this Lawsuit, or, whether or not asserted, could have been
9 brought arising out of or related to the allegations of misclassification in this
10 Lawsuit; and (3) pertain to any time in the Release Period, which is defined as the
11 Class Period.

12 Moreover, upon the Effective Date of the Settlement, each Class Member
13 shall be deemed to have, and by operation of the Final Approval Order shall have,
14 to the fullest extent permitted by law, expressly waived and relinquished any and
15 all provisions, rights and benefits conferred by Cal. Civ. Code § 1542, which
16 provides:

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

22 The Effective Date of Settlement will occur on the first business day after
23 one of the following has occurred: (1) thirty-five (35) days have elapsed from the
24 Court's entry of a Final Approval Order of the Settlement and the judgment
25 thereon, and no notice of appeal has been filed, the time provided for in Rule 4 of
26 the Federal Rules of Appellate Procedure to appeal has expired, and any right to
27 appeal has been waived or otherwise lost; or (2) if an appeal has been taken, thirty-
28 five (35) days have elapsed since such appeal was finally adjudicated with the Final

1 Approval Order and judgment upheld, and either the time for initiation of the next
2 step in the appellate process has expired without any action by appellant or the next
3 step in the appellate process was invoked and has been concluded without any
4 impact on the Final Approval Order or judgment.

5 As a member of the Class, all of the Court's orders about the Settlement will
6 apply to you and legally bind you. For more information regarding the scope of
7 the release, including specific claims being released and specific claims not being
8 released, please refer to the Settlement in this case, which is on file with the Court.

9 VI. THE LAWYERS REPRESENTING THE CLASS

10 13. Do I have a lawyer in this case?

11 The Court appointed the following attorneys as Class Counsel: Craig M.
12 Nicholas, Shaun Markley, and Jordan Belcastro of Nicholas & Tomasevic, LLP.
13 You will not be separately charged for these lawyers. The Court will determine
14 the amount of Class Counsel's fees and expenses, which will be paid from the Class
15 Settlement Fund. If you want to be represented by a separate lawyer, you may hire
16 one at your own expense.

17 14. How will the lawyers be paid?

18 Class Counsel have not yet received any payment for their services in
19 pursuing the claims in this Lawsuit on behalf of the Class, nor have they been paid
20 for their litigation expenses. At the Fairness Hearing, or at such other time as the
21 Court may order, Class Counsel will ask the Court to award them, from the Class
22 Settlement Fund, attorneys' fees in an amount representing 25 percent of the Class
23 Settlement Fund, and litigation expenses that have been incurred in pursuing the
24 Action. The request for litigation expenses will not exceed \$25,000.00.

25 VII. OBJECTING TO OR OPTING-OUT OF THE SETTLEMENT

26 15. How do I tell the Court that I do not like the proposed Settlement?

27 If you are a Class Member, you can object to the Settlement or any of its
28 terms. You may write to the Court setting out your objection(s). You may give

1 reasons why you think the Court should not approve any part or all of the
2 Settlement terms or arrangements. The Court will only consider your views if you
3 file a proper written objection within the deadline and according to the following
4 procedures.

5 To object, you must file and deliver a written objection with the Court, and
6 mail a copy of the objection to the Settlement Administrator, referencing the
7 proposed Settlement in the case of *Milton Quinones v. STG Logistics, Inc., et al.*,
8 Case No. 2:23-cv-01301-AB-KS. Please also include your name, address,
9 telephone number, and your signature, and state: (1) the reasons why you believe
10 the Court should find that the proposed Settlement should not be approved; and (2)
11 a statement of whether or not you intend to appear at the Fairness Hearing where
12 your objection(s) would be considered by the Court.

13 Your objection or Opt-Out Form must be filed with the Court, and mailed or
14 delivered to the Settlement Administrator, on or before
15 _____, 2024.

16 **COURT:**

17 Clerk of the Court

18 United States District Court of the Central District of California

19 350 West First Street, Courtroom 7B

20 Los Angeles, California 90012

21 **SETTLEMENT ADMINISTRATOR:**

22 CPT Group, Inc.

23 50 Corporate Park

24 Irvine, CA 92606

25 (800) 542-0900

26 **16. How do I opt-out of the Settlement if I do not wish to be included?**

27 If you do not want to be involved in the Settlement or its terms, you can
28 exclude yourself by submitting by mail a completed Opt-Out Form to the

1 Settlement Administrator, expressing your intention to not be included in the
2 Lawsuit or the Settlement on or before _____, 2024.

3 **VIII. THE FAIRNESS HEARING**

4 **17. When and where will the Court decide whether to approve the**
5 **Settlement?**

6 The Court will hold a Fairness Hearing at _____ a.m./p.m. on
7 _____, 2024, at the United States District Court of
8 the Central District of California, 350 West First Street, Los Angeles, California
9 90012 in Courtroom 7B. At this hearing, the Honorable André Birotte Jr., United
10 States District Judge, will consider whether the Settlement is fair, reasonable, and
11 adequate. The Court will also consider the proposed plan of allocation for the Net
12 Settlement Amount, the application of Class Counsel for attorneys' fees and
13 litigation expenses, and the application for the Service Award to Plaintiff. The
14 Court will take into consideration any written objections filed in accordance with
15 the instructions set out in Question 15 above. The Court also may listen to people
16 who have properly indicated, within the Court's deadline identified above, an
17 intention to speak at the Fairness Hearing, but decisions regarding the conduct of
18 the Fairness Hearing will be made by the Court. *See* Question 19, below, for more
19 information about speaking at the Fairness Hearing. At or after the Fairness
20 Hearing, the Court will decide whether to approve the Settlement, and, if the
21 Settlement is approved, how much in attorneys' fees and expenses, and the Service
22 Award, should be awarded. We do not know how long these decisions will take.

23 You should be aware that the Court may change the date and time of the
24 Fairness Hearing without another notice being sent to the Class. If you want to
25 come to the hearing, you should check with Class Counsel before coming to be
26 sure that the date or time has not changed.

27 **18. Do I have to come to the Fairness Hearing?**

28 No. Class Counsel will answer questions the Court may have at the Fairness

Hearing. However, you are welcome to come at your own expense. Class Members do not need to appear at the Fairness Hearing, or take any other action to indicate their approval. If you submit an objection, you do not have to come to Court to talk about it. As long as you filed and sent your written objection on time, and in the manner set forth in Question 15 above, the Court will consider it. You may also pay your own, separate lawyer to attend, but it is not necessary.

19. May I speak at the Fairness Hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* Question 15 above) a statement stating that it is your intention to speak at the Fairness Hearing. If you wish to present evidence or witnesses in support of your objection(s) at the Fairness Hearing, your written objection (*see* Question 15) must include the identity of any witness(es) you intend to call to testify, as well as a description of the documents or other evidence you intend to introduce at the Fairness Hearing. You may have an attorney of your choosing, at your expense, speak on your behalf. Unless the Court orders otherwise, you cannot speak at the Fairness Hearing if you have not provided written notice of your objection and intention to speak at the Fairness Hearing in accordance with the procedures described in Questions 15 and 19 of this Notice.

IX. IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you do nothing (and do not submit the attached Form W-9), the Settlement is approved, and you are a member of the Class, **you will NOT get money from this Settlement**, and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Releasees about the Released Claims, ever again.

In order to receive your Individual Settlement Payment, you must submit the attached Form W-9 through any of the following means:

EXHIBIT 4

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

MILTON QUINONES, an individual, on
behalf of himself and all others similarly
situated,

Plaintiff,

v.

STG LOGISTICS, INC., a California
corporation; STG CARTAGE, LLC, a
Delaware corporation; and DOES 1
through 100, inclusive

Defendants.

Case No. 2:23-cv-01301-AB-KS
Hon. André Birotte Jr.

CLASS ACTION

**[Proposed] FINAL ORDER
AND JUDGMENT**

WHEREAS, Plaintiff Milton Quinones (“Plaintiff”), on behalf of himself and the Class, and Defendants STG Logistics, Inc. and STG Cartage, LLC (formerly known as XPO Logistics Cartage, LLC) (hereafter collectively referred to as “STG” or “Defendants”), collectively, the “Parties,” by and through their respective duly-authorized counsel, entered into a Class Action Settlement Agreement (hereafter, the “Settlement”) in the above-captioned litigation (hereafter, the “Lawsuit”), filed on Month, XX, YYYY;

WHEREAS, pursuant to the Order Granting Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for

1 Fairness Hearing, entered on _____, 2023 (the “Preliminary Approval
2 Order”), the Court scheduled a hearing for _____, 2024 at _____
3 a.m./p.m. (the “Fairness Hearing”) to, among other things: (1) determine whether
4 the proposed settlement of the Lawsuit on the terms and conditions provided in the
5 Settlement is fair, reasonable and adequate, and should be approved by the Court;
6 and (2) determine whether a judgment as provided for in the Settlement should be
7 entered;

8 WHEREAS, the Court ordered that the Notice of Proposed Class Action
9 Settlement (the “Settlement Notice”), substantially in the form attached as **Exhibit**
10 **2** to the Settlement, be mailed by first-class mail, postage prepaid, within fifteen
11 (15) days after the date of entry of the Preliminary Approval Order (“Notice Date”)
12 to all Class Members identified through reasonable effort;

13 WHEREAS, the Settlement Notice advised Class Members of the date, time,
14 place and purpose of the Fairness Hearing, and further advised that any objection
15 to the Settlement was required to be filed with the Court, and served on the
16 Settlement Administrator, CPT Group, on or before _____, 2024;
17 WHEREAS, the provisions of the Preliminary Approval Order as to notice of the
18 settlement were fully complied with, and notice to the Class was given in the
19 manner required by the Court;

20 WHEREAS, on _____, 2024, Plaintiff moved for Final Approval
21 of the Settlement, as set forth in the Preliminary Approval Order;

22 WHEREAS, the Fairness Hearing was duly held before this Court on
23 _____, 2024, at which time all interested persons were afforded the
24 opportunity to be heard;

25 WHEREAS, the Plaintiff’s Motion for Final Approval of the Settlement
26 includes a request for final approval of the settlement of claims under the California
27 Labor Code Private Attorney General Act (“PAGA”), as required by California
28 Labor Code § 2699, subdivision (l), for the civil penalties sought as part of the

1 Settlement;

2 WHEREAS, this Court has duly considered the Plaintiff's Motion, all papers
3 and evidence submitted in connection therewith, the Settlement, and all of the
4 submissions and arguments presented at the Fairness Hearing with respect to the
5 proposed Settlement;

6 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND
7 DECREED as follows:

8 1. This Final Approval Order and Judgment ("Judgment") incorporates by
9 reference the definitions in the Settlement, and all capitalized terms used in this
10 Judgment that are not otherwise defined shall have the same meanings as those set
11 forth in the Settlement.

12 2. This Court has jurisdiction over the subject matter of the Lawsuit, and
13 over all Parties and all those found by the Court to be members of the class (the
14 "Class Members"). The Court hereby grants final certification of members who did
15 not submit an Opt-Out Form to the Settlement Administrator as members of a
16 certified class (the "Class") for settlement purposes only. A final list of the certified
17 Class Members is attached hereto as **Exhibit A**. Notwithstanding the foregoing, the
18 Court does retain jurisdiction over the opt-outs for the limited purposes of the
19 settlement of the PAGA claims.

20 3. The notification provided for and given to the Class: (1) was provided
21 and made in full compliance with the Court's Preliminary Approval Order; (2)
22 constituted the best notice practicable under the circumstances; (3) constituted notice
23 that was reasonably calculated to apprise the Class of the terms of the Settlement, of
24 the proposed plan of allocation, of Class Counsel's application for an award of
25 attorneys' fees and litigation expenses incurred in connection with this Lawsuit, of
26 Class Counsel's application for a Service Award to Plaintiff, and of the right of Class
27 Members to appear at the Fairness Hearing; (4) constituted due, adequate, and
28 sufficient notice to all persons entitled to receive notice of the proposed Settlement;

1 and (5) fully satisfied the notice requirements of Rule 23 of the Federal Rules of
2 Civil Procedure, the United States Constitution (including the Due Process Clause
3 of the Fifth Amendment to the Constitution), and all other applicable law and rules.

4 4. This Court has reviewed and considered any and all documents,
5 evidence, arguments filed in support of the Settlement. The Court has also reviewed
6 and considered any objections or other written comments submitted to the Clerk of
7 the Court by members of the Class, together with any responses of the Parties to the
8 objections. After appropriate consideration of the objections, the Court concluded
9 that it does not have good cause for not moving forward with the Settlement.

10 5. In light of the substantial benefits provided to the Class by the
11 Settlement, the complexity, expense and possible duration of further litigation of the
12 Lawsuit, including any possible appeals, the risks of establishing liability and
13 damages, and the costs of continued litigation, the Court hereby fully and finally
14 approves the settlement as set forth in the Parties' Settlement in all respects,
15 including, without limitation, the PAGA penalties sought therein, and finds that the
16 Settlement is, in all respects, fair, reasonable and adequate, and in the best interests
17 of Plaintiff, the Class, and the Class Members.

18 6. This Court further finds that the Settlement is the result of arms-length
19 negotiations conducted under the supervision of a neutral mediator by highly
20 experienced counsel representing the interests of their respective Parties.

21 7. Plaintiff and Defendants (collectively, the "Settling Parties") are
22 hereby ordered to consummate the Settlement in accordance with the terms and
23 provisions therein.

24 8. The settlement of the PAGA claims released in the Settlement is
25 approved on behalf of the "aggrieved employees," as that term is used in California
26 Labor Code § 2698, *et seq.* Settlement of the PAGA claims is binding on the Parties,
27 aggrieved employees, and the California Labor and Workforce Development
28 Agency ("LWDA"), including all members of the Class as well as those that opted-

1 out.

2 9. The operative Second Amended Complaint in this Lawsuit, filed on
3 Month XX, YYYY, is hereby dismissed in its entirety, with prejudice, and without
4 costs to any party, except as otherwise provided in the Settlement.

5 10. The Court further finds that during the course of the Lawsuit, the
6 Settling Parties and their respective counsel at all times complied with the
7 requirements of Rule 11 of the Federal Rules of Civil Procedure.

8 11. Upon the Effective Date of the Settlement, Plaintiff and all other Class
9 Members, on behalf of themselves and each of their respective heirs, executors,
10 trustees, administrators, predecessors, successors, and assigns, shall be deemed to
11 have fully, finally and forever waived, released, discharged, and dismissed each and
12 every one of the Released Claims as against each and every one of the Releasees,
13 and shall forever be barred, enjoined and restrained from commencing, instituting,
14 prosecuting or maintaining any and all of the Released Claims against any and all of
15 the Releasees.

16 12. Each Class Member is bound by this Judgment, including, without
17 limitation, the release of claims set forth above. Any persons or Related Entities that
18 validly and timely request exclusion from the Class by submitting an Opt-Out Form
19 will be excluded from the Class and are not Class Members but remain bound by the
20 Settlement with respect to the resolution of the PAGA claims. The persons listed in
21 **Exhibit B** hereto have validly and timely requested exclusion from the Class by
22 submitting an Opt-Out Form, such that those persons are excluded from the Class
23 and are not Class Members but remain bound by the Settlement with respect to the
24 resolution of the PAGA claims.

25 13. This Judgment and the Settlement, whether or not consummated, and
26 any discussions, negotiations, proceedings or agreements relating to the Settlement,
27 and any matters arising in connection with settlement discussions or negotiations,
28 proceedings, or agreements, shall not be offered or received against or to the

1 prejudice of the Settling Parties, or their respective counsel, for any purpose other
2 than in an action to enforce the terms hereof, and in particular:

3 a. do not constitute, and shall not be offered or received against or
4 to the prejudice of Defendants as evidence of, or construed as, or deemed to be
5 evidence of any presumption, concessions, or admissions by Defendants with
6 respect to the truth of any allegation by Plaintiff and the Class, or the validity of any
7 claim that has been or could have been asserted in the Lawsuit or in any litigation,
8 including, but not limited to, the Released Claims, or of any liability, damages,
9 negligence, fault or wrongdoing of Defendants or any person whatsoever;

10 b. do not constitute, and shall not be offered or received against or
11 to the prejudice of Defendants as evidence of a presumption, concession, or
12 admission of any fault, misrepresentation, or omission with respect to any statement
13 or written document approved or made by the Defendants, or against or to the
14 prejudice of Plaintiff or any other Class Member(s) as evidence of any infirmity in
15 the claims of Plaintiff or the other Class Members;

16 c. do not constitute, and shall not be offered or received against or
17 to the prejudice of Defendants, Plaintiff, and any other Class Member(s), or their
18 respective counsel, as evidence of a presumption, concession, or admission with
19 respect to any liability, damages, negligence, fault, infirmity or wrongdoing, or in
20 any way referred to for any other reason against or to the prejudice of any of the
21 Defendants, Plaintiff, and Class Members, or their respective counsel, in any other
22 civil, criminal or administrative action or proceeding, other than such proceedings
23 as may be necessary to effectuate the provisions of the Settlement;

24 d. do not constitute, and shall not be construed against Defendants,
25 Plaintiff, or any other Class Member(s), as an admission or concession that the
26 consideration to be given hereunder represents the amount which could be or would
27 have been recovered after trial; and

28 e. do not constitute, and shall not be construed as or received in

1 evidence as an admission, concession, or presumption against Plaintiff or any other
2 Class Member(s) that any of their claims are without merit or that damages
3 recoverable in the Lawsuit would not have exceeded the Settlement Payment.

4 14. In the event that the Settlement does not become effective in
5 accordance with the terms provided therein, then this Judgment shall be rendered
6 null and void to the extent provided by and in accordance with the Settlement and
7 shall be vacated; and in such event, all orders entered and releases delivered in
8 connection herewith shall be null and void to the extent provided by and in
9 accordance with the Settlement.

10 15. Without further order of the Court, the Settling Parties may agree to
11 reasonable extensions of time to carry out any of the provisions of the Settlement.

12 16. A separate order shall be entered regarding Class Counsel's application
13 for attorneys' fees, expenses, a Service Award, as allowed by the Court. Such order
14 shall in no way disturb or affect this Judgment, and shall be considered separate and
15 apart from the Settlement and this Judgment.

16 17. Without affecting the finality of this Judgment in any way, this Court
17 hereby retains continuing jurisdiction over: (1) implementation of the Settlement;
18 (2) any award or distribution of the Class Settlement Fund; (3) disposition of the
19 Class Settlement Fund; (4) hearing and determining applications for attorneys' fees,
20 costs, a Service Award, and payment of expenses in the Lawsuit; (5) all Settling
21 Parties for the purpose of construing, enforcing and administering the Settlement
22 and this Judgment; and (6) all other matters related or ancillary to the foregoing.

23
24 Dated: _____

25 By: _____
26 HON. ANDRÉ BIROTTE JR.
27 United States District Judge
28

EXHIBIT A

[illegible]

[illegible]

[illegible]

[illegible]

EXHIBIT B

Milton Quinones v. STG Logistics, Inc., et al.,
Case No. 2:23-cv-01301-AB-KS

Opt-Out List

No.	Name
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EXHIBIT 5

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, WESTERN

MILTON QUINONES, an individual, on
behalf of himself and all others similarly
situated,

Plaintiff,

v.

STG LOGISTICS, INC., a California
corporation; STG CARTAGE, LLC, a
Delaware corporation; and DOES 1
through 100, inclusive

Defendants.

Case No. 2:23-cv-01301-AB-KS
Hon. André Birotte Jr.

CLASS ACTION

**DECLARATION OF JULIE
GREEN IN SUPPORT OF
MOTION FOR PRELIMINARY
APPROVAL OF THE CLASS
ACTION SETTLEMENT**

DECLARATION OF JULIE GREEN

I, Julie Green, declare as follows:

1. I have personal knowledge of the facts set forth herein and if called upon to testify, I could and would do so competently under oath.

2. I am employed by CPT Group, Inc., (“Settlement Administrator” or “CPT”), as Senior Vice President of Operations, Class Action Services.

3. CPT Group, Inc. is located at 50 Corporate Park, Irvine, CA 92606.

4. I have been employed by CPT for over 17 years. In my position, I am responsible for the oversight, supervision and evaluation of all departments and positions related to the administration of Class Action matters and ensure superior quality and successful execution of each component required to complete the settlement process. In my career at CPT, I have been responsible for the design and/or implementation of hundreds of class action administration plans. I submit this declaration at the request of Plaintiff Milton Quinones (“Plaintiff”), on behalf of himself and other members of the Class, and Defendants STG Logistics, Inc. and STG Cartage, LLC (formerly known as XPO Logistics, Cartage, LLC) (hereafter collectively referred to as “STG” or “Defendants”), collectively, the “Parties,” in support of the motion for preliminary approval of the settlement.

5. As a company, CPT has extensive experience in providing court approved notice of class actions and administering various types of notice programs and settlements. In the past 30-plus years, we have provided notification and/or claims administration services in thousands of class action cases. CPT offers a wide range of class action administrative services for developing, managing and executing all stages of integrated settlement plans. A true and correct copy of CPT’s company resume (“CPT CV”) is attached as **Exhibit A**, which provides detailed information concerning our class action claims administration qualifications and experience.

1 6. In 2023, CPT was selected by the Parties to provide settlement
2 administration services including providing notice of settlement to the Class
3 Members. In this capacity and pursuant to the terms of the Parties' settlement
4 agreement, CPT will complete the following as part of its administration duties:

- 5 a. provide the notice required by the Class Action Fairness Act
6 ("CAFA"), 28 U.S.C. § 1715, to be mailed in accordance with the
7 provisions of CAFA to the appropriate federal and state officials.
- 8 b. prepare, print, and mail to Class Members, by first-class United
9 States Mail, the Settlement Notice (with the Fairness Hearing date
10 and deadlines established by the Court in the Preliminary Approval
11 Order), along with preliminary Net Settlement and Individual
12 Settlement Payment Amount calculations, and a Form W-9, in
13 both English and Spanish.
- 14 c. establish a dedicated toll-free number where Class Members can
15 speak to a live, bi-lingual (*i.e.*, English- and Spanish-speaking)
16 representative regarding case information.
- 17 d. process undeliverable mail and locate updated addresses through
18 skip-trace by utilizing the name, address and or social security
19 number for Class Members whose notice has been returned by the
20 post office.
- 21 e. subsequently re-mail the Settlement Notice with Form W-9s via
22 first-class United States Mail to the updated addresses obtained
23 from this search.
- 24 f. send a reminder notice to any Class Member who has not
25 submitted a signed Form W-9 within thirty (30) days of the
26 mailing of the Settlement Notice.
- 27 g. receive and process objections submitted by Class Members

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1 including challenges to the Individual Settlement Payments, and
2 create an opt-out list of all Class Members who submitted an Opt-
3 Out Form.

4 h. provide to the Parties a list identifying all Class Members who
5 have either submitted an objection or Opt-Out Form, and copies of
6 all papers received by any such Class Members.

7 i. establish, design, and maintain the Class Settlement Fund as a
8 “qualified settlement fund” under Internal Revenue Code § 468B
9 and Treasury Regulation § 1.468B-1, for the purpose of resolving
10 the contested claims of Plaintiff and Class Members, and obtain an
11 employer identification number for the Class Settlement Fund
12 pursuant to Treasury Regulation § 1.468B-2(k)(4).

13 j. maintain the assets of the Class Settlement Fund in an interest-
14 bearing escrow account segregated from the assets of STG and any
15 person related to STG.

16 k. submit the Plaintiff’s and Class Members’ taxpayer identification
17 numbers, as provided in the executed Form W-9s, to the Internal
18 Revenue Service taxpayer identification number matching service,
19 and obtain (prior to issuing payment) a corrected Form W-9 from
20 Plaintiff and/or Class Member whose taxpayer identification
21 number does not result in a match in the above-referenced IRS
22 process.

23 l. provide the final calculations of payments to be distributed from
24 the Class Settlement Fund to Plaintiff and Class Member pursuant
25 to the Settlement, and make payments to Plaintiff and Class
26 Members through the established fund.

27 m. mail, by first-class United States Mail, the finalized Individual
28

1 Settlement Payment to Plaintiff and Class Members, payment(s)
2 for attorneys' fees and costs to Class Counsel, the Service Award
3 to Plaintiff, and payments of unclaimed settlement funds to the
4 designated *cy pres* beneficiaries, if any.

5 n. provide 75 percent of the allocated PAGA payment (*i.e.*,
6 \$150,000.00) to the Labor and Workforce Development Agency of
7 the State of California ("LWDA").

8 o. prepare, file, and issue all necessary tax reporting forms in the
9 name of the Class Settlement Fund, including Form W-9s
10 regarding the distribution of payments to Class Members, Class
11 Counsel, and Plaintiff.

12 p. pay any additional tax liabilities (including penalties and interest),
13 if any, that rise from the establishment and administration of the
14 Class Settlement Fund, with any such payment made solely from
15 the assets of that Class Settlement Fund without any recourse
16 against STG for additional monies with the exception of the
17 withholding of tax liability associated with the minimum wage
18 claims, as well as any state or local taxes owed by the Class
19 Settlement Fund.

20 q. provide STG with copies of all tax reporting and filings made for
21 the Class Settlement Fund, including copies of the checks and
22 Form W-9s issued to Class Members, Class Counsel, and Plaintiff,
23 and any other documentation to show that the tax reporting and
24 filings were timely transmitted to the claimants and the applicable
25 taxing authorities.

26 r. prepare and file federal income tax returns in the name of the Class
27 Settlement Fund, as well as any other tax filings the Class
28

1 Settlement Fund must make under federal, state, or local law.

- 2 s. cooperate with STG to jointly file a relation-back election under
3 Treasury Regulation § 1.468B-1(j)(2), if necessary, to treat the
4 Class Settlement Fund as coming into existence as of the earliest
5 possible date.
- 6 t. provide final accounting to STG, Class Counsel, and the Court, if
7 requested.
- 8 u. liquidate any remaining assets of the Class Settlement Fund after
9 all payments to the Class Members, Class Counsel, and Plaintiff
10 have been made and all tax obligations have been satisfied, and
11 distributing such assets as directed by the Court.

12

13 I declare under penalty of perjury under the laws of the United States and
14 the state of California that the foregoing is true and correct.

15

16 Executed on Month XX, YYYY, at Irvine, California.

17 /s/ _____
18 JULIE GREEN

EXHIBIT A

CURRICULUM VITAE

COMPANY PROFILE

CPT Group, Inc. (“CPT”), founded in 1984, is a leading provider of notice and settlement class action administration services and has been appointed as the third-party administrator by all major courts. Throughout our history, CPT has disbursed billions of dollars in settlement funds and serviced tens of millions of class members while administrated approximately 5,000 cases. CPT offers a wide range of class action administrative services for developing, managing, and executing all stages of integrated notice plans and settlements. This includes pre-certification and discovery mailings, class-certification mailings, claims processing and administration, data management, data reporting, settlement fund administration, legal noticing campaigns, website design and web hosting. The project management, call center, data entry, IT and production facilities are all located at the corporate headquarters in Irvine, CA.

QUALITY ASSURANCE & SECURITY

The integrity of CPT’s work and the stringent quality assurance protocols are strengthened by the staff’s ability to work in close-proximity and keep the work handled in-house. CPT has an obligation to our clients to maintain a rigorous commitment to data and cyber security by implementing proactive measures, conducting extensive audits, implementing security controls and procedures throughout our business that comply with NIST 800-171.

EXPERIENCE

CPT has extensive experience providing court-approved notice and administration services in complex, large fund, and top tier class action settlements across a broad spectrum of unique subject matters. Below are highlights from a few relevant cases we handled:

- ***Helmick v. Air Methods Corp.*** (Top Settlements, 2020): Administration of this \$78,000,000 employment settlement included direct mailed notice to class members, production and maintenance of a settlement website and distribution of over \$48,000,000 to eligible claimants.
- ***Wackenhut Wage and Hour Cases*** (Top Settlements, 2019): To notify potential class members in this \$130,000,000 wage and hour settlement, CPT’ provided email and text notice in both English and Spanish, maintained a dedicated settlement website with an online claims portal and a toll-free support hotline. CPT’s outreach efforts resulted in a 57.14% filing rate.
- ***Sanchez v McDonald’s Restaurants of California*** (Top Settlements, 2019):

Notice methods in this \$26,000,000 wage and hour settlement included both mailed notice in both English and Spanish and email notification, as well as settlement website and toll-free case support hotline.

- ***Thompson v. 1-800 Contacts, Inc., et al.***: This \$40 million-dollar anti-trust settlement comprised of four settlement classes required design and implementation of a robust, multi-faceted two-part notice program with a multi-layered media campaign combining the use of various digital advertisement platforms, a press release, a dedicated settlement website with an online claims portal, and a toll-free support hotline. The notice program also included an e-mail notice campaign to approximately 10,000,000 potential class members. Combined notice efforts resulted in over 140,000 claimants.
- ***Broomfield v. Craft Brew Alliance, Inc.***: CPT's outreach efforts in this \$20 million consumer settlement included a multi-media channel approach to notice which employed direct mailed notice and a digital, social, and mobile media campaign which reached an impressive 91.43% of the targeted 8,000,000 class members. CPT processed both electronic and hard copy claim forms and valid claimants were paid via paper checks, e-Check, and ACH.
- ***Abdullah v U.S. Security Associates, Inc.*** (Top Settlements, 2018): Administration of this \$21,000,000 wage and hour settlement included direct mailed notice to class members, class member support hotline and distribution of over \$13,000,000 to eligible claimants.
- ***Augustus et al. v. American Commercial Security Services, Inc.*** (Top Settlements, 2018): Administration duties in this \$110,000,000 employment settlement included direct mailed notice to class members in both English and Spanish and distributing over \$72,000,000 in settlement funds to valid claimants.
- ***Jacobo, et al. v. Ross Stores, Inc.***: In this \$4.85 million consumer settlement, CPT notified approximately 9,000,000 potential class members via direct email notice and a media campaign that combined the use of various digital advertisement platforms, a nationwide press release, print publication in People Magazine, a dedicated settlement website, and a toll-free support hotline. Ultimately, CPT processed 285,000 claims and disbursed \$3,000,000 in merchandise certificates.

DIVERSITY & INCLUSION

CPT believes that promoting diversity starts with a commitment to building understanding and awareness. Diversity is not just cultural or ethnic, it includes people of all ages and backgrounds. We are guided by a commitment to removing barriers to the recruitment, retention, and advancement of talented individuals from historically excluded populations. CPT recruits and rewards team members based on capability and performance, regardless of race, gender, sexual orientation, gender identity or expression, lifestyle, age, educational background, national origin, religion, or physical ability.

AREAS OF EXPERTISE

- **Project Management** – At the heart of CPT’s administrative capabilities is our ability to manage and process our cases as a neutral third party with efficiency, accuracy and in compliance with the terms of the parties’ agreement. Our skilled approach in the use of technology, effective management, and quality assurance is the core of our operation.
- **Claims Administration** – CPT executes an extensive Quality Assurance process throughout the duration of the claims period. Any and all responses received from Class Members are processed according to our strict internal procedures and in accordance with Settlement Agreement. Once claims processing is completed, Counsel is provided with all required reporting, including, where applicable, a list of approved claimants and the settlement calculations for each.
- **Call Center** – CPT’s case support representatives stand ready to service all case inquiries offering live, multi-lingual, 1-1 response, 5 days a week during business hours (extended hours available). Interactive Voice Response (IVR) assures that class members receive the assistance and support they require 24-hours a day. A proprietary call tracking system combined with highly trained representatives ensures an accurate class member history for each and every call.
- **Data Management/Reporting** – Through programmatic analysis, CPT will standardize the class data to compile a master mailing list. CPT prepares weekly status reports for each case that summarize the status of returns and responses such as mail pieces and claim form submissions. CPT Group, Inc. is NIST SP 800-171 compliant, which ensures that necessary measures are taken to guarantee that all class member data is handled and stored in a safe and secure manner.

- **Noticing Expertise** – CPT’s legal notice experts have a combined experience of over 25 years in the industry and come together to plan a successful notice campaign based upon the requirements of the Settlement. After strategizing and consulting with Counsel, our team will determine the best method of notification to reach your intended target audience. Whether notification will be through means of a known or unknown data set, CPT will execute the campaign with precision and accountability.
- **Settlement Fund Administration** – CPT’s team of tax and accounting professionals manage all fund distributions through a rigorous and supervised process. Stringently following the terms of the Court Order, CPT maintains its Qualified Settlement Fund (QSF) accounts through federally insured banks with access restricted to authorized personnel only. On behalf of the QSF, CPT will handle all remittance and reporting to local, state and federal tax authorities.

SERVICES

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Settlement Administration • Pre-Certification • Data Analysis • Bilingual Call Center • Publication & Media Campaigns | <ul style="list-style-type: none"> • Claims Processing • Class Certification Notification • Secure Data Management • In-House Print & Mail House • Website Hosting | <ul style="list-style-type: none"> • Settlement Fund Administration • Electronic Notification • Secure Data Reporting • NCOA & Skip Tracing • Website Design |
|---|---|---|

REFERENCES

For reference, the following Exhibits are attached:

1. CPT’s Information Security Statement.
2. CPT’s Data and Settlement Fund Transmission Methods
3. CPT’s Company Brochure.
4. CPT’s Client Testimonials.

EXHIBIT 6

[DATE]
[ADDRESS]

Re: Notice of Proposed Class Action Settlement in *Milton Quinones v. STG Logistics, Inc., et al.*, Case No. 2:23-cv-01301-AB-KS

To Whom It May Concern:

We are the Court-appointed Settlement Administrator in the above-captioned class action lawsuit (the “Lawsuit”). Pursuant to Section 3 of the Class Action Fairness Act, 28 U.S.C. § 1715, you are hereby notified of a proposed settlement of the Lawsuit currently pending in the United States District Court for the Central District of California. STG Logistics, Inc. and STG Cartage, LLC, formerly known as XPO Logistics Cartage, LLC (hereafter collectively referred to as “STG” or “Defendants”) are the only Defendants in the Lawsuit and are the only Defendants participating in the proposed class action settlement. Accordingly, pursuant to 28 U.S.C. § 1715(b), the Defendants provide this notice, and states as follows:

(1) A copy of the original Summons and Complaint, the operative Second Amended Complaint, and any attachments thereto, appear on the enclosed thumb drive in the folder labeled **Tab 1**.

(2) Plaintiff’s Notice of Motion and Motion for Preliminary Approval of Class Settlement, filed Month XX 2023, appears at **Tab 2**. A Fairness Hearing has not yet been scheduled. Please note that the Fairness Hearing and other hearings may be scheduled, or rescheduled, in the matter, but you will not receive any further notice from Defendants.

(3) The parties have agreed to a notice to Class Members (“Settlement Notice”), filed with the Court on Month XX 2023. The Settlement Notice appearing at **Tab 3** will be mailed to Class Members. Under the terms of the proposed Settlement Agreement “the Settlement”), Class Members have the right to request exclusion from the Settlement. Upon the Court’s entry of the Preliminary Approval Order, and subject to any revisions the Court may have, these Settlement Notices will be mailed to Class Members as applicable.

(4) The proposed Settlement, as filed with the Court on Month XX 2023, appears at **Tab 4**.

(5) No final judgment or notice of dismissal has yet been entered.

(6) The Class is defined as all individuals who: (1) entered into an Independent Contractor Operating Contract (“ICOC”) with STG (or, before it, XPO Logistics Cartage, LLC (“XPO”)) in California, either personally or on behalf of a Related Entity, where the ICOC was operative during the period of February 1, 2021 to thirty-five (35) days after the Court has entered the Final Approval Order in the Lawsuit, and no notice of appeal of the judgment has been filed (the “Effective Date”) (hereafter collectively referred to as the “Class Period”); (2) personally drove a truck he or she owned or leased to perform services for STG (or, before it, XPO) in California during the Class Period; and (3) they and/or the Related Entity on whose behalf they signed the ICOC was classified by STG (or, before it, XPO) as an independent contractor. The Class specifically excludes those individuals who have previously fully settled, in other litigation, all claims related to weeks during the Class Period in which they contracted with STG (or, before it, XPO) personally or on behalf of a Related Entity.

(7) At **Tab 5** appears a list of the Class Members (the “Settlement Class List”) who are currently believed to reside or most recently resided (to the best of Defendants’ ability to determine based on information available in its records) in your state or territory, which also includes information regarding the estimated approximate proportionate share of the Net Settlement Payment that will be available to the Class Members identified in the list. The actual amount of money that will be made available to a Class Member—and, accordingly, his or her proportionate share—is likely to change. The estimated proportionate shares provided in the Class List are based on current assumptions, not final information, regarding the number of Class Members who submit their Form W-9s, and the number of Work Weeks those Class Members provided services in California during the Class Period. The final information in this regard could affect the actual proportionate share received by the eligible Class Members.¹

Kindly acknowledge receipt of this notice by date-stamping the additional copy provided for that purpose and returning it in the self-addressed, postage-prepaid envelope also enclosed.

Sincerely,

Enclosures

¹ CAFA requires that such information be provided by state of residence. (*See* 28 U.S.C. § 1715(b)(7).) Please note that the entire Class consists of persons who provided services out of certain STG (or, before it, XPO) locations in California during the Class Period (as defined). Each member of the Class, who timely submits a Form W-9 (as defined in the Settlement) and is otherwise eligible to receive a payment, will be sent an Individual Settlement Payment that is principally based on the number of Work Weeks they personally accepted loads from STG (or, before it, XPO) in California during the Class Period. These values will be the same regardless of the Class Member’s current state of residence. In other words, state of residence will have no impact at all on Class Member payments in the Settlement.

EXHIBIT 7

Milton Quinones v. STG Logistics, Inc., et al.,
Case No. 2:23-cv-01301-AB-KS

Notice of Class Action Settlement Mailing List:

Merrick Garland
U.S. Department of Justice
Office of the Attorney General
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

CAFA Coordinator
Office of the California Attorney General
Consumer Protection Section
455 Golden Gate Avenue, Suite 11000
San Francisco, CA 94102

Kathy Jennings
Delaware Attorney General
Carvel State Building
820 N. French Street
Wilmington, DE 19801

EXHIBIT 8

MILTON QUINONES V. STG LOGISTICS, INC. et al.

Notice

c/o CPT Group, Inc., 50 Corporate
Park,
Irvine, CA, 92606

OPT-OUT FORM

THIS OPT-OUT FORM MUST BE SIGNED AND RETURNED ONLY IF YOU WISH TO BE EXCLUDED FROM THIS LAWSUIT. IT MUST BE POSTMARKED BY NO LATER THAN

Barcode Bar Display
First Name Last Name
Address Line 1
Address Line 2
City, State Zip-Zip4

Name/Mailing Address Changes

Daytime Telephone Number

INSTRUCTIONS

YOU MAY EXCLUDE YOURSELF FROM THIS LAWSUIT. If you exclude yourself from this Lawsuit: (1) you will no longer be a Class Member, except for the purposes of the Private Attorneys General Act, Cal. Lab. Code §§ 2698 *et seq.* (“PAGA”) claim; (2) except as to the PAGA claim, you will not be eligible to receive money from the Settlement; and (3) you will retain the right to sue STG LOGISTICS, INC. and/or STG CARTAGE, LLC on your own about the legal claims included in this Lawsuit (except for the PAGA claim), but the statute of limitations period on your claim will continue to run after you opt-out.

To exclude yourself, you must sign and return this Opt-Out Form to the Settlement Administrator, c/o CPT Group, Inc., at the address listed above. To be timely, your Opt-Out Form must be postmarked no later than _____, 2024.

SIGNATURE

By signing this Opt-Out Form, I hereby exclude myself from this Lawsuit and not be bound by any settlement or judgment in this case.

Dated: _____

(Signature)

(Printed Name)

THIS OPT-OUT FORM MUST BE POSTMARKED BY NO LATER THAN