PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Ray Lopez ("Plaintiff") and Defendant Sunland Logistics Solutions, Inc., formerly known as Sunland Distribution ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. <u>DEFINITIONS</u>.

1.1 "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendant captioned *Ray Lopez v. Sunland Logistics Solutions, Inc*., *et al.*, initiated on June 20, 2024 and pending in Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2420743.

1.2 "Administrator" means Apex Class Action, LLC ("Apex"), the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4 "Aggrieved Employee" means all hourly non-exempt employees who work for Defendant in California during the PAGA Period.

1.5 "Aggrieved Employee Data" means the identifying information in Defendant's possession for an Aggrieve Employee, including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6 "Aggrieved Employee Address Search" means the Administrator's investigation and search for an Aggrieved Employee's current mailing address(es) using all reasonably available sources, methods and means including, but not limited to: the National Change of Address database; skip traces; and direct contact by the Administrator with Aggrieved Employees.

1.7 "Aggrieved Employees' Notice" shall mean the Notice of Settlement and Approval, a sample of which is attached hereto as Exhibit A. The Aggrieved Employees' Notice shall further contain: (i) the recipient Aggrieved Employee's first and last name, (ii) the recipient Aggrieved Employee's last known address, (iii) the recipient Aggrieved Employee's employee identification number, if applicable, (iv) the number of individual pay periods the recipient Aggrieved Employee worked for one or more of Defendants during the PAGA Period; and (v) the amount of the recipient Aggrieved Employee's Individual PAGA Payment.

1.8 "Court" means the Superior Court of California, County of San Bernardino.

1.9 "Defense Counsel" means Grace Y. Horoupian and Olivia Green of Fisher & Phillips LLP.

1.10 "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the Parties' PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment.

1.11 "Gross Settlement Amount" means One Hundred Thirty-Five Thousand Five Hundred Dollars and Zero Cents ($135,500.00), which is the maximum amount Defendant agrees to pay under the Settlement except in the event that the escalator clause provided for in Paragraph 8 below is triggered. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.12 "Individual PAGA Payment" means each Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.13 "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.14 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).

1.15 "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

1.16 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid as PAGA Penalties, allocated as follows: 35% to the Aggrieved Employees as Individual PAGA Payments and 65% to the LWDA as the LWDA PAGA Payment.

1.17 "PAGA Counsel" means Emil Davtyan, David Yeremian, and Natalie Haritoonian of D.Law, Inc., the attorneys representing the Plaintiff in the Action.

1.18 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.19 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.20 “PAGA Period” means the period from June 20, 2023, to April 27, 2025.

1.21 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698. *et seq.*).

1.22 “PAGA Notice” means Plaintiff’s June 20, 2024, letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.23 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 35% to the Aggrieved Employees ($18,926.25) and 65% to the LWDA ($35,148.75) in settlement of PAGA claims. The Net Settlement Amount is the total amount of PAGA Penalties to be paid.

1.24 “Plaintiff” means Ray Lopez, the named plaintiff in the Action.

1.25 “Approval Order” means the proposed Court Order Granting Approval of the Parties’ PAGA Settlement.

1.26 “Released PAGA Claims” means the claims being released by the Aggrieved Employees as described in Paragraph 5 below.

1.27 “Released Parties” means Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

1.28 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.29 “Defendant” means named Defendant Sunland Logistics Solutions, Inc., formerly known as Sunland Distribution.

2. RECITALS.

2.1 On June 20, 2024, Plaintiff commenced this Action by filing a class action complaint against Defendant in Court that asserted causes of action against Defendant for alleged violations of the California Labor Code and California Business & Professions Code. Plaintiff alleged that Defendant committed the following Labor Code violations: (1) failed to pay Plaintiff and other similarly situated employees (the “Putative Class Members”) wages for all time worked, including time spent waiting to clock in and clock out at the beginning and end of their shifts, and time spent responding to work demands on their personal cell phones outside of scheduled work hours; (2) failed to incorporate all non-discretionary, performance-based bonuses and commissions into both Plaintiff’s and the Putative Class Members’ regular rate calculations when calculating overtime, sick pay, vacation pay, and meal and rest break premiums; (3) failed to pay Plaintiff and the Putative Class Members “double time” when they worked more than 12 hours in a single day or worked more than eight hours on the seventh consecutive day of a workweek; (4) failed to provide Plaintiff and the Putative Class Members legally compliant meal breaks and/or rest breaks; (5) failed to provide Plaintiff and Class Members with legally compliant and accurate wage statements, in violation of Labor Code Section 226; (6) failed to issue final pay checks to Plaintiff and the Putative Class Members in a timely fashion; and (7) failed to reimburse Plaintiff and the Putative Class Members for reasonably and necessary business expenses. On March 19, 2025, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant for civil penalties under the California Private Attorneys General Act ("PAGA"). The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). The Parties are in the process of filing a joint stipulation and order requesting that the class claims be dismissed without prejudice. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3 On February 26, 2025, the Parties participated in an all-day mediation with Brandon McKelvey, Esq., which led to the Settlement.

2.4 Prior to mediation, Plaintiff obtained, through informal discovery, pertinent payroll, timekeeping, and other data.

2.5 The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay no more than One Hundred and Thirty-Five Thousand Five Hundred Dollars and Zero Cents ($135,500.00) as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 35%, which is currently estimated to be $47,425.00, and a PAGA Counsel Litigation Expenses Payment of not more than $30,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for the awards of the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator shall pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed $4,000.00 except for a showing of good cause and as approved by the Court.

3.2.3 To the LWDA and Aggrieved Employees: After making the above-contemplated deductions from the Gross Settlement Amount in amounts approved by the Court for the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and Administration Expenses Payment, the remainder ("Net Settlement Amount") shall be paid as PAGA Penalties, which is currently estimated to be $54,075.00, with 65% allocated to the LWDA PAGA Payment and 35% allocated to the Individual PAGA Payments.

3.2.3.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.3.3 The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 65 Aggrieved Employees who worked a total 4,287 of PAGA Pay Periods through February 15, 2025.

4.2 Aggrieved Employee Data. Within 15 days, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose remailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4 The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS**. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, acting on behalf of the State of California and all Aggrieved Employees, will release claims against all Released Parties as follows:

5.1 Plaintiff's Release and Enhancement: Plaintiff shall receive a separate individual payment of $9,000.00 in consideration of a general release of all claims he may have against Defendant. This Settlement Payment shall be subject of a separate individual settlement agreement and release that will be executed by the Parties on or before the Effective Date of this Agreement.

5.2 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Complaints in the Action, and/or the PAGA Notices including, but not limited to, any and all claims involving (a) any failure to pay wages, including minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods (including failure to pay meal period premiums); (d) failure to provide rest periods (including failure to pay rest period premiums) (e) failure to provide accurate itemized wage statements; (f) failure to timely pay wages including wages due upon termination; (g) failure to maintain accurate records; (h) failure to provide reimbursable expenses; (i) failure to pay vacation wages; (j) violation of Business & Professions Code 17200 et seq.; and (k) any and all statutes and regulations referenced in the Complaints or PAGA Notices. This Release shall not apply to any Defendant that does not fully fund their share of the Gross Settlement Amount as provided in Paragraph 4.3.

5.3 Release by PAGA Counsel: PAGA Counsel release, on behalf of their present and former attorneys, employees, agents, successors, and assigns, the Released Parties from all claims for PAGA Fees incurred in connection with the facts stated in the Operative Complaint and the PAGA Notice during the PAGA Period.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex to serve as the Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR CLAUSE Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are 65 Aggrieved Employees who worked 4,287 Pay Periods through February 17, 2025. If the Pay Periods increases by more than 10%, then the GSA will be increased proportionally by the number of workweeks worked in excess of 10%. For example, if the Pay Periods increases by 15%, then the GSA will increase by 5%. In the alternative, Defendants can avoid increasing the GSA by electing to end the PAGA Period when the number of PAGA Pay Periods reaches 4,716.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this

Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

10.11 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Dated: 7/1/2025

Signed by:
Ray Lopez
By: CAF3A84730EF4FD...
Plaintiff Ray Lopez

Dated: ________________

By: ______________________________
Defendant Sunland Logistics Solutions, Inc.
By: ________________________
Title: ________________________

AGREED AS TO FORM

Dated: July 29, 2025

By: Natalie H
Natalie Haritoonian
Counsel for Plaintiff Ray Lopez

Dated: ________________

By: ______________________________
Grace Horoupian
Counsel for Defendant Sunland Logistics Solutions, Inc.

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Dated: ________________ By: ________________________________
Plaintiff Ray Lopez

Dated: 7.15.25 By: Jennifer Smith
Defendant Sunland Logistics Solutions, Inc.
By: Jennifer Smith
Title: Field HR Director

AGREED AS TO FORM

Dated: ________________ By: ________________________________
Natalie Haritoonian
Counsel for Plaintiff Ray Lopez

Dated: 10/29/25 By: ________________________________
Grace Horoupian
Counsel for Defendant Sunland Logistics Solutions, Inc.

Ray Lopez v. Sunland Logistics Solutions, Inc., et al.
San Bernardino County Superior Court Case No. CIVSB2420743

<<PSA ID>>
<<First Last>>
<<Address>>
<<City, State, Zip, Country>>

Name/Address Changes (if any):

____
____

NOTICE OF REPRESENTATIVE ACTION SETTLEMENT

If you are or were a non-exempt, hourly employee who worked for Sunland Logistics Solutions, Inc. in California at any time between June 20, 2023 to April 27, 2025, you are entitled to receive money from a Representative PAGA Action Settlement.

A court approved this notice. This is not a solicitation from a lawyer. You are not being sued.

1. Why should you read this notice?

A settlement (the "Settlement") was reached in a lawsuit entitled *Ray Lopez v. Sunland Logistics Solutions, et al.*, San Bernardino County Superior Court Case No. CIVSB2420743 (the "Action" or "Lawsuit"). The Lawsuit involved claims asserted under the Private Attorneys General Act (the "PAGA"). The Defendant in the Action is Sunland Logistics Solutions, Inc. ("Defendant").

The Court has granted approval of a PAGA representative group of Aggrieved Employees defined as follows:

> All non-exempt, hourly employees who worked for Sunland Logistics Solutions, Inc., in California at any time between June 20, 2023 to April 27, 2025 (the "Aggrieved Employees").

You are receiving this notice because Defendant's records indicate that you may be an Aggrieved Employee. The Court directed that this Notice be sent to all Aggrieved Employees to inform you about the case and your rights.

This Notice explains the Lawsuit, the Settlement, and your legal rights.

2. What is this Lawsuit about?

On June 20, 2024, Plaintiff Ray Lopez ("Plaintiff") (together, with Defendant, referred to herein as the "Parties") filed the Action alleging that Defendant failed to comply with various provisions of the California Labor Code. The Lawsuit seeks penalties pursuant to the PAGA on behalf of both the State of California and the Aggrieved Employees for the alleged violations. Plaintiff and Defendant participated in mediation with Brandon McKelvey, Esq., on February 26, 2025. Through arm's length negotiations, the Parties agreed to the core terms of the settlement. The Court approved the Settlement on ____________, 2025.

3. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendant. Instead, both sides agreed to a Settlement. This allows the Parties to avoid the risk and uncertainty of trial and any subsequent appeal, and all affected employees will receive compensation. The Settlement is not an admission of liability by Defendant. Defendant vigorously denies all the claims and contentions made in the Lawsuit and maintains it has fully complied with the law, but has agreed to settle the Lawsuit to avoid the expense of litigation. Plaintiff and the attorneys believe the Settlement is fair, reasonable and adequate, and in the best interests of all Aggrieved Employees.

4. What are the terms of the Settlement?

Defendant will pay One Hundred Thirty-Five Thousand Five Hundred Dollars and Zero Cents ($135,500.00) to settle the Action (the "Gross Settlement Amount"). The Gross Settlement Amount will be used to pay Individual PAGA Payments, the California Labor and Workforce Development Agency ("LWDA") PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administrator's Expenses Payment.

The Court has approved the following payments from the Gross Settlement Amount:

- Plaintiff's Counsel's fees of Forty-Seven Thousand Four Hundred Twenty-Five Dollars and Zero Cents ($47,425.00);
- Plaintiff's Counsel's out-of-pocket litigation costs of Thirty Thousand Dollars and Zero Cents ($30,000.00); and
- Settlement Administration Costs for the third-party Settlement Administrator of Four Thousand Dollars and Zero Cents ($4,000.00).

The law requires that Thirty Five Thousand One Hundred Forty Eight Dollars and Seventy Five Cents ($35,148.75), or 65% of the Fifty Four Thousand Seventy Five Dollars and Zero Cents ($54,075.00) remaining in the Gross Settlement Amount, be paid to the LWDA. The remaining Eighteen Thousand Nine Hundred Twenty-Six Dollars and Twenty Five Cents ($18,926.25) ("Aggrieved Employees Payment") will be paid out to the Aggrieved Employees. No portion of the Gross Settlement Amount will be returned to Defendant.

5. How much am I receiving?

Each Aggrieved Employee is receiving a *pro rata* share of the Aggrieved Employees Payment based on the number of pay periods the person worked for Defendant as a non-exempt, hourly employee during the Representative Period, defined above. Any pay period in which an Aggrieved Employee worked at least one day was counted as a pay period.

To calculate an Aggrieved Employee's share of the Aggrieved Employees Payment, the Aggrieved Employees Payment was divided by the aggregate total number of pay periods of all Aggrieved Employees, resulting in the "Pay Period Value." Each Aggrieved Employee's share of the Aggrieved Employee's share of the Aggrieved Employees Payment will be calculated by multiplying each individual Aggrieved Employee's total number of pay periods by the Pay Period Value.

Your Compensable Pay Periods are: <<PayPeriods>>

Your Aggrieved Employee's share of the Aggrieved Employees Payment is: $<<Est.PAGAPaymentAmt>>

Each Aggrieved Employee's share of the Aggrieved Employees Payment will be allocated as follows: 100% as penalties that will not be subject to deductions and withholdings. Each Aggrieved Employee will receive an IRS Form 1099 for his or her share of the Aggrieved Employees Payment.

The Settlement checks will be able to be cashed for 180 days after they are issued. After 180 days, the Settlement checks will no longer be able to be cashed. Any funds represented by Settlement checks remaining uncashed for more than 180 days after issuance shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500, *et seq*. in the names of those Aggrieved Employees who did not cash their Settlement checks until such time they claim their property.

6. What claims are being released by the Settlement?

A Judgment has been entered by the Court. Upon the Effective Date of the Judgment, the State of California, the LWDA, Plaintiff, and the Aggrieved Employees have released the Released Parties from the Released Claims for the Representative Period, which is defined above.

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, for: all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice including, but not limited to, any and all claims involving (a) any failure to pay wages, including minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods (including failure to pay meal period premiums); (d) failure to provide rest periods (including failure to pay rest period premiums) (e) failure to provide accurate itemized wage statements; (f) failure to timely pay wages including wages due upon termination; (g) failure to maintain accurate records; (h) failure to reimburse necessary expenses; (i) failure to pay vacation wages; (j) violation of Business & Professions Code 17200 et seq.; and (k) any and all statutes and regulations referenced in the Complaints or PAGA Notices.

Aggrieved Employees cannot opt out of or object to the foregoing Release.

The Released Parties are defined as Defendant and its former, present, and future owners, parents, affiliates, and subsidiaries, and all of their current, former, and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, reinsurers, and/or legal representatives.

Under the terms of the Settlement, Aggrieved Employees do not need to do anything in order to receive their PAGA Claim Employee Settlement Award.

If you have questions, you can call the Settlement Administrator at ______________.

PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S MANAGERS OR SUPERVISORS ABOUT THIS SETTLEMENT
They will not be able to assist you.