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SUPERIOR COURT OF CALIFORNIA

IN AND FOR THE COUNTY OF MONTEREY

JOSE RENTERIA, an individual; **Plaintiff,** **v.** **AMERICAN INTERNATIONAL TRANSPORTATION SERVICES, INC., a corporation; and DOES 1-100, inclusive,** **Defendants.**	**Case No.: CVCV22-351** **CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND RELEASE OF CLAIMS**

This Class and Representative Action Settlement Agreement and Release of Claims is entered into between Plaintiff Jose Renteria ("Plaintiff") and Defendant American International Transportation Services, Inc. ("Defendant"). Plaintiff and Defendant are collectively referred to herein as the "Parties."

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I. RECITALS.

1. On March 28, 2024, Plaintiff sent to Defendant and the California Labor and Workforce Development Agency ("LWDA") written notice, alleging various Labor Code violations committed against Plaintiff during his employment with Defendant.

2. On April 22, 2024, Plaintiff filed the above-captioned class action, alleging causes of action for (1) Failure to Pay Overtime at Correct Rate; (2) Failure to Provide Paid Sick Leave; (3) Failure to Provide Rest Periods or Pay Premiums at Correct Rate; (4) Failure to Provide Meal Periods or Pay Premiums at Correct Rate; (5) Unfair Competition; (6) Unfair Competition (Tips); (7) Failure to Pay All Wages Due at End of Employment.

3. On June 6, 2024, Plaintiff filed a First Amended Complaint, adding a cause of action so as to seek civil penalties under the Private Attorneys General Act ("PAGA", Lab. Code, § 2698 *et seq.*).

4. Defendant denies and continues to deny all of Plaintiff' material allegations.

5. Subsequent to the filing of the First Amended Complaint, the Parties agreed to attend private mediation so as to reach a class and representative settlement of all claims in the Action.

6. Prior to mediation, and as part of the informal discovery process and the Parties' settlement negotiations, Defendant provided Class Counsel with key data points and documents constituting the time and payroll records for an agreed upon sampling of the putative class for the period of April 2020 through April 2024. In conjunction with those same negotiations, the Parties spoke at length about the strengths and weaknesses of each sides' claims and defenses, Defendant's likelihood of success on the certifiability of the claims and the scope of Defendant's alleged liability. Class Counsel analyzed the data and documents provided by Defendant, *supra,* so as to calculate the potential classwide liability for the claims advanced in this action.

7. On August 28, 2024, the Parties participated in mediation before Joel Grossman, Esq. (a respected mediator of employment class actions) and thereafter reached an agreement to settle the matter.

8. For purposes of this Settlement only, Plaintiff contends and Defendant does not dispute that there is sufficient evidence to support the requirements for Class certification for settlement purposes, specifically:

a. There are approximately 82 Class Members, which is so numerous as to make it impractical to join all Class Members;

b. The Class is ascertainable from Defendant's records;

c. Common questions of law and fact exist;

d. Plaintiff' claims are typical of the claims of the Settlement Class Members and that they are adequate representatives of the Class and should be appointed as such;

e. Plaintiff and their counsel, Mayall Hurley P.C., are adequate to represent the Class and should be appointed as Plaintiff and Class Counsel, respectively;

f. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications, which could establish incompatible standards of conduct; and

g. Questions of law and fact common to the members of the Class predominate over questions affecting individual members of the Class and a class action is superior to other available means for the fair and efficient adjudication of the controversy.

9. By entering into this Settlement, Defendant admits no liability, and explicitly denies liability or wrongdoing of any kind arising from the claims alleged in the Class Action. This Settlement shall not constitute an admission by Defendant as to any interpretation of laws or as to the merits, validity, or accuracy of any of the claims made against it in the Class Action, or that the claims alleged are suitable for class-wide or collective treatment.

II. DEFINITONS.

10. "Class", "Class Members", and "Settlement Class Members" means all current and former non-exempt employees who worked directly for Defendant in California during the Class Period as defined below (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification). The term "Class Members" shall not include any person who submits a timely and valid request for exclusion.

For distribution purposes, the Parties have agreed to the following subclass:

> The Former Employee Subclass: All former non-exempt employees who worked directly for Defendant in California at any time from April 22, 2021 through the date of preliminary approval.

11. "Class Action" refers to this class action lawsuit, *Jose Renteria v. American International Transportation Service, Inc.,* Monterey County Superior Court Case No. 24CV001642.

12. "Class Counsel" refers to Mayall Hurley P.C., by and through Lead Counsel John P. Briscoe.

13. "Class List" refers to the list of Class Member information to be provided to the Settlement Administrator by Defendant.

14. "Class Notice" refers to the class notice, substantially in the form attached here to as **Exhibit A**, as it may be modified by agreement of the Parties or upon order of the Court, which will be sent to the California Class Members.

15. "Class Period" shall be defined as the time frame of April 22, 2020 through the date of preliminary approval.

16. "Defense Counsel" refers to Marco A. Lucido of Fenton & Keller.

17. "Effective Date" as defined below is a condition of performance of the obligations under this Settlement. The Effective Date is determined as follows. If no Class Member or any person claiming to have standing submits an objection or otherwise purports to object to the Settlement Agreement, then the Effective Date is the date of the Court's entry of a final approval order and judgment finally approving the Settlement Agreement ("Order of Final Approval"). If any Class Member or any person claiming to have standing submits an objection or otherwise purports to object to the Settlement Agreement, then the Effective Date is the date after (a) the Court's entry of a final approval order and judgment finally approving the Settlement Agreement ("Order of Final Approval"), *and* (b) the first to occur of the following: (1) the date for seeking appellate review of the Court's Order of Final Approval has passed without a timely appeal or request for review having been made (i.e., 61 days after entry of the trial court's Order of Final Approval and Judgment); or (2) if an appeal, review, or writ is sought from the Order of Final Approval, the day after the Order of Final Approval is affirmed or the appeal, review or writ is dismissed or denied, and the Order of Final Approval is no longer subject to further judicial review.

18. "Employee-side Taxes and Withholdings" shall mean the employee's share of any and all applicable federal, state or local payroll taxes including, but not limited to those collected under authority of the Federal Insurance Contributions Act ("FICA"), FUTA and/or SUTA on the portion of any Participating Class Member's Settlement Share that constitutes wages. The Employee-side Taxes and Withholdings will be withheld from and paid out of the Net Settlement Amount.

19. "Employer-side Taxes" shall mean and refer to Defendant's share of corporate federal, state and/or local payroll taxes that is owed on the portion of any Participating Class Member's Settlement Share that constitutes wages. The Employer-side Taxes shall be separately paid by Defendant and shall not be paid from the Maximum Settlement Amount or Net Settlement Amount.

20. "Final Approval Hearing" means the hearing set by the Court for the purpose of determining, *inter alia*, (1) the fairness, adequacy, and reasonableness of the Settlement, (2) the Service Payment to Plaintiff, and (3) the fees and costs of Class Counsel.

21. "Final Approval Order" or "Order of Final Approval" refers to the order of the Court granting final approval of this Settlement and entering a judgment approving this Settlement on substantially the same terms provided herein or as may be modified by subsequent agreement of the Parties.

22. "Individual PAGA Group Member Workweeks" shall mean the number of workweeks worked by each PAGA Group Member during the PAGA Period.

23. "Individual Workweeks" shall mean the number of workweeks worked by each Class Member during the Class Period.

24. "Former Employee Subclass Member" means any Class Member whose employment with Defendant ended at any point during the Class Period.

25. "LWDA Payment" shall mean the payment to the California Labor and Workforce Development Agency ("LWDA") constituting seventy-five percent (75%) of the value assigned to the claim for penalties under the California Labor Code Private Attorneys General Act, California Labor Code Section 2698, *et seq.* ("PAGA"). Specifically, Seven Thousand Five Hundred Dollars and Zero

Cents ($7,500.00), which shall constitute the LWDA's seventy-five percent (75%) share of Ten Thousand Dollars and Zero Cents ($10,000.00) in civil penalties paid under this Settlement. The remaining Two Thousand Five Hundred Dollars and Zero Cents ($2,500.00) in civil penalties shall be distributed on a *pro rata* basis based upon the number of workweeks worked by each PAGA Group Member ("PAGA Payment").

26. "Maximum Settlement Amount" refers to the maximum amount which Defendant is obliged to pay under this Agreement, exclusive of Employer-side Taxes, i.e., One Hundred Six Thousand Two Hundred Fifty Dollars and Zero Cents ($106,250).

27. "Net Settlement Amount" refers to the Maximum Settlement Amount, less (a) the fees and costs of the Settlement Administrator, (b) the payment to the California Labor and Workforce Development Agency ("LWDA"), (c) the payments to the PAGA Group, (d) the Service Payment to Plaintiff, and (e) Class Counsel's Fees and Costs.

28. "Order of Preliminary Approval" or "Preliminary Approval Order" refers to the order of the Court granting preliminary approval of this Settlement.

29. The "PAGA Group" shall mean all persons who, during the PAGA Period, have previously been or currently are employed in California by Defendants, as an hourly-paid, non-exempt employee. "PAGA Group Member" shall mean an individual who is a member of the PAGA Group (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification).

30. "PAGA Payment Share" shall mean the value of each PAGA Group Member's share of the PAGA Payment as provided by this Agreement.

31. "PAGA Period" shall be defined as the time frame of March 28, 2023 through the date of preliminary approval.

32. "Participating Class Members" refers to all Class Members who choose to participate in this Settlement and who do not timely and validly exclude themselves from the Settlement in accordance with the procedures set forth herein.

33. "Participating Former Employee Subclass Members" refers to all Former Employee Subclass Members who choose to participate in this Settlement and who do not timely and validly exclude themselves from the Settlement in accordance with the procedures set forth herein.

34. "Parties" refers to Plaintiff and Defendant.

35. "Qualified Settlement Fund" or "QSF" means an account that will qualify and be characterized as a Qualified Settlement Fund under the provisions of the U.S. Treasury Regulations 1.486B-1 and 1.468B-5, to be set up as provided below, and into which the Net Settlement Amount is to be deposited as agreed herein, to be administered in a manner consistent with law and the terms of this Settlement.

36. "Released Claims" refers collectively to the claims released by Participating Class Members, as appropriate, and as defined in Paragraph 67.

37. "Released Former Employee Subclass Claims" means the claims released by Participating Waiting Time Subclass Members as defined in Paragraph 67, subsection (i) and (ii).

38. "Released PAGA Claims" means the PAGA claims released by Plaintiff on behalf of themselves and the other allegedly aggrieved employees and the LWDA, described in detail in Paragraph 68, as against Defendant.

39. "Released Parties" means Defendant and Defendant's parents, predecessors, successors, subsidiaries, affiliates, partners, owners, assigns, franchisors, and trusts, and all of its employees, officers, agents, attorneys, stockholders, fiduciaries, and other service providers.

40. "Response Deadline" or "Response Period" means the final date, forty-five (45) days after the Settlement Administrator mails the Class Notice, upon which Class Members may submit a request for exclusion or objection to the Settlement.

41. "Settlement" or "Settlement Agreement" refer to this Class and Representative Action Settlement Agreement and Release of Claims.

42. "Settlement Administrator" refers to Phoenix Class Action Administration Solutions, the third-party administrator whom the Parties have selected to administer the Settlement in accordance with the terms set forth herein and as approved by the Court.

43. "Settlement Share" refers to the value of the Net Settlement Amount which an individual Class Member is entitled to receive pursuant to the Settlement.

44. "Workweek" shall mean any week in which a Class Member actually performed paid work for Defendants during the Class Period as an hourly-paid, non-exempt employee.

III. APPLICATION FOR APPROVAL OF THE SETTLEMENT, CLASS CERTIFICATION, DISSEMINATION OF NOTICE, AND SETTING OF FINAL APPROVAL HEARING.

45. Promptly upon the full execution of this Agreement, Plaintiff shall apply to the Court for approval of the Settlement, including an Order of Preliminary Approval that, amongst other things, (a) preliminarily approves the Settlement under the legal standards relating to the approval of class and representative action settlements; (b) preliminarily certifies the Settlement Class for settlement purposes only; (c) approves the Class Notice and authorizes dissemination of the same; (d) preliminarily approves Plaintiff as Plaintiff; (e) preliminarily approves Mayall Hurley, P.C. as Class Counsel; (f) preliminarily approves Phoenix Class Action Administration Solutions to serve as Settlement Administrator; and (g) sets a Final Approval Hearing and briefing schedule. Should this Settlement not become effective for any reason, the fact that the Parties stipulated to certification of a Class shall have no bearing on and shall not be admissible on the question of whether a class/collective action should be certified in a non-settlement context.

IV. CONSIDERATION FOR THE SETTLEMENT.

46. Maximum Settlement Amount.

The Parties agree to settle this Class Action for the Maximum Settlement Amount of One Hundred Six Thousand Two Hundred Fifty Dollars and Zero Cents ($106,250.00). The Maximum Settlement Amount and other actions and forbearances taken by Defendant are paid in full and final settlement of (a) the Released Claims, (b) the PAGA Released Claims; (c) the fees and costs of the Settlement Administrator, (d) the payment to the LWDA, (e) the Service Payment to Plaintiff, and (f) Class Counsel's Fees and Costs. Defendant shall transmit to the Settlement Administrator the Maximum Settlement Amount within 10 days of the Order of Final Approval.

The Maximum Settlement Amount does not include the employer-side Taxes which also must be paid by Defendant.

47. Allocation of the Maximum Settlement Amount.

Subject to Court approval, the Maximum Settlement Amount will be credited or allocated as follows:

(i) $5,750 for the fees and costs of the Settlement Administrator;
(ii) $7,500 payment to LWDA under the PAGA;
(iii) $2,500 for payment to the PAGA Group Members;
(iv) $10,000 service payment to Plaintiff for his services as Class Representative;
(v) $10,000 payment to Class Counsel for Costs; and
(vi) $35,417 payment to Class Counsel for attorneys' fees.

The remainder constitutes the Net Class Settlement Amount: $35,083.00.

48. Escalator Clause.

Defendant represents that there are approximately 2,338 wage statements for all Class Members during the Class Period as of April 10, 2024. If this number exceeds this estimate by more than 10 percent, the Maximum Settlement Amount shall be increased by the percentage that the actual number of wage statements, in which Class Members worked during the Class Period through April 10, 2024, exceeds 2,572.

49. Non-Monetary Relief.

Although Defendant denies it ever acted illegally and that as noted herein nothing in this agreement constitutes an admission of liability, in addition to the Maximum Settlement Amount, Defendant also agrees that it has reviewed and audited its policies, practices, and procedures associated Labor Code violations alleged to have occurred in this matter, to ensure compliance with California law.

50. Reasonable Fees and Costs of the Settlement Administrator.

All of the Settlement Administrator's fees and costs, which are estimated not to exceed $5,750 unless otherwise approved by the Court, will be paid out of the Maximum Settlement Amount from the QSF.

51. Payment to the LWDA under the PAGA.

The Parties allocate $10,000 to the PAGA claims. Of that amount, 75% – or $7,500 – will be paid to the LWDA, and 25% – or $2,500 – will be returned to the portion of the Net Settlement Amount allocated to the Settlement Class Members. The Parties believe such amount is reasonable and sufficient under the circumstances and serves the punitive and deterrent purposes of the PAGA. The Settlement Administrator shall make the payment to the LWDA within 10 calendar days after Defendant funds the QSF fully.

52. Service Payment to Plaintiff.

Subject to Court approval, Plaintiff will apply for a Service Payment of $10,000 in consideration for his efforts on behalf of the Class including, but not limited to, assisting in the investigation and consulting with Class Counsel, providing critical information and documents to Class Counsel, participating in settlement negotiations and attending a full-day mediation, the drafting of the Memorandum of Points and Authorities, and the drafting of this Settlement Agreement. Any Service Payment approved by the Court will be paid out of the Maximum Settlement Amount and shall be in addition to Plaintiff' Settlement Shares under the terms of the Settlement. The Settlement Administrator will issue an IRS Form 1099 for any Service Payment approved by the Court. The Settlement Administrator shall mail the Service Payment to Plaintiff within 10 calendar days after Defendant funds the QSF fully. Defendant will not oppose these requests. In exchange for receiving the Service Payment, Plaintiff will not opt-out of the settlement, and will execute this settlement agreement, which constitutes a full, general release of all claims, including a Civil Code section 1542 waiver as to all actual and potential claims against Defendant and the other Released Parties.

53. Reasonable Attorneys' Fees and Costs to Class Counsel.

Subject to Court approval, Class Counsel will apply to the Court for an award of attorneys' fees and costs incurred in connection with the prosecution of this matter; all of the work remaining to be performed including, but not limited to, documenting the Settlement; drafting the Class Notice; soliciting bids from, negotiating with, and retaining the Settlement Administrator; preparing all of the motions and documents necessary to secure Court approval of the Settlement Agreement (including all related appellate work if necessary); carrying out their duties to see that the Settlement Agreement is fairly administered and implemented; responding to questions from Settlement Class Members; and obtaining judgment.

Class Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed one-third of the Maximum Settlement Amount, or $35,417, and declared costs of up to $10,000. Defendant will not oppose Class Counsel's request of equal to or less than the amounts referenced above. The fees and costs awarded to Class Counsel by the Court shall be paid out of the Maximum Settlement Amount from the QSF. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel in connection with this payment. The Settlement Administrator shall mail the attorneys' fees and costs awarded to Class Counsel within 10 calendar days after Defendant funds the QSF fully.

In the event that a lesser sum is awarded for the attorneys' fees and costs referenced above, or for the Service Payment referenced in Paragraph 52, the approval by the Court of any such lesser sum(s) shall not be grounds for Plaintiff and/or Class Counsel to terminate the Settlement, but such an order shall be appealable by them. In the event that such an appeal is filed, final funding and administration of the portion of the attorneys' fees and/or costs award and/or service payment in dispute will be segregated and stayed pending the exhaustion of appellate review. If, after the exhaustion of any such appellate review, additional amounts are distributable to the Participating Class Members, the cost of administration of the payments to them will be paid out of such additional amounts and not by Defendant. Any amount not awarded in attorneys' fees, costs and Service Payment shall be added to the Net Settlement Amount and distributed to the Participating Class Members in accordance with the terms of the Settlement.

As of the date the QSF is funded fully or the Effective Date, whichever is later, and except as otherwise provided by this Settlement, Class Counsel and any counsel associated with Class Counsel waive any further claims to costs and attorney's fees and expenses against Defendant or the Released Parties arising from or related to the Action, including but not limited to claims based on the Labor Code, the Code of Civil Procedure, PAGA, the Fair Labor and Standards Act, the Business and Professions Code, or any other contract, statute or law.

54. Tax Treatment of Settlement Shares.

For the purpose of taxes and required withholdings, the Parties agree that (i) payments to Participating Waiting Time Subclass Members shall be considered 100% penalties (for which an IRS Form 1099 will be issued) (ii) Payments to Class Members shall be considered 20% wages (for which an IRS Form W-2 shall be issued) and 80% interest and penalties (for which an IRS Form 1099 shall be issued) ;and (iii) Payments to PAGA Group Members shall be considered 100% penalties (for which an IRS Form 1099 with be issued)

Prior to the distribution of Settlement Shares, the Settlement Administrator shall calculate the total taxes and withholdings required as a result of the wage portion of the Settlement Share and such actual amount will be deducted from therefrom. Additionally, within 5 days of the Effective Date, or earlier upon Defendant's request, the Settlement Administrator shall calculate the Employer-side Taxes due on the wage portion of the Settlement Shares and issue instructions to Defendant to separately fund these obligations. The Parties understand that Participating Class Members who receive Settlement Shares under this Settlement shall be solely responsible for any and all individual tax obligations on the non-wage portion of their Settlement Share, and will indemnify and hold harmless Defendant for any taxes, interest or penalties that may be incurred by Defendant on the non-wage portion of the Participating Class Member's Settlement Share if any taxing authority disputes the allocation of the settlement payment.

55. No Effect on Employee Benefit Plans.

Neither this Settlement nor any amounts paid hereunder will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendant.

56. Undistributed Funds.

In the event that any checks mailed to Participating Class Members remain uncashed after the expiration of 180 days, or an envelope mailed to a Participating Class Member is returned and no forwarding address can be located for the Participating Class Member after reasonable efforts have been made (including but not limited to skip tracing), then any such funds shall be distributed as follows in accordance with California Code of Civil Procedure section 384:

100% to Court Appointed Special Advocates for Children of Monterey County (a nonprofit legal services organization that advocates for abused, neglected, and other identified children within the court system).

V. ADMINISTRATION OF THE SETTLEMENT.

57. Duties of the Settlement Administrator.

The Settlement Administrator shall perform the duties required by this Settlement by, among other things, and without limitation, (i) receiving and updating through normal and customary procedures the list of Class Members to be produced by Defendant, so that it is updated prior to the mailing of the Class Notice, (ii) populating, printing and mailing the Court-approved Class Notice, (iii) responding to Class Member inquiries as appropriate, (iv) performing necessary additional skip traces on any notices and/or checks returned as undeliverable, (v) calculating the Settlement Shares of the Participating Class Members, (vi) resolving disputes during the administration process in the manner described below, (vii) reporting to Class Counsel and Defense Counsel regarding administration of the Settlement, (viii) establishing the QSF in the manner described below, (ix) preparing and mailing settlement checks to the Participating Class Members, (x) preparing and mailing the Court-approved payments to itself, the LWDA, the Plaintiff, and Class Counsel, (xi) preparing all appropriate tax forms required in connection with the payments called for by this Settlement and remitting those forms and all required payments to the appropriate governmental agencies, (xii) preparing a final report and declaration summarizing the administration of the Settlement, and (xiii) generally performing all normal and customary duties associated with the administration of such settlements.

58. Dispute Resolution.

The Settlement Administrator shall have the initial responsibility for resolving any disputes that arise during the administration of the Settlement including, without limitation, disputes regarding whether a Class Member is entitled to a Settlement Share and, if so, the amount thereof. In resolving such disputes, Defendant's employment records shall be presumed accurate and correct, and shall be final and binding unless the information submitted by the individual (e.g., time records, wage statements, employment records, etc.) proves otherwise. In the event that the Settlement Administrator cannot resolve a dispute based upon a review of Defendant's records, the Settlement Administrator will schedule a call with Class Counsel and Defense Counsel to discuss and resolve the dispute. After such call, the Settlement Administrator will resolve the dispute and such resolution will be final and binding on the Class Member.

59. Establishing the Qualified Settlement Fund.

The Settlement Administrator shall be responsible for establishing a QSF upon the Court's approval to do so, which approval the Parties will jointly seek. The QSF will be taxed as a separate entity for purposes of all federal, state, and local taxes, and the Parties agree to treat the QSF on a basis consistent therewith. Any interest accrued shall inure to the benefit of the Settlement Class. The QSF is to be funded by Defendant within fifteen (15) calendar days of the Effective Date or actual receipt of the Court's order on final approval, whichever date is later. Defendant may, at its discretion, deposit the Maximum Settlement Amount at an earlier date.

VI. CLASS LIST, NOTICE TO SETTLEMENT CLASS MEMBERS, PARTICIPATION IN THE SETTLEMENT, AND SETTLEMENT SHARES.

60. Provision of the Class List.

Within fifteen (15) days after the Motion for Preliminary Approval is granted, Defendant will provide to the Settlement Administrator the "PAGA Group" and "Class Members' Data," which shall consist of an electronic database containing (i) each Class Member's first and last name, (ii) last known mailing address, (ii) the Class Member's Social Security number or Tax ID, (iii) the Class Member's employee identification number, if applicable, based on Defendants' payroll records, (iv) the Class Member's total number of Individual Class Member Workweeks, and (v) PAGA Group Members' total number of Individual PAGA Group Member Workweeks. If any or all of the Class Members' Data are unavailable to Defendants, Defendants will so inform Class Counsel prior to the date on which Defendants are required to submit the Class Members' Data to the Settlement Administrator and the Parties will make their best efforts to reconstruct or otherwise agree upon the Class Members' Data prior to when it must be submitted to the Settlement Administrator. If the Parties are unable to agree, the dispute will be resolved by the Settlement Administrator as provided in Paragraph 63. This information will otherwise remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities, as required to carry out the reasonable efforts to identify

Class Member information as described in this Paragraph 62, pursuant to Defendant's express written authorization, or by order of the Superior Court.

61. Notice to Settlement Class Members.

Promptly upon receipt of the Class List, the Settlement Administrator shall access the National Change of Address Database ("NCOA") and update the addresses provided by Defendant. The Settlement Administrator shall also determine the number of pay periods worked, as appropriate, for each Class Member, determine whether the Class Member is a member of the Waiting Time Subclass, and populate the Class Notice accordingly. Within 10 calendar days after receipt of the Class List, the Settlement Administrator shall mail the Class Notice to each Class Member via first-class mail. For each Class Notice that is returned as undeliverable before the Response Deadline, the Settlement Administrator shall promptly attempt to determine a correct address using its best efforts and shall resend the notice to any new address determined thereby.

62. Participation in the Settlement and Calculation of Settlement Shares.

Class Members are not required to file claims in order to be eligible to participate in this Settlement and receive their Settlement Share. In accordance with the formulas set forth below, $35,083 shall be paid to Participating Class Members. Additionally, $2,500 (which is not included within the Net Settlement Amount, *supra*) shall be distributed to PAGA Group Members. The amount of each Participating Class Member, Participating Former Employee Subclass Member, and PAGA Group Member's Settlement Share shall be determined by the Settlement Administrator as follows:

(i) Class Members.

The workweeks worked during the Class Period by each Participating Class Member will be divided by the total workweeks worked all Participating Class Members during the Class Period, resulting in a payment ratio for each Participating Class Member. Each Participating Class Member's payment ratio is then multiplied by the portion of the Net Settlement Amount allocated to the Class to determine his or her individual Settlement Share.

(ii) Participating Former Employee Subclass Members.

Participating Waiting Time Subclass Members shall each receive credit for an additional ten (10) workweeks in addition to their payment under paragraph 62(i) above.

(iii) PAGA Group Members.

The workweeks worked during the PAGA Period by each PAGA Group Member will be divided by the total workweeks worked by all PAGA Group Members during the PAGA Period, resulting in a payment ratio for each PAGA Aggrieved Employee. Each PAGA Aggrieved Employee's payment ratio is then multiplied by the \$2,500 allocated to the PAGA Group Members to determine his or her individual payment.

The Settlement Administrator shall pay to each Participating Class Member his or her Settlement Share and to each PAGA Group Member his or her PAGA Payment Share from the QSF. The Settlement Administrator shall pay each Settlement Share by sending a check in the appropriate amount after withholdings to the Participating Class Member at the address indicated in the Class Member's Data. The Settlement Administrator shall pay each PAGA Payment Share by sending a check in the appropriate amount to the PAGA Group Member at the address indicated in the PAGA Group Member's Data. Such payment shall be sent by the Settlement Administrator via U.S. Mail within fourteen (14) calendar days of the QSF being funded fully with the Maximum Settlement Amount.

63. Procedures for Challenges.

A Class Member may, before the Response Deadline, dispute the amount of his or her Settlement Share, and the data used to calculate it, by timely sending a written notice to the Settlement Administrator informing the Settlement Administrator of the nature of the dispute and providing any records or documentation supporting their position. In response to such a challenge, Defendant will first verify the accuracy of the information contained in its records. Next, Class Counsel and Defense Counsel will make a good faith effort to resolve the dispute informally. If Class Counsel and Defense Counsel are unable to agree, the dispute shall be resolved by the Settlement Administrator after examination of the records provided by the Settlement Class Member and Defendant. The Settlement Administrator's determination will be final and binding.

If, before the Response Deadline, an individual not previously identified in the Class List asserts his or her membership in the Settlement Class and seeks recovery under the Settlement, the Settlement Administrator shall provide Class Counsel and Defense Counsel with the evidence submitted by the individual. To be eligible for recovery under this Settlement, individuals must provide sufficient proof to the Settlement Administrator supporting his or her request for inclusion, including specific evidence establishing that he or she qualifies as a Settlement Class Member as defined herein. If Class Counsel and Defense Counsel agree an individual is not a Settlement Class Member, the Settlement Administrator will inform the individual that their request for inclusion has been rejected. If Class Counsel and Defense Counsel are unable to agree, the dispute shall be resolved by the Settlement Administrator after examination of the records provided by the Settlement Class Member and Defendant. The Settlement Administrator's determination will be final and binding.

VII. EXCLUSIONS, OBJECTIONS AND BINDING EFFECT OF SETTLEMENT.

64. Right of Class Members to Opt-Out of Settlement.

The Class Notice will advise each Class Member of their right exclude themselves or opt-out of the Settlement. To be effective, requests for exclusion must (a) be submitted in writing to the Settlement Administrator, postmarked before the Response Deadline (i.e., no later than 45 calendar days from the date of mailing of the Class Notice), (b) contain the individual's full name, current home (or mailing address), and the last four digits of his or her social security number, and (c) include written affirmation of his or her desire to exclude themselves containing the following or substantially similar language:

> "I elect to opt-out of the *Renteria v. American International Transportation Service, Inc.* class action settlement. I understand that by doing so, I will not be able to participate in the settlement, and will not receive a share of the settlement."

The Settlement Administrator shall email copies of any Opt-Outs received to all counsel within 48 hours of its receipt of same. The Class Notice shall include the specific address to which requests for exclusion must be mailed as well as a summary of the foregoing. Any Class Member who timely requests exclusion from this Settlement shall not have any rights under the Settlement, shall not be entitled to receive a Settlement Share, shall not be bound by the Settlement or the Order of Final Approval, and shall not have the right to file an objection to the Settlement. A Class Member who timely submits a valid Exclusion Request will not participate in, or be bound by, the Settlement of the Judgment and will not receive any payment pursuant to the Settlement except for a payment from the portion of the PAGA Payment to the PAGA Group if the Class Member is a PAGA Group Member, and will not be bound by the terms of the Settlement, except for the release of the Released PAGA Claims if the Class Member is a PAGA Group Member, and will not have any right to object, appeal, or comment thereon.

65. Right of Class Members to Object to Settlement.

The Class Notice will advise each Class Member of their right to object to the Settlement. To be effective, objections must (a) be mailed to the Settlement Administrator, postmarked before the Response Deadline (i.e., no later than 45 calendar days from the date of mailing of the Class Notice), (b) clearly identify the case name and number, (c) contain the objector's full name, current home (or mailing address), and the last four digits of his or her social security number, (d) clearly and concisely state all grounds for the objection, (e) indicate whether the objector is represented by counsel and, if so, identify such counsel, (f) indicate whether the objector his or her counsel intend to appear at the Final Approval Hearing, and (g) be signed by the objector or his or her counsel.

The Notice will include the specific address to which objections must be mailed as well as a summary of the foregoing. Absent good cause found by the Court, no Class Member may be heard at the Final Approval Hearing unless he or she has complied with these requirements, and any Class Member who fails to comply with these requirements shall be deemed to have waived his or her right to object to the Settlement. Any Class Member whose objection is overruled will be deemed to be a Participating Class Member and subject to the terms of this Settlement and the Court's Order of Final Approval.

66. Binding Effect on Participating Class Members.

All Participating Class Members will bound by the terms and conditions of this Settlement, the Court's Order of Final Approval, and the releases set forth herein.

VIII. RELEASES

67. Released Claims.

As of the date the QSF is funded or the Effective Date, whichever is later, each Participating Class Member, and without the need to manually sign a release document, in exchange for the consideration recited in this Agreement, on behalf of himself or herself and on behalf of his/her current, former, and future heirs, executors, administrators, attorneys, agents, and assigns, shall and does hereby fully and finally release the Released Parties from any and all claims, demands, rights, liabilities, and causes of action that were or could have been brought against the Released Parties in the Action based on the facts and allegations set forth in the Action through the date of preliminary approval (the "Released Claims"). The Released Claims include all causes of action and claims that were alleged in the Action or reasonably could have been alleged based on the facts and legal theories contained in the operative complaint, and all derivative claims related thereto, including, but not limited to, all of the following claims for relief:

(i) All causes of action and claims that were alleged in the Class Action or reasonably could have been alleged based on the facts and legal theories contained in the First Amended Class and Representative Complaint which arose during the Class Period, including all of the following claims for relief: (i) failure to pay overtime; (ii) failure to provide paid sick leave; (iii) failure to provide meal periods or proper compensation in lieu thereof; (iv) failure to provide rest periods or proper compensation in lieu thereof; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint (including the taking of tips); (viii) all claims under PAGA that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in Plaintiff's Complaint; (ix) any claim for costs and attorneys' fees and expenses, and any claim arising from the claims described above under applicable federal, state, local or territorial law as well as applicable regulations and Wage Orders. Participating Class Members who cash their checks are deemed to have waived all claims under the Settlement.

(ii) Participating Class Members who are not currently employed by Defendant and who participate in the Settlement and receive a payment thereunder shall, by virtue of the same, release any Labor Code section 203 claims for failure to pay wages due and owing at the end of employment.

The Parties also agree that this release constitutes a resolution of a good faith dispute concerning wages and complies with Labor Code Section 206.5(a), which reads:

> "An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made. A release required or executed in violation of the provisions of this section shall be null and void as between the employer and the employee. Violation of this section by the employer is a misdemeanor."

68. Released PAGA Claims.

As of the date the QSF is funded or the Effective Date, whichever is later, each PAGA Group Member, and without the need to manually sign a release document, in exchange for the consideration recited in this Agreement, on behalf of herself or herself and on behalf of his/her current, former, and future heirs, executors, administrators, attorneys, agents, and assigns, shall and does hereby fully and finally release Released Parties from any and all claims, demands, rights, liabilities, and causes of action that were or could have been brought against the Released Parties in the Action for civil penalties pursuant to the PAGA that were alleged or could have been alleged under the Labor Code, state or local wage and hour laws and Wage Orders, whether known or unknown, based on the facts and legal theories contained in the Action, including but not limited to (a) failure to pay overtime; (b) failure to provide paid sick leave; (c) failure to provide meal periods or proper compensation in lieu thereof; (d) failure to provide rest periods or proper compensation in lieu thereof; (e) failure to pay wages timely at time of termination or resignation; (f) unlawful taking of tips; or (g) failure to provide complete, accurate wage statements, that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint (the "PAGA Released Claims"). Following the Effective Date and Defendants funding the settlement, all PAGA Group Members will release the Released Parties from the PAGA Released Claims that accrued during the PAGA Period. PAGA Group Members cannot opt out of or object to the foregoing PAGA Release.

69. Complete Release by Plaintiff

Plaintiff expressly provides a 1542 waiver to Defendant and all other Released Parties, which waives all other individual and/or collective rights, if any, whether or not set forth in this Settlement Agreement, notwithstanding section 1542 of the California Civil Code, which states:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**

MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Plaintiff has read this section and fully discussed it with counsel. Plaintiff recognizes that he may discover facts in addition to or different from those she now knows or believes to be true with respect to the subject matter of the Complete and General Release. Nonetheless, upon the Effective Date, Plaintiff shall be deemed to have, and by operation of the Order of Final Approval shall have, fully, finally, and forever settled and released any and all of the claims covered by this complete and general release of all claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or have existed, upon any theory of law or equity now existing against the Released Parties, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

70. Non-Disparagement.

Plaintiff and Class Counsel agree not to make any untruthful, malicious, disparaging or defamatory statements, allegations, comments or communications, regardless of form (whether written, oral, electronic, including but not limited to Glassdoor, Yelp, or otherwise), regarding the Released Parties. Plaintiff and Class Counsel further agree not to encourage authorize or permit any such statements, allegations, comments or communications to be made by others on their behalf. Defendant agrees not to make any untruthful, malicious, disparaging or defamatory statements, allegations, comments or communications, regardless of form (whether written, oral, electronic, including but not limited to Glassdoor, Yelp, or otherwise), regarding Plaintiff. Defendant further agree not to encourage authorize or permit any such statements, allegations, comments or communications to be made by others on their respective behaves.

71. No Admission of Liability.

Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, or has any liability to anyone under the claims asserted in the Action. This Settlement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Settlement is intended or will be construed as an admission of liability or wrongdoing by Defendant, an admission by Plaintiff that any of his claims were non-meritorious, or any defense asserted by Defendant was meritorious. This Settlement and the fact that Plaintiff and Defendant were willing to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with the Settlement).

IX. FINAL SETTLEMENT APPROVAL.

72. A Final Approval Hearing shall be held for the purpose of purpose of considering, *inter alia*, (a) the fairness, adequacy, and reasonableness of the Settlement, (b) the Service Payment to Plaintiff, (c) the fees and costs of Class Counsel, and (d) the propriety of any timely objections as well as Class Counsel and Defense Counsel's response thereto. The date of the Final Approval Hearing shall be set by the Court and notice of such shall be provided to Class Members in the Class Notice.

Upon final approval of the Settlement, the Parties will respectfully request the Court enter an Order of Final Approval:

(i) Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;
(ii) Approving payment to the Settlement Administrator;
(iii) Approving the Service Payment to Plaintiff;
(iv) Approving Class Counsel's application for fees and costs;
(v) Permanently enjoining and restraining Participating Class Members from and against initiating or pursuing against Defendant any individual, representative, or class claims released by this Settlement;
(vi) Entering judgment in this Class Action consistent with the terms of this Settlement; and
(vii) Retaining jurisdiction to the extent necessary over the subject matter of the Class Action and over the Parties and Settlement Class Members to enforce the terms of the Settlement.

X. TERMINATION OF THE SETTLEMENT.

73. Grounds for Termination of the Settlement.

If the Superior Court ultimately does not grant final approval of the Settlement or grants final approval conditioned on any material change to the Settlement that is not agreed to by one of the Parties, then either Party will have the right to void the Settlement. Further, if 10 percent or more of the Class Members timely and validly exclude themselves from the Settlement, Defendant may, at its election, have the right to void the Settlement (but it must do so within 30 calendar days after the Settlement Administrator notifies the Parties of the total number of Class Members who are excluding themselves from the Settlement). If the Settlement is voided in this manner, the Parties will have no further obligations under the Settlement, including any obligation by Defendants to pay any amounts that otherwise would have been payable under this Settlement, except that the voiding Party will pay the Settlement Administrator's reasonable fees and expenses incurred as of the date that the Party exercises the right to void the Settlement under this paragraph. However, an award by the Superior Court of a lesser amount than that sought by Plaintiff and Class Counsel for the Service Payment, and/or Class Counsel's Attorney's Fees and Costs, will not constitute a material change to the Settlement within the meaning of this paragraph.

XI. MISCELLANEOUS TERMS.

74. Mutual Cooperation.

The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, executing and amending such documents and taking such other actions as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. Neither party, nor their counsel, employees, or agents, shall solicit or encourage any Settlement Class Member to exclude themselves from the Settlement, object to the Settlement, or decline to opt into the Settlement.

75. Modification.

This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by counsel for the Parties, and approved by the Court, provided however that changes solely to the timing and deadlines herein may be made for administrative convenience by written agreement of counsel for all Parties without Court approval. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto and approved by the Court.

76. Integration Clause.

This Settlement Agreement contains the entire agreement between the Parties relating to the settlement of the Class Action and the transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. In entering into this Settlement Agreement, none of the Parties has relied on any representation or promise not expressly set forth in this Settlement Agreement. No rights hereunder may be waived except in writing.

77. Class Counsel Signatories.

It is agreed that because of the anticipated large number of Participating Class Members, it will be impossible or impractical to have each Participating Class Member execute this Settlement Agreement. As such, Class Counsel is signing on behalf of the Participating Class Members. In addition, the California Class Notice will advise Settlement Class Members of the binding nature of the Settlement, and their right to Opt-Out and/or object, and shall have the same force and effect as if it were executed individually by each Participating Class Member.

78. Interim Stay of Proceedings.

Pending the completion of the approval process, the Parties agree to a stay of all proceedings in the Class Action except those necessary to implement the Settlement itself.

79. Notices.

Any notices, requests, requests, demands, or other communications required or necessitated by this Settlement Agreement shall be in writing and, except as provided elsewhere in this Settlement Agreement, shall be delivered as follows:

(i) If to Plaintiff or Class Counsel, then to:

If to Plaintiff or Class Counsel, then to:	**If to Defendant or Defense Counsel, then to:**
John P. Briscoe Mayall Hurley, P.C. 112 S. Church St. Lodi, CA 95240 jbriscoe@mayallaw.com	Marco A. Lucido Fenton & Keller 2801 Monterey-Salinas Hwy. P.O. Box 791 Monterey, CA 93942-0791 mlucido@FentonKeller.com

80. Resolution of Disputes Arising from Preparation of Settlement Agreement.

Should the Parties be unable to resolve disputes regarding the preparation of this Settlement Agreement informally, the Parties agree to seek the guidance of their mediator, Kim Deck.

81. Retention of Jurisdiction by the Court.

Following approval of the Settlement and the Court's entry of the Order of Final Approval, the Court shall retain jurisdiction for the purpose of addressing any issues which may arise with respect to the administration of the Settlement or the enforcement of the Settlement's terms.

82. Choice of Law.

This Settlement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California.

83. Construction.

This Agreement is entered into freely and voluntarily without duress or undue pressure or influence of any kind or nature whatsoever and neither Party has relied on any promises, representations or warranties regarding the subject matter hereof other than as set forth in this Agreement. Each Party has been represented by counsel in the settlement negotiations leading up to, and in connection with the preparation and execution of, this Settlement Agreement. The Parties acknowledge and agree that all Parties had an equal hand in drafting this Agreement so that it shall not be deemed to have been prepared or drafted by one Party or another. All Parties waive the provisions of California Civil Code section 1654 (and any other equivalent state, federal, or local provision), which provides, in part, that "the language of a contract should be interpreted most strongly against the Party who caused the uncertainty to exist."

84. Execution in Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Any signature to this Agreement transmitted by facsimile and any copies of any signatures are valid and binding.

85. Authority.

The individuals signing this Agreement represent and warrant that they are authorized to do so. Those individuals likewise represent and warrant that they have the authority to executed this Agreement and to take all appropriate action required and permitted to be taken by this Agreement, except such action that is the prerogative of the Court.

DATED: ______________ By______________________________
Jose Renteria, Plaintiff

DATED: 10·22·24 By______________________________
Defendant American International Transportation Service, Inc.

APPROVED AS TO FORM AND CONTENT:

MAYALL HURLEY P.C.

DATED: ______________ By______________________________
JOHN P. BRISCOE
Attorneys for Plaintiff and the Putative Class

FENTON & KELLER

DATED: 10/22/2024 By Marco Lucido
MARCO A. LUCIDO
Attorneys for Defendant American International Transportation Service, Inc.

DATED: 10/22/2024

By________________________
Signed by:
4E0658AAE75E420...
Jose Renteria, Plaintiff

DATED: ____________

By________________________
Defendant American International Transportation Service, Inc.

APPROVED AS TO FORM AND CONTENT:

MAYALL HURLEY P.C.

DATED: 10/22/2024

By________________________
JOHN P. BRISCOE
Attorneys for Plaintiff and the Putative Class

FENTON & KELLER

DATED: ____________

By________________________
MARCO A. LUCIDO
Attorneys for Defendant American International Transportation Service, Inc.

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MONTEREY

JOSE RENTERIA, an individual; Plaintiff, v. AMERICAN INTERNATIONAL TRANSPORTATION SERVICES, INC., a corporation; and DOES 1-100, inclusive, Defendants.	CASE NO. 24CV001642 CLASS ACTION NOTICE OF PROPOSED CLASS AND REPRESENTATIVE ACTION SETTLEMENT, AND HEARING DATE FOR FINAL COURT APPROVAL OF SETTLEMENT

ATTENTION: ALL CURRENT AND FORMER CALIFORNIA NON-EXEMPT EMPLOYEES OF AMERICAN INTERNATIONAL TRANSPORTATION SERVICES, INC. WHO WORKED AT LEAST ONE SHIFT DURING THE PERIOD OF APRIL 22, 2020 THROUGH [DATE OF PRELIMINARY APPROVAL]:

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION AND PAGA LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO RECEIVE PAYMENT OR TO OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

IF YOU DO NOT WISH TO RECEIVE PAYMENT UNDER THE SETTLEMENT OR PARTICIPATE IN THE SETTLEMENT YOU MUST REQUEST TO BE EXCLUDED FROM THE SETTLEMENT CLASS ON OR BEFORE __________________, 2025.

Pursuant to the Order Granting Preliminary Approval of Class Action and PAGA Settlement of the Superior Court of the State of California for Monterey County entered on ______________________, 2024, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A class action settlement has been reached between the Parties in the above-captioned lawsuit pending in the Superior Court of the State of California for the County of Monterey on behalf of all current and former California non-exempt employees of American International Transportation Services, Inc. who worked at least one shift at any time between April 22, 2020 through [date of preliminary approval] (the "Settlement Class" or "Class Members"); the Settlement Class does not include persons who submit valid Requests for Exclusion (as explained below), or who previously settled, released or received awards for claims covered by the Settlement. Included within the Settlement Class is the Former Employee Subclass, consisting of all former non-exempt employees who worked directly for American International Transportation Services, Inc. from April 22, 2021 through [date of preliminary approval].

Additionally, and for purposes of a release of claims for civil penalties under the Private Attorneys General Act ("PAGA", Lab. Code § 2698 et seq.), the Parties have stipulated to the PAGA Group, consisting of persons who were employed in California by American International Transportation Services, Inc. as nonexempt employees at any time from March 28, 2023 through [date of preliminary approval].

"Released Parties" means American International Transportation Services, Inc. and its parents, predecessors, successors, subsidiaries, affiliates, partners, owners, assigns, franchisors, and trusts, and all of its employees, officers, agents, attorneys, stockholders, fiduciaries, and other service providers.

You have received this notice because records indicate you are a Class Member. This notice is to advise you of how you can either participate in the Settlement or be excluded from the Settlement.

I. BACKGROUND OF THE CASE

1. On April 22, 2024, Plaintiff Jose Renteria ("Plaintiff") filed a class action complaint in the Monterey County Superior Court. Renteria alleged causes of action for (1) Failure to Pay Overtime at Correct Rate; (2) Failure to Provide Paid Sick Leave; (3) Failure to Provide Rest Periods or Pay Premiums at Correct Rate; (4) Failure to Provide Meal Periods or Pay Premiums at Correct Rate; (5) Unfair Competition; (6) Unfair Competition (Tips); (7) Failure to Pay All Wages Due at End of Employment. On June 6, 2024, Plaintiff filed a First Amended Complaint, adding a representative claim under the Private Attorneys General Act (or "PAGA"). The term "Action" means this putative class and PAGA action pending in Monterey County Superior Court, Case No. 24CV001642. The Class Period is between April 22, 2020 through [**date of preliminary approval**]. Plaintiff's First Amended Complaint seeks recovery of unpaid wages, penalties, interest, and attorneys' fees and costs. American International Transportation Services, Inc. denies all of these allegations and denies any liability or wrongdoing of any kind.

2. The Action has been actively litigated, including an exchange of extensive documentation. Furthermore, the Parties participated in private mediation before well-respected class action mediator Joel Grossman, Esq. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class-wide Settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Settlement, American International Transportation Services, Inc. continue to deny all allegations and claims.

3. The Parties have entered into a Joint Stipulation of Class Action and PAGA Settlement and Release, which has been preliminarily approved by the Court. The Court has made no determination about the merits of Plaintiff's claims or the defenses asserted by the American International Transportation Services, Inc. The proposed class action settlement agreement does not constitute any admission of liability by American International Transportation Services, Inc. Plaintiff has agreed to serve as class representative.

If you are part of the Settlement Class, you have the opportunity to participate in the Settlement, to exclude yourself ("opt out") from the Settlement, or to object to the Settlement.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Settlement, American International Transportation Services, Inc. agrees to pay a total amount $106,250 to settle all claims asserted on behalf of Class Members, damages, attorneys' fees, costs, the enhancement award, penalties, and claims administration expenses ("Maximum Settlement Amount"). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys' fees not to exceed one third of the Maximum Settlement Amount, or $35,413, reasonable costs of suit up to $12,500, an Enhancement Award to Plaintiff not to exceed $10,000, the fees and expenses of the Settlement Administrator, not to exceed $5,750, and $7,500 payable to the California Labor and Workforce Development Agency ("LWDA") for alleged PAGA penalties, which will result in a "Net Settlement Amount" for distribution to all Class Members. As explained further below, the amount of each Class Member's Settlement Award will depend on the number of weeks worked by Class Members during the Class Period. The entire Net Settlement Amount will be paid out to Class Members. The employer taxes on the wage portion of the Settlement Awards will be paid separately by American International Transportation Services, Inc.

The Notice of Settlement Award Form enclosed herewith lists, for each Class Member, the number of weeks each Class Member worked during the Class Period and his/her estimated Settlement Award. The value of the actual Settlement Awards may be more or less depending upon the total number of weeks worked by participating Class Members and the Court's final approval order.

B. Settlement Formula, and Settlement Awards

American International Transportation Services, Inc. will pay Settlement Awards through the Settlement Administrator, Phoenix Class Action Administration Solutions, to each Class Member who has not submitted a Request for Exclusion from the Settlement ("Participating Class Members"). All Settlement Awards will be subject to appropriate taxation. Settlement Awards to Class Members will be based on the ratio of the number of weeks worked by each individual Class Member during the Class Period in proportion to the total number of weeks worked by all Participating Class Members during the Class Period. The number of workweeks will be determined by reference to American International Transportation Services, Inc.'s records. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down; however, if a Class Member worked only one day, such Class Member will be credited with having worked one workweek for purposes of the Settlement.

The amounts distributed to the Class will be allocated as follows: 20 percent will be allocated to alleged unpaid wages and 80 percent will be allocated to statutory penalties and interest. IRS Forms W-2 and 1099-MISC will issue, as appropriate.

Receipt of the Settlement Awards will not entitle any Class Member to additional compensation or benefits under any company compensation or benefit plan or agreement in place during the period covered by the Settlement.

D. Release of Claims

On the Effective Date, each Class Member who has not submitted a valid Request for Exclusion fully releases and discharges the Released Parties from all causes of action and claims that were alleged in the Class Action or reasonably could have been alleged based on the facts and legal theories contained in the First Amended Class and Representative Complaint which arose during the Class Period, including all of the following claims for relief: (i) failure to pay overtime; (ii) failure to provide paid sick leave; (iii) failure to provide meal periods or proper compensation in lieu thereof; (iv) failure to provide rest periods or proper compensation in lieu thereof; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint (including the taking of tips); (viii) all claims under PAGA that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in Plaintiff's Complaint; (ix) any claim for costs and attorneys' fees and expenses, and any claim arising from the claims described above under applicable federal, state, local or territorial law as well as applicable regulations and Wage Orders. Participating Class Members who cash their checks are deemed to have waived all claims under the Settlement. Participating Class Members who are not currently employed by Defendant and who participate in the Settlement and receive a payment thereunder shall, by virtue of the same, release any Labor Code section 203 claims for failure to pay wages due and owing at the end of employment.

If you do NOT exclude yourself by following the procedures set forth in this Notice and the Court approves the proposed Settlement, you will be deemed to have released these claims.

E. Resolution of Workweek Disputes

If a Class Member disputes the accuracy of American International Transportation Services, Inc.'s records as to the number of workweeks worked, any documentation supporting such dispute must be submitted to the Settlement Administrator with the Notice of Settlement Award Form on or before [Response Deadline]. All workweek disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all disputes will be final and binding.

F. Enhancement Award for the Plaintiff

Plaintiff will receive an Enhancement Award in an amount to be determined and approved by the Court. This payment will be made for his service as class representative, including active participation in prosecution of the Action, as well as willingness to accept the risk of incurring Class Counsel's costs or paying American International Transportation Services, Inc.'s attorneys' fees and costs for an unsuccessful outcome in the Action.

G. Attorneys' Fees and Costs

As consideration for the Settlement and in exchange for the release by the Settlement Class, American International Transportation Services, Inc. agree to pay Class Counsel's attorneys' fees and costs to be set by the Court, up to a maximum of one-third of the Maximum Settlement Amount, or $35,413 and reasonable attorneys' costs of up to $12,500. Class Counsel's attorneys' fees and costs will be paid and deducted from the Maximum Settlement Amount.

H. Reasonableness of Settlement

All attorneys for the Parties to the Action believe the amounts for attorneys' fees and costs requested are fair and reasonable. The Plaintiff and Class Counsel support this Settlement. Among the reasons for support are the complete defenses to liability potentially available to American International Transportation Services, Inc., the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Excluding Yourself from the Settlement

If you do not wish to participate in the Settlement, you may be excluded (i.e., "opt out") by submitting a timely written request to the Settlement Administrator stating you have received notice of the Settlement, decided not to participate in the Settlement, and desire to be excluded from the Settlement, or words to that effect ("Request for Exclusion"). Your Request for Exclusion must also state your full name, address, date of birth, and the dates you were employed by American International Transportation Services, Inc. as a non-exempt employee in California. The Request for Exclusion must be signed, dated and mailed by First Class U.S. Mail or the equivalent, to:

American International Transportation Services, Inc. Settlement Administrator

"I elect to opt-out of the *Renteria v. American International Transportation Services, Inc.* class action settlement. I understand that by doing so, I will not be able to participate in the settlement, and will not receive a share of the settlement."

Telephone: 1 (800) 000-0000

The Request for Exclusion must be postmarked no later than ______________, 2024. If you submit a Request for Exclusion which is not postmarked by ________________, 2024, your Request for Exclusion will be rejected and you will be bound by the Release and all other Settlement terms. If the Request for Exclusion is sent from within the United States it must be sent through the United States Postal Service by First Class Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Request for Exclusion.

Any person who submits a complete and timely Request for Exclusion shall, upon receipt by the Settlement Administrator, no longer be a Class Member, shall be barred from participating in any portion of the Settlement, shall not be entitled to object to the Settlement, shall receive no benefits from the Settlement, shall not be deemed to have relinquished the Released Claims against the Released Parties, and, at his or her own expense, may pursue any claims he or she may have against the Released Parties. If an individual submits both an executed Claim Form and a Request for Exclusion, the Request for Exclusion will be deemed invalid, and the individual will be included in the Settlement Class and will be bound by the terms of the Settlement.

B. Objecting to Settlement

If you do not exclude yourself from the Settlement, you can object to the terms of the Settlement before Final Approval. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. To object, you must file a written objection and a notice of intention to appear at the Final Approval hearing currently set for **[DATE] at [TIME]. (Pacific Time) in Department XX.** You must file the written objection and notice of intention to appear at the Final Approval Hearing with the Clerk of the Court, Monterey County Superior Court, 1200 Aguajito Road, Monterey, CA 93940, and send copies to the Settlement Administrator, and Counsel as follows:

CLASS COUNSEL
John P. Briscoe
Mayall Hurley P.C.
112 S. Church St.
Lodi, CA 95240

COUNSEL FOR AMERICAN INTERNATIONAL TRANSPORTATION SERVICES, INC.
Marco A. Lucido
Fenton & Keller
2801 Monterey-Salinas Hwy.
P.O. Box 791
Monterey, CA 93942-0791

Any written objection must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and the dates of you were employed as a non-exempt employee in California by American International Transportation Services, Inc. To be valid and effective, any objections to approval of the Settlement must be filed with the Clerk of the Court and delivered to the Settlement Administrator and each of the above-listed attorneys no later than 45 calendar days after the Settlement Administrator mails the Notice and the Notice of Settlement Award Form to the Class Members, or ___________, 2024. **DO NOT TELEPHONE THE COURT.**

If you choose to file an objection to the terms of this Settlement, you may enter an appearance *in propria* *persona* (meaning you choose to represent yourself) or through your own attorney at your own expense. To do so, you must file an Entry of Appearance with the Clerk of the Monterey County Superior Court, and deliver copies to the Settlement Administrator and each of the attorneys listed above. Such Entry of Appearance must be filed with the Court and delivered to the above attorneys no later than 45 days after the Settlement Administrator mails the Notice and the Notice of Settlement Award Form to Class Members. You will then continue as a Class Member either *in propria persona* or with representation by your own attorney, and you will be solely responsible for the fees and costs of your own attorney. The final fairness hearing at which the Court will be asked to approve the Settlement will be at [TIME] (Pacific Time) on [DATE], in Department XX, or such other later date as the Court may authorize.

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

Upon Final Approval being granted by the Court, each and every Class Member who does not opt out of the Settlement, will release American International Transportation Services, Inc. and the Released Parties from the Released Claims as described above. In other words, if you were employed as a Class Member by American International Transportation Services, Inc. in California during the Class Period, and you do not exclude yourself from the Settlement Class, you will be deemed to have entered into this release and to have released the above-described Released Claims. In addition, you will be barred from ever suing American International Transportation Services, Inc. and the Released Parties with respect to the Released Claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a remote hearing via Zoom in Department XX of the Superior Court of the State of California for the County of Monterey, 1200 Aguajito Road, Monterey, CA 93940, on DATE at TIME (Pacific Time), to determine whether the Settlement should be finally approved as fair, reasonable and adequate. The Zoom link to appear at the hearing is ..... The Department 2 Zoom ID is: .... To appear at the hearing telephonically, call NUMBER and enter the Zoom ID. The Court also will be asked at the Final Approval Hearing to approve Class Counsel's request for attorneys' fees and costs, the costs of administration, and the Enhancement Award to be paid to the Plaintiff. Class Counsel's application for attorneys' fees and litigation costs will be on file with the Court no later than DATE, and will be available for review after that date. Class Counsel are seeking approval of a total of not more than one-third of the Maximum Settlement Amount for attorneys' fees not to exceed $35,413 and reasonable costs not to exceed $12,500.

The hearing may be continued without further notice to the Settlement Class. It is not necessary for you to appear at this hearing, unless you wish to object to the Settlement.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed "Joint Stipulation of Class Action and PAGA Settlement and Release" between Plaintiff and American International Transportation Services, Inc. which is on file with the Clerk of the Court. The pleadings and other records in this Action, including the Joint Stipulation of Settlement, may be examined by visiting the Court Clerk at any time between 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court Holidays, in the Clerk's Office located at 1200 Aguajito Road, Monterey, CA 93940.

If you want additional information about this lawsuit and its proceedings, you can contact Class Counsel:

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PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.

BY ORDER OF THE SUPERIOR COURT