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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN**

Jackie Thompson, individually and on behalf
of all others similarly situated,

Plaintiff,

v.

Cheema Freightlines, LLC, a California
Limited Liability Company, and DOES 1-10,

Defendant.

**JOINT STIPULATION OF SETTLEMENT
AND RELEASE OF CLASS ACTION**

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1 This Joint Stipulation of Settlement and Release of Class Action (“Stipulation”) is made and
2 entered into by Plaintiff Jackie Thompson (“Plaintiff”), individually and as a representative of the
3 Settlement Class, as defined below, and Cheema Freightlines (“Defendant”) (Plaintiff and Defendant are
4 collectively referred to herein as “the Parties”). This Stipulation is subject to the approval of the Court,
5 pursuant to California Rules of Court, Rule 3.769(c), (d) and (e), and is made for the sole purpose of
6 attempting to consummate settlement of the Action on a class-wide basis subject to the following terms
7 and conditions. As detailed below, in the event the Court does not enter an order granting final approval
8 of the Class Settlement, as defined below, or the conditions precedent are not met for any reason, this
9 Stipulation is void and of no force or effect whatsoever.

10 **I. DEFINITIONS**

11 As used in this Stipulation, the following terms shall have the meanings specified below. To the
12 extent terms or phrases used in this Stipulation are not specifically defined below, but are defined
13 elsewhere in this Stipulation, they are incorporated by reference into this definition section.

14 **1. Action.** “Action” shall mean the following civil action: *Jackie Thompson v. Cheema*
15 *Freightlines, LLC*, Case No. STK-CV-UOE-2017-11658, filed on November 1, 2017 in the Superior
16 Court of California for the County of San Joaquin.

17 **2. Administrative Expenses.** “Administrative Expenses” shall include all costs and
18 expenses associated with and paid to the third party Settlement Administrator, which are anticipated not
19 to exceed \$11,000.00.

20 **3. Claims.** “Claims” shall mean the claims asserted in the First Amended Complaint filed
21 on August __, which are Defendant’s alleged: (1) failure to pay separately and on an hourly basis for
22 time spent by drivers on rest breaks, pre- and post-trip inspection time, loading/unloading time, cleaning,
23 fueling, and paperwork time (collectively referred to as “Non Driving Tasks”); (2) failure to provide
24 paid rest breaks and pay missed rest break premiums to its current and former truck drivers; (3) failure to
25 provide meal periods and pay missed meal period premiums to its current and former truck drivers; (4)
26 failure to reimburse business expenses, including personal cell phone expenses incurred by its current
27 and former truck drivers; (5) failure to provide complete wage statement to its current and former truck
28 drivers assigned to work in California within one year prior to the filing of the Complaint; (6) waiting

1 time penalties; (7) unfair business practices based on the foregoing; and (8) PAGA and other penalties
2 based on the foregoing.

3 **4. Class or Settlement Class.** “Class” or “Settlement Class” shall mean “Plaintiff and all
4 other California residents who are or have been employed as truck drivers by Defendant, who drive
5 routes in California and who were paid, on whole or in part, based on a “per mile” basis at any time
6 from November 1, 2013 through the earlier of (a) the date the court enters preliminary approval or (b)
7 September 25, 2018. Defendant has represented that the Settlement Class consists of approximately 214
8 Class Members.

9 **5. Class Counsel.** “Class Counsel” shall mean Jonathan Melmed of Melmed Law Group
10 P.C.

11 **6. Class Attorney Fees and Expenses.** “Class Attorney Fees and Expenses” shall mean
12 Class Counsel’s attorney fees and expenses as set forth in Section IV, Paragraph 6.

13 **7. Class Member or Settlement Class Member.** “Class Member” or “Settlement Class
14 Member” shall mean any person who is a member of the Settlement Class, or, if such person is
15 incompetent or deceased, the person’s legal guardian, executor, heir or successor-in-interest.

16 **8. Class Notice.** “Class Notice” shall mean the Notice of Proposed Class Action
17 Settlement and Hearing Date for Court Approval, as set forth in the form of **Exhibit 1** attached hereto,
18 or as otherwise approved by the Court, which is to be mailed to Class Members along with the Share
19 Form.

20 **9. Share Form.** “Share Form” shall mean the Share Form, as set forth in the form of
21 **Exhibit 2** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class
22 Members along with the Class Notice.

23 **10. Class Participants.** “Class Participants” shall mean any and all Class Members who do
24 not timely Opt-Out of the Class Settlement.

25 **11. Class Period.** “Class Period” shall mean the period from November 1, 2013 through the
26 earlier of (a) the date the Court enters preliminary approval or (b) September 25, 2018.

27 **12. Class Representative.** “Class Representative” shall mean Plaintiff Jackie Thompson.

28 **13. Class Settlement.** “Class Settlement” shall mean the settlement embodied in this

1 Stipulation, which is subject to Court approval.

2 **14. Complaint.** “Complaint” shall mean the Complaint filed in San Joaquin County
3 Superior Court on November 1, 2017, Case No. STK-CV-UOE-2017-11658.

4 **15. Court.** “Court” shall mean the Superior Court of San Joaquin County.

5 **16. Defense Counsel.** “Defense Counsel” shall mean Christine H. Long, Esq. of Berliner
6 Cohen LLP, Ten Almaden Boulevard, 11th Floor, San Jose, California 95113.

7 **17. Effective Date.** “Effective Date” shall be the date when all of the following events have
8 occurred: (a) this Stipulation has been executed by all Parties and by Class Counsel and Defense
9 Counsel; (b) the Court has given preliminary approval to the Settlement; (c) notice has been given to the
10 Settlement Class Members providing them with an opportunity to Opt-Out of the Class Settlement; (d)
11 the Court has held a Final Approval and Fairness Hearing and entered a final order and judgment
12 certifying the Class and approving this Stipulation; and (e) the later of the following events: the
13 expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Class
14 Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or the
15 dismissal of any appeal, writ, or other appellate proceeding opposing the Class Settlement with no right
16 to pursue further remedies or relief; or any appeal, writ, or the issuance of such other final appellate
17 order upholding the Court’s final order with no right to pursue further remedies or relief. In this regard, it
18 is the intention of the Parties that the Class Settlement shall not become effective until the Court’s order
19 approving the Class Settlement is completely final and there is no further recourse by an appellant or
20 objector who seeks to contest the Class Settlement. In the event no objections are filed, the Effective
21 Date shall be after steps (a) through (d) are completed.

22 **18. Employee’s Taxes and Required Withholding.** “Employee’s Taxes and Required
23 Withholding” shall mean the employee’s share of any and all applicable federal, state or local payroll
24 taxes, including those collected under authority of the Federal Insurance Contributions Act (“FICA”),
25 FUTA and/or SUTA on the portion of any Class Participant’s Individual Settlement Amount that
26 constitutes wages as set forth in section IV, paragraph 4. The Employee’s Taxes and Requirement
27 Withholdings will be withheld from and paid out of the Net Settlement Amount.

28 **19. Employer’s Taxes.** “Employer’s Taxes” shall mean and refer to Defendant’s share of

1 payroll taxes (e.g. UI, ETT, Social Security and Medicare taxes) that is owed on the portion of any
2 Class Participant's Individual Settlement Amount that constitutes wages as set forth in section IV,
3 paragraph 4. The Employer's Taxes shall be separately paid by Defendant and shall not be paid from
4 the Gross Settlement Amount or Net Settlement Amount.

5 **20. Final Approval and Fairness Hearing.** "Final Approval and Fairness Hearing" shall
6 mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class
7 Settlement.

8 **21. Defendant.** "Defendant" shall mean Cheema Freightlines, LLC.

9 **22. Hearing on Preliminary Approval.** "Hearing on Preliminary Approval" shall mean
10 the hearing held on the motion for preliminary approval of the Class Settlement.

11 **23. Individual Settlement Amount.** "Individual Settlement Amount" shall mean the
12 amount which is ultimately distributed to each Class Participant, net of any Employee's Taxes and
13 Required Withholdings.

14 **24. Plaintiff.** "Plaintiff" shall mean the named Plaintiff Jackie Thompson.

15 **25. Net Settlement Amount.** "Net Settlement Amount" shall mean the Gross Settlement
16 Amount minus Administrative Expenses, Class Attorney Fees and Expenses, 75% of the PAGA
17 Payment payable to the California Labor and Workforce Development Agency ("LWDA"), and
18 Plaintiff's Incentive Award.

19 **26. Opt-Out(s).** "Opt-Out(s)" shall mean any and all persons who timely and validly
20 request exclusion from the Class Settlement in accordance with the terms of the Class Notice and no
21 later than the Response Deadline.

22 **27. Parties.** "Parties" shall mean Plaintiff and Defendant.

23 **28. Preliminary Approval Date.** "Preliminary Approval Date" shall mean the date upon
24 which the Court enters an order preliminarily approving this Stipulation.

25 **29. Released Claims.** "Released Claims" shall mean all claims alleged in the operative
26 First Amended Complaint, including all wage and hour claims for unpaid minimum wages, rest break
27 violations, meal period violations, failure to reimburse business expenses, wage statement violations,
28 waiting time penalties, PAGA penalties, and Unfair Competition Law violations, including claims under

1 California Labor Code sections 201, 202, 203, 226, 226.2, 226.7, 512, 558, 1194, 1194.2, 2802, 2698- to
2 2699.5, *et seq.*, Industrial Welfare Commission Wage Order No. 9, sections 11 and 12, and claims under
3 sections 17200 to 17204 of the California Business and Professions Code based on the foregoing.

4 It is understood and agreed that this Stipulation will not release any person, party or entity from
5 claims, if any, by Class Members for workers compensation, unemployment, or disability benefits of
6 any nature, nor does it release any claims, actions, or causes of action which may be possessed by
7 Settlement Class Members under state or federal discrimination statutes, including, without limitation,
8 the Cal. Fair Employment and Housing Act, the Cal. Government Code § 12940, *et seq.*; the Unruh Civil
9 Rights Act, the Cal. Civil Code §51, *et seq.*; the California Constitution; Title VII of the Civil Rights Act
10 of 1964, 42 U.S.C. § 2000, *et seq.*; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101,
11 *et seq.*; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq.*;
12 and all of their implementing regulations and interpretive guidelines.

13 **30. Released Parties.** "Released Parties" shall mean Cheema Freightlines, LLC, and all of
14 its subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any insurers,
15 reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors,
16 successors, and assigns.

17 **31. Response Deadline.** "Response Deadline" shall mean the date thirty (30) days following
18 the date on which the Settlement Administrator first mails Class Notice to the Settlement Class
19 Members.

20 **32. Incentive Award.** "Incentive Award" shall mean any additional monetary payment
21 provided to the Class Representative for his efforts and risks on behalf of the Settlement Class in this
22 Action.

23 **33. PAGA Payment.** "PAGA Payment" means the penalties pursuant to California Labor
24 Code sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"), that the
25 Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the
26 Action, which is \$10,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor
27 Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e. \$7,500) to the
28

1 LWDA and twenty-five percent (25%) (i.e. \$2,500) to the Class Members. Class Counsel shall give
2 timely notice of the Class Settlement to the LWDA under Labor Code section 2699(1)(2).

3 **34. Settlement.** “Settlement” shall mean the settlement between the Parties, which is
4 memorialized in this Stipulation and subject to approval by the Court.

5 **35. Settlement Administrator.** “Settlement Administrator” shall mean CPT Group, Inc.,
6 which the Parties have agreed will be responsible for administration of the Settlement and related
7 matters.

8 **36. Gross Settlement Amount.** “Gross Settlement Amount” is the agreed upon non-
9 reversionary settlement amount totaling \$400,000.00 to be paid by Defendants in full settlement of the
10 Released Claims asserted in this case, including the Administrative Expenses, Employee’s Taxes and
11 Required Withholdings, Class Attorney Fees and Expenses, Incentive Award, and PAGA Payment.
12 Defendant shall separately pay its share of the Employer’s Taxes in addition to the Gross Settlement
13 Amount.

14 **37. Stipulation.** “Stipulation” shall mean this Joint Stipulation of Settlement and Release of
15 Class Action, including any attached exhibits.

16 **38. Final Payment Date.** “The Final Payment Date” shall be the date which Defendants
17 make their fourth and final payment, pursuant to the “Payment Plan.”

18 **39. Payment Plan.** The “Payment Plan” shall be the series of four payments, that
19 Defendant shall make to the Settlement Administrator encompassing the Gross Settlement Amount, as
20 follows: assuming that Court grants preliminary approval to the settlement on or before December 31,
21 2018, then Defendant shall pay \$100,000.00 on or before December 31, 2018 (the “First Payment”),
22 Defendant shall pay \$100,000.00 on or before July 2, 2019 (the “Second Payment”), Defendant shall
23 pay \$100,000.00 on or before January 2, 2020 (the “Third Payment”), and Defendant shall pay
24 \$100,000.00 on or before July 2, 2020 (“Fourth and Final Payment”).

25 **II. FACTUAL AND PROCEDURAL BACKGROUND OF ACTION**

26 **1. Plaintiff’s Claims.** On behalf of the Settlement Class, Plaintiff alleged the following
27 causes of action: (1) failure to pay separately and hourly for time spent by drivers on rest breaks, pre-
28 and post-trip inspections, loading/unloading time, cleaning, fueling, and paperwork time (collectively

1 referred to as “Non-Driving Tasks”) (Cal. Labor Code §§ 1194, 1194.2, 226.2); (2) failure to provide
2 paid rest periods to drivers and pay missed rest period premiums (Cal. Labor Code § 226.7; IWC Wage
3 Order No. 9); (3) failure to provide meal periods and pay missed meal period premiums (Cal. Labor
4 Code §§ 226.7, 512); (4) failure to reimburse business expenses (Cal. Labor Code § 2802); (5) failure to
5 provide complete/accurate wage statements (Cal. Labor Code § 226(a)); (6) failure to pay all wages due
6 to former employees based on the foregoing (Cal. Labor Code § 201 – 203); (7) derivative UCL
7 violations based on the foregoing (Cal. Bus. & Prof. Code §§ 17200-17204); and (8) PAGA and other
8 penalties (Cal. Labor Code § 2688, *et seq.*, and 558) based on the foregoing.

9 **2. Discovery, Investigation, Motion Practice and Research.** Class Counsel has
10 conducted significant discovery during the prosecution of the Action. This discovery, investigation, and
11 prosecution has included, among other things, (a) over a dozen telephonic conferences with Plaintiff; (b)
12 inspection and analysis of hundreds of pages of documents and other information produced by Plaintiff
13 and Defendant; (c) analysis of the legal positions taken by Defendant; (d) investigation into the viability
14 of class treatment of the claims asserted in the Action; (e) analysis of potential class-wide damages,
15 including information sufficient to understand Defendant’s potential defenses to Plaintiff’s claims; (f)
16 research of the applicable law with respect to the claims asserted in the Complaint and the potential
17 defenses thereto; and (g) assembling and analyzing of data for calculating damages. In addition, the
18 Parties have determined that the estimated size of the Settlement Class is no more than 214 Class
19 Members.

20 The Class Representative has vigorously prosecuted this case, and Defendant has vigorously
21 contested it. The Parties have engaged in sufficient investigation and discovery to assess the relative
22 merits of the claims of the Class Representative and of Defendant’s defenses to them.

23 **3. Allegations of the Class Representative and Benefits of Class Settlement.** The
24 extensive discovery conducted in this matter, as well as discussions between counsel, have been
25 adequate to give the Class Representative and Class Counsel a sound understanding of the merits of their
26 positions and to evaluate the worth of the claims of the Settlement Class. The discovery conducted in
27 this Action and the information exchanged by the Parties through discovery and settlement discussions
28 are sufficient to reliably assess the merits of the Parties’ respective positions and to compromise the

1 issues on a fair and equitable basis.

2 Plaintiff and Class Counsel believe that the claims, causes of action, allegations and contentions
3 asserted in the Action have merit. However, Plaintiff and Class Counsel recognize and acknowledge the
4 expense and delay of continued lengthy proceedings necessary to prosecute the Action against
5 Defendant through trial and through appeals. Class Counsel has taken into account the uncertain
6 outcome of the litigation, the risk of continued litigation in complex actions such as this, as well as the
7 difficulties and delays inherent in such litigation, and the potential difficulty of obtaining certification of
8 the Action as well as trying the claims of the class. Class Counsel is mindful of the potential problems
9 of proof under, and possible defenses to, the claims alleged in the Action.

10 Class Counsel believes that the Settlement set forth in this Stipulation confers substantial
11 benefits upon Plaintiff and the Settlement Class Members and that an independent review of this
12 Stipulation by the Court in the approval process will confirm this conclusion. Based on their own
13 independent investigation and evaluation, Class Counsel has determined that the Settlement set forth in
14 the Stipulation is in the best interests of Plaintiff and the Settlement Class Members.

15 **4. Defendant's Denials of Wrongdoing and Liability.** Defendant has denied and
16 continues to deny each and all of the allegations, claims, and contentions alleged by Plaintiff in the
17 Action. Defendant has expressly denied and continues to deny all charges of wrongdoing or liability
18 against it arising out of any of the conduct, statements, acts or omissions alleged in the Action.
19 Defendant contends that it complied in good faith with California and federal wage and hour laws and
20 has dealt legally and fairly with Plaintiff and Settlement Class Members. Defendant further denies that,
21 for any purpose other than settling this Action, these claims are appropriate for class or representative
22 treatment. Nonetheless, Defendant has concluded that further proceedings in the Action would be
23 protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner
24 and upon the terms and conditions set forth in this Stipulation in order to dispose of burdensome and
25 protracted litigation, to permit the operation of Defendant's business without further expensive litigation
26 and the distraction and diversion of its personnel with respect to matters at issue in the Action.
27 Defendant has also taken into account the uncertainty and risks inherent in any litigation, especially in
28 complex cases such as the Action. Defendant has, therefore, determined that it is desirable and

1 beneficial to it that the Action be settled in the manner and upon the terms and conditions set forth in
2 this Stipulation.

3 **5. Intent of the Class Settlement.** The Class Settlement set forth herein intends to
4 achieve the following: (1) entry of an order approving the Class Settlement; (2) entry of judgment of the
5 Action; (3) discharge of Released Parties from liability for any and all of the Released Claims; and (4)
6 discharge of Plaintiff from liability for any and all claims arising out of the Action.

7 **III. CONDITIONAL CLASS CERTIFICATION AND APPOINTMENT OF CLASS**
8 **COUNSEL**

9 **1. The Settlement Class.** For the purposes of this Stipulation and the Class Settlement of
10 this Action only, the Parties stipulate to conditional class certification of the Settlement Class.
11 Defendant’s counsel believes this conditional certification is appropriate because the Released Claims
12 are being compromised without need to establish the elements of those claims on which liability turns.

13 **2. Appointment of Class Counsel.** For purposes of this Stipulation and subject to the
14 Court’s approval, the Parties hereby stipulate to the appointment of Class Counsel as counsel for the
15 Class and the effectuation of the Class Settlement pursuant to this Stipulation.

16 **IV. CLASS SETTLEMENT CONSIDERATION**

17 **1. Settlement Amount.** The Parties agree to settle this Action for the Gross Settlement
18 Amount of \$400,000.00. There shall be no reversion to Defendant. Defendants shall pay the Gross
19 Settlement Amount pursuant to the Payment Plan. The Gross Settlement Amount and other actions and
20 forbearances taken by Defendant shall constitute adequate consideration for the Class Settlement and
21 will be made in full and final settlement of: (a) the Released Claims, (b) Class Attorney Fees and
22 Expenses, (c) Administrative Expenses, (d) Incentive Award, (e) PAGA Payment; and (f) any other
23 obligation of Defendant under this Stipulation (other than the Employer’s Taxes on the portion of the
24 Net Settlement Amount allocated to the payment of wages). After the court issues an order
25 preliminarily approving this Class Settlement, the Settlement Administrator will distribute the Class
26 Notice to the Settlement Class Members, which shall describe the terms of the Class Settlement and
27 procedures to opt out, object or participate in the Class Settlement as well as the Share Form, which
28 shall identify the Settlement Class Member, the pay periods worked by each Settlement Class Member,

1 as well as the estimated amount of the Individual Settlement Amount the Settlement Class Member can
2 expect to receive once the Class Settlement becomes Effective. Settlement Class Members shall be
3 given the opportunity to challenge their pay periods worked information.

4 **2. Incentive Award for Plaintiff.** Plaintiff may petition the Court to approve an Incentive
5 Award in an amount up to \$10,000.00 for Plaintiff's efforts on behalf of the Settlement Class in this
6 Action, including assisting in the investigation and consulting with Class Counsel and providing crucial
7 documents to Class Counsel. Defendant shall not oppose any request by Plaintiff for an Incentive
8 Award in such an amount. Any Incentive Award approved by the Court shall be paid to Plaintiff from
9 the Gross Settlement Amount and shall be in addition to any distribution to which he may otherwise be
10 entitled as a Class Participant. The Incentive Award shall not be considered wages, and the Settlement
11 Administrator shall issue Plaintiff a IRS Form 1099 reflecting such payment. Plaintiff shall be
12 responsible for the payment of any and all taxes with respect to his Incentive Award and shall hold
13 Defendant harmless from any and all liability with regard thereto.

14 **3. Payment to Class Participants.** Each Class Participant shall be eligible to receive
15 payment of the Individual Settlement Amount, which is a share of the Net Settlement Amount based on
16 the pro rata number of weeks worked by the Settlement Class Members during the Class Period as a
17 proportion of all weeks worked by all Settlement Class Members. The Individual Settlement Amount
18 for each Settlement Class Member shall be calculated in accordance with section VII, paragraph 2. Each
19 Class Participant, including Plaintiff, shall be responsible for the payment of the Employee's Taxes and
20 Required Withholding with respect to his or her Individual Settlement Amount and shall hold Defendant
21 harmless from any and all liability with regard thereto.

22 **4. Tax Treatment and Payment.** For the purpose of calculating Employee's Taxes and
23 Required Withholding for the Individual Settlement Amounts for Class Participants (including any
24 payments to the Class Representative but exclusive of his Incentive Award), the Parties agree that 1/3 of
25 each Individual Settlement Amount shall constitute wages in the form of back pay (and each Class
26 Participant will be issued an IRS Form W-2 for such payment to him or her), and 2/3 of each Individual
27 Settlement Amount shall constitute penalties and interest (and each Class Participant will be issued an
28 IRS Form 1099 for such payment to him or her). Prior to final distribution, the Settlement

1 Administrator shall calculate the total Employee's Taxes and Required Withholding due as a result of
2 the wage portion of Class Participants' anticipated Individual Settlement Amounts and such actual
3 amount will be deducted from the Net Settlement Amount. Additionally, prior to the funding of the
4 Gross Settlement Sum and final distribution, the Settlement Administrator shall calculate the total
5 Employer's Taxes due on the wage portion of the Class Participants' Individual Settlement Amounts and
6 issue instructions to Defendant to separately fund these tax obligations/withholdings. The Parties
7 understand that Plaintiff and the Class Participants who receive any payment pursuant to this Stipulation
8 shall be solely responsible for any and all other individual tax obligations associated with this Class
9 Settlement.

10 **5. No Effect on Employee Benefit Plans.** Neither the Class Settlement nor any amounts
11 paid under the Class Settlement will modify any previously credited hours, days, or weeks of service
12 under any employee benefit plan, policy or bonus program sponsored by Defendant. Such amounts will
13 not form the basis for additional contributions to, benefits under, or any other monetary entitlement
14 under Defendant's sponsored benefit plans, policies or bonus programs. The payments made under the
15 terms of this Stipulation shall not be applied retroactively, currently, or on a going forward basis, as
16 salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's
17 benefit plan, policy or bonus program. Defendant retains the right to modify the language of its benefits
18 plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant
19 to this Stipulation are not for "weeks worked," "weeks paid," "weeks of service," or any similar
20 measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility,
21 vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not
22 required by this Stipulation. Defendant does not consider the Class Settlement payments
23 "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans,
24 policies, or bonus programs, or any other plan sponsored by Defendant.

25 **6. Class Attorney Fees and Expenses.** As part of the motion for final approval of the
26 Class Settlement, Class Counsel may submit an application for an award of Class Attorney Fees and
27 Expenses with the fee portion not to exceed one third of the Gross Settlement Amount (*i.e.*,
28 \$133,333.33) and the award of costs and expenses of up to an additional \$10,000.00. Defendant agrees

1 not to object to any such fee, cost or expense application in those amounts. As a condition of this Class
2 Settlement, Class Counsel has agreed to pursue fees only in the manner reflected by this Section. Any
3 Class Attorney Fees and Expenses awarded by the Court shall be paid from the Gross Settlement
4 Amount in arriving at the Net Settlement Amount and shall not constitute payment to any Settlement
5 Class Members. If Class Counsel voluntarily reduces the request for Class Attorney Fees or Expenses
6 or the Court's award of Class Attorney Fees or Expenses is less than set forth above, the Net Settlement
7 Amount shall be recalculated to reflect the actual Class Attorney Fees and Expenses awarded.

8 The Class Attorney Fees and Expenses approved by the Court shall encompass: (a) all work
9 performed and costs and expenses incurred by, or at the direction of, any attorney purporting to
10 represent the Settlement Class through the date of this Stipulation; (b) all work to be performed and
11 costs to be incurred in connection with approval by the Court of the Class Settlement; (c) all work to be
12 performed and costs and expenses, if any, incurred in connection with administering the Class
13 Settlement through the Effective Date and dismissal of the Action, with prejudice; and (d) may be based
14 on the Catalyst Theory and/or Common Fund Doctrine.

15 **V. CLAIMS ADMINISTRATION COSTS AND EXPENSES**

16 **1. The Settlement Administrator's Costs and Expenses.** All costs and expenses due to
17 the Settlement Administrator in connection with its administration of the Class Settlement, including,
18 but not limited to, providing the Class Notice, locating Settlement Class Members, processing Opt-Out
19 requests and objections, distributing the portion of the PAGA Payment payable to the LWDA, and
20 calculating, administering and distributing Individual Settlement Amounts to the Class Participants and
21 related tax forms, shall be paid from the Gross Settlement Amount, and shall not exceed \$11,000.00.

22 **2. Payment by Defendant.** The Settlement Administrator will calculate the Employer's
23 Taxes and inform Defendant of the total amount of such Employer's Taxes within 5 days of the
24 Effective Date. Defendant shall pay the Gross Settlement Amount to the Settlement Administrator
25 pursuant to the Payment Plan. Defendant shall pay the employer's portion of the payroll taxes on the
26 same day that Defendant makes the Fourth Payment or within 5 business days thereafter, if the
27 Settlement Administrators figures need to be adjusted in any manner.

28 **VI. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

1 **1. The Settlement Administrator.** The Settlement Administrator will be responsible for
2 mailing the Class Notice and Share Form (**Exhibits 1 and 2**) to Settlement Class Members, handling
3 inquiries from Settlement Class Members concerning the Class Notice, determination of Individual
4 Settlement Amounts, maintaining the settlement funds in an appropriate interest bearing account,
5 preparing, administrating and distributing Individual Settlement Amounts to Class Participants, issuing a
6 final report and performing such other duties as the Parties may direct.

7 On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and
8 Defense Counsel summary information updating them as to the number of validated and timely
9 objections and Opt-Out Requests. The Settlement Administrator will serve on Class Counsel and
10 Defense Counsel via e-mail date-stamped copies of the original Opt-Outs and objections no later than
11 seven days after their receipt. The Settlement Administrator will provide Class Counsel with proof of
12 mailing of the Class Notice, without listing individual Class Member names which the Settlement
13 Administrator will file with the Court at the time Class Counsel files its motion in support of the Court's
14 Final Approval and Fairness Hearing. No later than seven days prior to the Final Approval and Fairness
15 Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense Counsel a
16 report with summary information regarding (a) the total amount of final Individual Settlement Amounts
17 of each Class Participant (b) the number of Class Participants to receive such payments, and (c) the final
18 number of Opt-Outs and objections.

19 Administrative Expenses are not anticipated to exceed \$11,000.00. Prior to the calculation and
20 distribution of the Individual Settlement Amounts, the Settlement Administrator shall calculate the total
21 Administrative Expenses through the conclusion of their services and such actual amount will be
22 deducted from the Gross Settlement Amount prior to the final calculation of the Individual Settlement
23 Amounts.

24 **2. Notice to Settlement Class Members.** Notice shall be provided to Settlement Class
25 Members in the following manner: Within 14 days after the Preliminary Approval Date, Defendant
26 shall provide the Settlement Administrator with an updated list of Class Members containing names,
27 social security numbers, dates of employment, last-known addresses and phone numbers (the
28 "Database"). The Database shall be marked "Confidential –Settlement Administrator's Eyes Only."

1 Class Counsel shall not receive a copy of this list.

2 Within 28 days following the Preliminary Approval Date, the Settlement Administrator shall
3 determine the number of pay periods for each Settlement Class Member, populate the Settlement Class
4 for each accordingly, and send each Settlement Class Member the Class Notice via first-class, United
5 States mail. The Class Notice shall also contain an easily understood statement alerting the Class
6 Members that, unless they elect to Opt-Out of the Class Settlement, the Settlement Class Member is
7 releasing and waiving all Released Claims against the Released Parties.

8 The Class Notice will inform Settlement Class Members of his/her estimated share of the
9 settlement and the number of pay periods he/she worked during the Class Period. Class Members may
10 dispute their weeks worked if they believe they worked more weeks in the Class Period than
11 Defendant's records show by submitting information to the Settlement Administrator no later than 30
12 days after being mailed the Class Notice and Share Form by the Settlement Administrator, which is the
13 defined Response Deadline. The Settlement Administrator will jointly work with Plaintiff and
14 Defendant to resolve the dispute in good faith. If Plaintiff and Defendant cannot agree over the pay
15 periods to be credited, the Settlement Administrator shall make the final decision based on the
16 information presented by the Settlement Class Member and Defendant.

17 **3. Opt-Out Procedure.** Settlement Class Members who do not timely Opt-Out of the
18 Class Settlement will be deemed to participate in the Class Settlement and shall become a Class
19 Participant without having to submit a claim form or take any other action. In order to Opt-Out of the
20 Class Settlement, the Settlement Class Member must submit a letter or postcard to the Settlement
21 Administrator by the Response Deadline. The Opt-Out request must state the Settlement Class
22 Member's name, address, telephone number, and signature. The Opt-Out request should state to the
23 effect of: "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE THOMPSON
24 V. CHEEMA FREIGHTLINES LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED
25 FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS
26 SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT
27 HAVE." Any Opt-Out request that is not postmarked by the Response Deadline will be invalid. In the
28 event that, prior to the Response Deadline, any Class Notice mailed to a Settlement Class Member is

1 returned as having been undelivered by the U.S. Postal Service, the Settlement Administrator shall
2 perform a skip trace search and seek an address correction for such Settlement Class Member(s), and a
3 second Class Notice will be sent to any new or different address obtained. Such Settlement Class
4 Member(s) shall have an additional 14 days in which to Opt-Out.

5 It will be presumed that, if an envelope containing the Class Notice has not been returned within
6 28 days of the mailing, the Settlement Class Member received the Class Notice. At least 30 days prior
7 to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class Counsel
8 and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard to the
9 mailing of the Class Notice and its attempts to locate Class Members. The declaration shall specify the
10 number of Settlement Class Members to whom Class Notices were sent and the number of Settlement
11 Class Members to whom Class Notices were not delivered, as well as information relating to the number
12 of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

13 If the Settlement Administrator determines that an Opt-Out request returned by a Settlement
14 Class Member before the Response Deadline is deficient, then the Settlement Administrator shall mail a
15 deficiency letter to that Settlement Class Member identifying the problem. If a Settlement Class Member
16 submits both a dispute and an Opt-Out request, the Settlement Administrator shall make reasonable
17 attempts to clarify as if the Opt-Out request were deficient. If the Class Member fails to cure the
18 deficiency, the Opt-Out request shall be disregarded and the claim will be paid, and the Class Member
19 will become bound by the judgment.

20 Those Settlement Class Members who do not timely Opt-Out will be bound by the Release of
21 Released Claims set forth in Section I, Paragraph 29 of this Stipulation.

22 **4. Objections.** The Class Notice shall inform the Settlement Class Members of their right
23 to object to the Class Settlement. Any Settlement Class Member who wishes to object to the Class
24 Settlement must submit a written objection to the Settlement Administrator no later than the Response
25 Deadline. The objection must include the case name and number and must set forth, in clear and concise
26 terms, a statement of the reasons why the objector believes that the Court should find that the proposed
27 Class Settlement is not in the best interest of the Settlement Class and the reasons why the Class
28 Settlement should not be approved, including the legal and factual arguments supporting the objection.

1 If an objector also wishes to appear at the Final Approval and Fairness Hearing, in person or through an
2 attorney, he or she *must also* file a notice of intention to appear at the same time as the objection is filed.
3 The Settlement Administrator will promptly serve copies of any objection or notice of intention to
4 appear on Class Counsel and Defense Counsel. Unless otherwise ordered by the Court, Settlement Class
5 Members shall not be entitled to appear and or object at the Final Approval Hearing unless they have
6 submitted a timely written objection and notice of intention to appear pursuant to this Section.
7 Settlement Class Members who have properly and timely submitted objections may appear at the Final
8 Approval Hearing, either in person or through a lawyer retained at their own expense.

9 **VII. CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

10 1. **Allocation of the Gross Settlement Amount.** The claims of all Settlement Class
11 Members are settled for the Gross Settlement Amount of \$400,000.00, which will be allocated as
12 follows:

- 13 a. The Administrative Expenses, not to exceed \$11,000.00;
- 14 b. The Class Attorney Fees and Expenses not to exceed \$133,333.33 in fees and expenses
15 not to exceed \$10,000.00;
- 16 c. The Incentive Award, not to exceed \$10,000.00
- 17 d. PAGA Payment of \$10,000.00, of which \$7,500.00 shall be paid to the LWDA.

18 For purposes of calculating the estimated Individual Settlement Amounts, the Settlement Administrator
19 shall calculate the estimated Net Settlement Amount based on the estimated values in Section 1(a-d)
20 prior to sending Notice to the Settlement Class Members. Prior to final distribution, the Settlement
21 Administrator shall calculate the final Net Settlement Amount based on the actual values in Section 1 (a-
22 d).

23 2. **Calculation of the Individual Settlement Amounts.** Individual Settlement Amounts to
24 be paid to Class Participants shall be paid from the Net Settlement Amount. The portion of the Net
25 Settlement Amount payable to each Class Participant will be calculated as follows:

26 The Settlement Administrator shall divide the Net Settlement Amount by the total number of
27 workweeks Settlement Class Members were employed during the Class Period, in order to determine the
28 amount each Settlement Class Member is entitled to for each workweek s/he was employed by

1 Defendant (the "Weekly Amount"). The Settlement Administrator will multiply the Weekly Amount by
2 the total number of workweeks that each Settlement Class Member was employed and deduct all
3 Employee's Taxes and Required Withholding attributable to wages to arrive at the Individual Settlement
4 Amount for that Class Member. Defendant will provide the Settlement Administrator with any
5 information reasonably necessary to perform the calculation of number of pay periods for each
6 Settlement Class Member, and any other reasonably required information the Settlement Administrator
7 requests to perform the calculations required under this Settlement Agreement. Defendant shall have no
8 responsibility for deciding the validity of the Individual Settlement Amounts or any other payments
9 made pursuant to this Stipulation, shall have no involvement in or responsibility for the determination or
10 payment of Employee's Taxes and Required Withholding, and shall have no liability for any errors
11 made with respect to such Employee's Taxes and Required Withholding. Although the Settlement
12 Administrator will calculate and pay the standard Employee's Taxes and Required Withholding on the
13 portion of the Individual Settlement Amounts constituting wages on their behalf, Plaintiff and Class
14 Participants represent and understand that they shall be solely responsible for any and all tax obligation
15 associated with their respective Individual Settlement Amounts and Incentive Awards.

16 **3. Time for Payment of Attorney Fees and Expenses to Class Counsel.** The Settlement
17 Administrator shall distribute to Class Counsel any attorney fees and expenses approved by the Court to
18 Class Counsel within 5 days of the Fourth and Final Payment (on or before July 2, 2020) in accord with
19 the Payment Plan.

20 **4. Time for Payment of Incentive Award to Class Representative.** The Settlement
21 Administrator shall distribute to Plaintiff the Incentive Award approved by the Court within 5 days of
22 the Fourth and Final Payment (on or before July 2, 2020) in accord with the Payment Plan.

23 **5. Time for Payment of PAGA Payment to the LWDA.** The Settlement Administrator
24 shall distribute to the LWDA the portion of the PAGA Payment due to it and approved by the Court
25 within 5 days of the Fourth and Final Payment in accord with the Payment Plan.

26 **6. Time for Payment of Taxes and Required Withholding and Individual Settlement**
27 **Amounts.** The Settlement Administrator shall make every effort to pay the Employee's Taxes and
28 Required Withholding associated with each Class Participant's Individual Settlement Amount and mail

1 the Individual Settlement Amount to each Class Participant, by first-class U.S. mail, to the last-known
2 address within 5 days of the Fourth and Final Payment in accord with the Payment Plan. If the
3 Settlement Administrator is not able to do so within the time period set forth above, it shall so inform
4 Class Counsel and Defense Counsel and provide an approximate date by which the Employee's Taxes
5 and Required Withholding shall be paid and the Individual Settlement Amounts will be mailed. Under
6 no circumstances shall the Settlement Administrator distribute checks to Class Participants until all
7 Individual Settlement Amounts have been considered, calculated, and accounted for, and the all of the
8 remaining monetary obligations have been calculated and accounted for. Within 120 days of the Fourth
9 Payment, the Settlement Administrator shall file with the Court and provide to Class Counsel a
10 declaration of payment. In the event that any Class Participant is deceased, payment shall be made
11 payable to the estate of that Settlement Class Member and delivered to the executor or administrator of
12 that estate, unless the Settlement Administrator has received an affidavit or declaration pursuant to Cal.
13 Probate Code § 13101, in which case payment shall be made to the affiant(s) or declarant(s).

14 **VIII. Non-Cashed Settlement Checks.** Any funds associated with checks that have not been cashed
15 within 180 days, will become void and the Individual Settlement Amount associated with the in-cashed
16 check shall be paid as follows: 25 percent to the State Treasury for deposit in the Trial Court
17 Improvement and Modernization Fund, 25 percent to the State Treasury for deposit into the Equal
18 Access Fund of the Judicial Branch, and 50 percent to either the Equal Access Fund or a *cy pres* to be
19 agreed upon by the parties and approved by the Court.

20 **IX. NULLIFICATION OF THIS STIPULATION**

21 **1. Non-Approval of the Stipulation.** If (a) the Court should for any reason fail to approve
22 this Stipulation in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a
23 judgment with prejudice of the Action, or (c) the approval of the Class Settlement and judgment is
24 reversed, modified or declared or rendered void, then the Class Settlement and conditional class
25 certification shall be considered null and void, and neither the Class Settlement, conditional class
26 certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and all
27 Parties to the Class Settlement shall stand in the same position, without prejudice, as if the Class
28 Settlement had been neither entered into nor filed with the Court. Notwithstanding the foregoing, the

1 Parties may attempt in good faith to cure any perceived defects in the Stipulation to facilitate approval.

2 **2. Parties' Rights to Void Class Settlement.** If 10 or more members of the Settlement
3 Class timely Opts-Out, Defendant shall have the exclusive right to void this Class Settlement. In the
4 event that the class list contains 10 or more Class Members, then the Gross Settlement Value shall be
5 increased proportionately for each additional Class Member over 224. Should either party choose to
6 void the Class Settlement under this paragraph, such party shall be responsible for all Settlement
7 Administrator fees and costs actually incurred.

8 **3. Invalidation.** Invalidation of any material portion of the Class Settlement shall
9 invalidate the Class Settlement in its entirety, unless the Parties shall subsequently agree in writing that
10 the remaining provisions of the Class Settlement are to remain in full force and effect.

11 **4. Stay Upon Appeal.** In the event of a timely appeal from the approval of the Class
12 Settlement and judgment, the judgment shall be stayed, and Defendant shall not be obligated to fund the
13 Gross Settlement Amount or take any other actions required by this Stipulation until all appeal rights
14 have been exhausted by operation of law.

15 **X. MOTION FOR COURT APPROVAL**

16 **1. Preliminary Approval.** Class Counsel will submit this Stipulation to the Court along
17 with a Motion for Preliminary Approval of the Class Settlement. Each party shall cooperate to present
18 the Class Settlement to the Court for preliminary approval in a timely fashion. The Court's preliminary
19 approval of the Class Settlement shall be embodied in an order substantially in the form attached hereto
20 as **Exhibit 3**.

21 **2. Final Approval.** The Final Approval and Fairness Hearing shall be held before the
22 Court. At the Final Approval and Fairness Hearing, Plaintiff shall move the Court for the entry of the
23 final order certifying the Class for settlement purposes only and approving the Class Settlement as being
24 fair, reasonable and adequate to the Class Participants within the meaning of California Rules of Court,
25 Rule 3.769(c), (d) and (e) and for the entry of a final judgment of the Action consistent with the terms of
26 the Class Settlement and California Rule of Court 3.769(h). Class Counsel and Defense Counsel shall
27 submit to the Court such pleadings and/or evidence as may be required for the Court's determination.

28 **XI. RELEASES AND WAIVERS**

1 1. Release of Claims by Settlement Class. Upon the Effective Date, each Settlement
2 Class Member who has not submitted a timely Opt-Out request, and Plaintiff, each releases the
3 Released Parties, and each of them, of and from any and all Released Claims during the Class Period.

4 It is the desire of the Parties and the Settlement Class Members to fully, finally, and forever
5 settle, compromise, and discharge the Released Claims.

6 Each Settlement Class Member, except those who timely Opt-Out, will be bound to the release
7 of Released Claims as a result of the Class Settlement and to the terms of the final judgment and the
8 satisfaction of such judgment.

9 Settlement Class Members who do not opt out will be deemed to have acknowledged and agreed
10 that their claims for wages and/or penalties in the Action are disputed, and that their Individual
11 Settlement Amount constitute payment of all sums allegedly due to them. Class Members will be
12 deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to
13 the Individual Settlement Amount. That section provides in pertinent part as follows:

14 **“An employer shall not require the execution of a release of a claim or**
15 **right on account of wages due, or to become due, or made as an**
16 **advance on wages to be earned, unless payment of those wages has**
 been made.”

17 2. Release of Claims by Plaintiff. Plaintiff, on behalf of himself and his heirs, executors,
18 administrators, and representatives, shall and does hereby forever release, discharge and agree to hold
19 harmless the Released Parties from any and all charges, complaints, claims, liabilities, obligations,
20 promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs,
21 losses, debts and expenses (including attorney fees and costs), known or unknown, at law or in equity,
22 which he may now have or may have after the signing of this Stipulation, arising out of or in any way
23 connected with his employment with Defendant including, the Released Claims, claims that were
24 asserted or could have been asserted in the Complaint, and any and all transactions, occurrences, or
25 matters between the Parties occurring prior to the date this Stipulation is fully executed. Without
26 limiting the generality of the foregoing, this release shall include, but not be limited to, any and all
27 claims under the (a) Americans With Disabilities Act, as amended; (b) Title VII of the Civil Rights Act
28 of 1964, as amended; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e) the Age

1 Discrimination in Employment Act, as amended; (f) the Fair Labor Standards Act, as amended; (g) the
2 Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the Consolidated
3 Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the Family and Medical
4 Leave Act; (l) the Civil Rights Act of 1966; (m) the California Fair Employment and Housing Act; (n)
5 the California Constitution; (o) the California Labor Code; (p) the California Government Code; (q) the
6 California Civil Code; and (r) any and all other federal, state and local statutes, ordinances, regulations,
7 rules and other laws, and any and all claims based on constitutional, statutory, common law or
8 regulatory grounds as well as any other claims based on theories of wrongful or constructive discharge,
9 breach of contract or implied contract, fraud, misrepresentation, promissory estoppel or intentional
10 and/or negligent infliction of emotional distress, or damages under any other federal, state or local
11 statutes, ordinances, regulations, rules or laws. This release is for any and all relief, no matter how
12 denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory
13 damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering, and
14 attorney fees and costs, and Plaintiff hereby forever releases, discharges and agrees to hold harmless
15 Defendant and the Released Parties from any and all claims for attorney fees and costs arising out of the
16 matters released in this Stipulation.

17 Plaintiff specifically acknowledge that he is aware of and familiar with the provisions of Section
18 1542, which provides as follows:

19 **A general release does not extend to claims which the creditor does**
20 **not know or suspect to exist in his or her favor at the time of executing**
21 **the release, which if known by him or her must have materially**
22 **affected his or her settlement with the debtor.**

23 Plaintiff, being aware of Section 1542, hereby expressly waives and relinquishes all rights and benefits
24 he may have under Section 1542 as well as any other statutes or common law principles of a similar
25 effect. Plaintiff may hereafter discover facts in addition to or different from those which he now knows
26 or believes to be true with respect to the subject matter of all the claims referenced herein, but stipulates
27 and agrees that, upon the Effective Date, Plaintiff shall and hereby does fully, finally and forever settle
28 and release any and all claims against the Released Parties, known or unknown, suspected or
unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any

1 theory of law or equity without regard to the subsequent discovery of existence of such different or
2 additional facts.

3 **XII. DUTIES OF THE PARTIES**

4 **1. Mutual Full Cooperation.** The Parties agree to cooperate fully with one another to
5 accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be
6 limited to, execution of such other documents and the taking of such other actions as may reasonably be
7 necessary to fulfill the terms of this Class Settlement. The Parties shall use their best efforts, including
8 all efforts contemplated by this Stipulation and any other efforts that may become necessary by court
9 order or otherwise, to effectuate this Stipulation and the terms set forth herein. As soon as practicable
10 after execution of this Stipulation, Class Counsel, with the cooperation of Defendant and Defense
11 Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of this
12 Stipulation.

13 **2. Duty to Support and Defend the Class Settlement.** The Parties agree to abide by all
14 of the terms of the Class Settlement in good faith and to support the Class Settlement fully and to use
15 their best efforts to defend this Class Settlement from any legal challenge, whether by appeal or
16 collateral attack.

17 **3. Duties Prior to Court Approval.** Class Counsel shall promptly submit this Stipulation
18 to the Court for preliminary approval and determination by the Court as to its fairness, adequacy, and
19 reasonableness. Promptly upon execution of this Stipulation, Class Counsel shall apply to the Court for
20 the entry of a preliminary order substantially in the form filed concurrently herewith as **Exhibit 3**,
21 scheduling a hearing on the question of whether the proposed Class Settlement should be approved as
22 fair, reasonable, and adequate as to the Settlement Class Members, approving as to form and content the
23 proposed Class Notice and Share Form attached hereto as **Exhibit 1** and **Exhibit 2**, respectively, and
24 directing the mailing of the Class Notice to Settlement Class Members. While Defendant can reserve its
25 right to object to facts or assertions made in the moving papers, Defense Counsel shall file a notice of
26 non-opposition to the granting of the motion for preliminary approval or join in the motion.

27 **XIII. MISCELLANEOUS PROVISIONS**

28 **1. Voiding the Stipulation.** Pending Court approval and other than as provided in Section

VIII herein, if any of the conditions set forth in this Stipulation are not met and satisfied, this Stipulation shall, at the option of either Plaintiff or Defendant, be ineffective, void, and of no further force and effect, and shall not be used or be admissible in any subsequent proceeding, either in this Court or in any other court or forum. If either Party decides to void the Settlement, then the Settlement and conditional class certification shall be considered void, and neither the Settlement Agreement, conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and the Parties shall stand in the same position, without prejudice, as if this Stipulation had been neither entered into nor filed with the Court. Should either Party choose to void the Class Settlement under this paragraph, such Party shall be responsible for all Settlement Administrator fees and costs actually incurred.

2. **Different Facts.** The Parties hereto, and each of them, acknowledge that, except for matters expressly represented herein, the facts in relation to the dispute and all claims released by the terms of this Stipulation may turn out to be other than or different from the facts now known by each party and/or its counsel, or believed by such Party or counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or presently unknown facts, and agrees that this Stipulation shall be in all respects effective and binding despite such difference.

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

4. **Non-Admission.** Nothing in this Stipulation shall be construed as or deemed to be an admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing toward the each other or any other person. Each of the Parties has entered into this Stipulation with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. Nothing herein shall constitute any admission by Defendant of wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any admission by Defendant regarding the merits of the Claims in this Action, including but

1 not limited to claims for unpaid wages under California and/or federal law. Nothing herein shall
2 constitute an admission by Defendant that the Action was properly brought as a class or representative
3 action other than for settlement purposes. To the contrary, Defendant has denied and continues to deny
4 each and every material factual allegation and all Claims. To this end, the Class Settlement of the
5 Action, the negotiation and execution of this Stipulation, and all acts performed or documents executed
6 pursuant to or in furtherance of this Stipulation or the Class Settlement are not, shall not be deemed to
7 be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of
8 Defendant or of the truth of any of the factual allegations in the Complaint in the Action; and are not,
9 shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on
10 the part of Defendant in any civil, criminal or administrative proceeding in any court, administrative
11 agency or other tribunal.

12 **5. Media or Press.** Plaintiff and Defendant, and their respective counsel, recognize, and
13 accept that the Parties to this Stipulation desire that the terms of this Stipulation, the fact of the Class
14 Settlement embodied in this Stipulation, the disposition of the Action, the Action, and all matters
15 relating to the litigation of the Action, including discovery proceedings therein, and evidence obtained
16 during the course of the Action, shall not be discussed with or presented to the media or press.

17 **6. Non-Retaliation.** Defendant understands and acknowledge that it has a legal obligation
18 not to retaliate against any Settlement Class Member who elects to participate in the Class Settlement or
19 elects to Opt-Out of the Class Settlement. Defendant will refer any inquiries regarding this Class
20 Settlement to the Settlement Administrator or Class Counsel and will not discourage Settlement Class
21 Members who are employees, directly or indirectly, from making claims, opting out or objecting to the
22 Class Settlement.

23 **7. Construction.** The Parties hereto agree that the terms and conditions of this Stipulation
24 are the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that
25 this Stipulation is not to be construed in favor of or against any party by reason of the extent to which
26 any party or its counsel participated in the drafting of this Stipulation. If any of the dates in the
27 Stipulation fall on a weekend, bank or court holiday, the time to act shall be extended to the next
28 business day.

1 **8. Governing Law.** This Stipulation is intended to and shall be governed by the laws of
2 the State of California, without regard to conflict of law principles. in all respects, including execution,
3 interpretation, performance, and enforcement.

4 **9. Notices.** Except for Settlement Class Member notices required to be made by the
5 Settlement Administrator, any and all notices or other communications required or permitted under this
6 Stipulation shall be in writing and shall be sufficiently given if delivered in person to the party or their
7 counsel by U.S. certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the
8 address of the party appearing in this Stipulation.

9 **10. Captions and Interpretations.** Section titles or captions contained herein are inserted
10 as a matter of convenience and for reference only and in no way define, limit, extend, or describe the
11 scope of this Stipulation or any provision thereof.

12 **11. Modification.** This Stipulation may not be changed, altered, or modified, except in
13 writing signed by the Parties and approved by the Court. This Stipulation may not be discharged except
14 by performance in accordance with its terms or by a writing signed by the Parties.

15 **12. Integration Clause.** This Stipulation contains the entire agreement between the Parties
16 relating to the Class Settlement of the Action and the transactions contemplated thereby, and all prior or
17 contemporaneous agreements, understandings, representations, and statements, whether oral or written,
18 and whether by a party or such party's legal counsel, are hereby superseded. No rights under this
19 Stipulation may be waived except in writing as provided above.

20 **13. Successors and Assigns.** This Stipulation shall be binding upon and inure to the benefit
21 of the Parties and Settlement Class Members (excluding only persons who timely Opt-Out) and their
22 respective present and former heirs, trustees, executors, administrators, representatives, officers,
23 directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors,
24 consultants, pension and welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates,
25 related companies, joint ventures, predecessors, successors, and assigns.

26 **14. Corporate Signatories.** Any person executing this Stipulation or any such related
27 document on behalf of a corporate signatory or on behalf of a partnership hereby warrants and promises,
28 for the benefit of all Parties hereto, that such person has been duly authorized by such corporation or

partnership to execute this Stipulation or any such related document.

15. **Execution in Counterparts.** This Stipulation shall become effective upon its execution by all of the undersigned. The Parties may execute this Stipulation in counterparts, and execution of counterparts shall have the same force and effect as if all Settling Parties had signed the same instrument.

16. **Attorney Fees, Costs and Expenses.** Except as otherwise specifically provided for herein, each party shall bear his or its own attorney fees, costs and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Stipulation.

17. **Action to Enforce Agreement.** In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover his or its attorney fees and costs.

IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

Jackie Thompson

Cheema Freightlines

DocuSigned by:
Jackie Thompson
98DE3A348F254A6...

Harman Cheema

Dated: 8/24/2018

Printed: Harman Cheema

Title: President

Dated: 8/21/18

APPROVED AS TO FORM AND CONTENT

MELMED LAW GROUP P.C.

BERLINER COHEN LLP

By: _____
Jonathan Melmed, Esq.
Attorney for Plaintiff Jackie Thompson
And the Putative Class

By: _____
Christine H. Long, Esq.
Attorney for Defendant Cheema Freightlines

1 partnership to execute this Stipulation or any such related document.

2 **15. Execution in Counterparts.** This Stipulation shall become effective upon its execution
3 by all of the undersigned. The Parties may execute this Stipulation in counterparts, and execution of
4 counterparts shall have the same force and effect as if all Settling Parties had signed the same
5 instrument.

6 **16. Attorney Fees, Costs and Expenses.** Except as otherwise specifically provided for
7 herein, each party shall bear his or its own attorney fees, costs and expenses, taxable or otherwise,
8 incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other
9 party to this Stipulation.

10 **17. Action to Enforce Agreement.** In any suit or court action to enforce the terms of this
11 Agreement, the prevailing party shall be entitled to recover his or its attorney fees and costs.

12 **IN WITNESS WHEREOF,** the Parties and their counsel have executed this Stipulation on the
13 date below their signatures or the signature of their representatives. The date of the Stipulation shall be
14 the date of the latest signature.

15
16 Jackie Thompson

Cheema Freightlines

17
18 _____
19 Dated: _____

Printed: _____

Title: _____

Dated: _____

22
23 **APPROVED AS TO FORM AND CONTENT**

24 MELMED LAW GROUP P.C.

BERLINER COHEN LLP

25
26 By: Jonathan Melmed
Jonathan Melmed, Esq.
27 Attorney for Plaintiff Jackie Thompson
And the Putative Class

By: Christine H. Long
Christine H. Long, Esq.
Attorney for Defendant Cheema Freightlines

1
2 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
3 **FOR THE COUNTY OF SAN JOAQUIN**
4

5 Jackie Thompson, individually and on behalf of all
6 others individually situated,

7 Plaintiff,

8 vs.

9 Cheema Freightlines, LLC, a California Limited
10 Liability Company, and DOES 1-10,

11 Defendant.
12

Case No.: STK-CV-UOE-2017-11658

**NOTICE OF PROPOSED CLASS ACTION
SETTLEMENT AND HEARING DATE
FOR COURT APPROVAL**

Complaint Filed: November 1, 2017
FAC Filed:

13 **TO:** All California residents who are or have been employed as truck drivers by Defendant, who
14 drove routes in California and who were paid, in whole or in part, based on a "per mile" basis any
15 time from November 1, 2013 through [the earlier of the date the court enters preliminary
approval or September 25, 2018] ("Class Members").

16
17 **YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT. PLEASE READ
THIS NOTICE CAREFULLY.**

18 The settlement involves claims against Cheema Freightlines ("Defendant") alleging: (1) failure to
19 pay separately and on an hourly basis for time spent by drivers on rest breaks, pre- and post-trip
20 inspection time, loading/unloading time, cleaning, fueling, and paperwork time (collectively
21 referred to as "Non Driving Tasks"); (2) failure to provide paid rest periods and pay missed rest
22 period premiums; (3) failure to provide meal periods and pay missed meal period premiums; (4)
23 failure to reimburse business related expenses; (5) failure to provide complete/accurate wage
statements; (6) failure to pay all wages due to former employees; (7) derivative UCL violations;
and (8) PAGA and other penalties based on the foregoing.

24 **NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE
25 SETTLEMENT:** If you are a Class Member (as defined above) and received this Notice, you
26 are automatically included in the Settlement and do not need to take any further action to receive
27 a payment. If you accept your settlement amount, you will release the claims described in Section
28 V below.

I. INTRODUCTION

This "NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL" ("NOTICE") is to inform you that Defendant has agreed to settle a class action lawsuit on behalf of all Class Members which claimed, among other things, that Defendant violated various wage and hour laws by failing to separately pay its drivers for rest breaks and non-driving time, failed to provide its drivers with paid rest breaks or pay rest break premiums, failed to provide meal periods or to pay meal break premiums, failed to reimburse its drivers for business expenses, failed to pay its former drivers all wages due at separation from employment, and its failure to issue accurate itemized wage statements, violating California Labor Code provisions forming the basis for a PAGA claim and a class action claim, and violating Section 17200 with respect to its drivers at any time during the period from November 1, 2013 through the earlier of the date of preliminary approval or September 25, 2018 (the "Class Period").

The Court has granted preliminary approval of the Settlement and the Court ordered this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

II. DESCRIPTION OF THE LAWSUIT

On July [], 2018, Plaintiff Jackie Thompson filed his First Amended Complaint ("Complaint") against Defendant on behalf of the Class Members, in the matter of *Jackie Thompson v. Cheema Freightlines, LLC* in San Joaquin County Superior Court, Case No. STK-CV-UOE-2017-11658, alleging the following Causes of Action: (1) failure to pay separately and on an hourly basis for time spent by drivers on rest breaks, pre- and post-trip inspection time, loading/unloading time, cleaning, fueling, and paperwork time (collectively referred to as "Non Driving Tasks"); (2) failure to provide paid rest periods and pay missed rest period premiums; (3) failure to provide meal periods and pay missed meal period premiums; (4) failure to reimburse business related expenses; (5) failure to provide complete/accurate wage statements; (6) failure to pay all wages due to former employees; (7) derivative UCL violations; and (8) PAGA and other penalties based on the foregoing.

Defendant has denied liability, has denied the allegations in the Complaint, and has raised various defenses to these claims. Defendant contends, among other things, that it fully complied with California wage and hour laws, and provided its truck drivers with the required statutorily mandated wages, provided timely off-duty meal and rest breaks, reimbursed all necessary business expenses, maintained accurate payroll records, and provided accurate itemized wage statements. Defendant also contends that its truck drivers were compensated for all activities performed, and that its truck drivers have been dealt with legally and fairly. Defendant wishes to settle this case to avoid costly, disruptive, and time-consuming litigation and does not admit to any wrongdoing or liability.

The Court has not ruled on the merits of Plaintiff's claims. By approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, Defendant and Plaintiff have concluded that it is in their respective best interests and the interests of the Class Members to settle the Action on the terms summarized in this Notice. After

1 Defendant provided extensive discovery and information to counsel for the Class Members, the
2 Settlement was reached after arms-length non-collusive negotiations between the parties,
3 including mediation with one of the most respected mediators in California. In these negotiations,
4 both sides recognized the substantial risk of the Court deciding against them at trial and
5 determined that the Settlement was a fair, reasonable and adequate way to resolve the disputed
6 claims.

7 The Plaintiff and Class Counsel support this Settlement. Among the reasons for support are the
8 defenses to liability potentially available to Defendant, the risk of denial of class certification, the
9 inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

10 Under this settlement, the following settlement class will be certified under California law:

11 **All California residents who are or have been employed as truck drivers by**
12 **Defendant, who drove routes in California and who were paid, in whole or in part,**
13 **based on a “per mile” basis any time from November 1, 2013 through the earlier of**
14 **the Preliminary Approval Date or September 25, 2018.**

15 Plaintiff Jackie Thompson and his counsel, Jonathan Melmed, Esq. (“Class Counsel”), believe
16 that the settlement described below is fair, adequate, reasonable and in the best interests of
17 Plaintiff and the Class.

18 On [insert date of preliminary approval], the Court preliminarily approved the settlement and
19 conditionally certified the settlement class. This Notice is being sent to you because Defendant’s
20 records indicate that you were employed by Defendant as a truck drivers during the Class Period.

21 **IF YOU ARE STILL EMPLOYED BY DEFENDANT, THIS SETTLEMENT WILL NOT**
22 **AFFECT YOUR EMPLOYMENT.**

23 **California law strictly prohibits retaliation.** Further, Defendant is prohibited by law from
24 taking any adverse action against or otherwise target, retaliate, or discriminate against any Class
25 Member because of the Class Member’s participation or decision not to participate in this
26 Settlement.

27 **III. TERMS OF THE SETTLEMENT**

28 Defendant has agreed to pay \$400,000.00 (the “Settlement Amount”) to resolve claims in the
operative Complaint (“Complaint”), including claims for including all wage and hour claims for
unpaid minimum wages, rest break violations, meal period violations, wage statement violations,
waiting time penalties, PAGA penalties, failure to reimburse business expenses, and Unfair
Competition Law violations, including, but not limited to, under California Labor Code sections
201, 202, 203, 226, 226.2, 226.7, 512, 558, 1194, 1194.2, 1197, 2802, 2698- to 2699.5, *et seq.*,
Industrial Welfare Commission Wage Order No. 9, sections 11, and 12, and claims under sections
17200 to 17204 of the California Business and Professions Code based on the foregoing..

The Parties agreed to the following payments from the Settlement Amount:

Settlement Administration Costs. The Court has approved CPT Group, Inc. to act as the

1 “Settlement Administrator,” who is sending this Notice to you and will perform many other duties
2 relating to the Settlement. Under the Settlement, up to \$11,000 will be paid from the Settlement
Amount to pay the Settlement Administration Costs.

3 Attorneys’ Fees and Expenses. Class Counsel – which includes attorneys from Melmed Law
4 Group – who have been prosecuting the Lawsuit on behalf of the Class Members on a
5 contingency fee basis (that is, without being paid any money to date) and have been paying all
6 litigation costs and expenses. To date, the parties have aggressively litigated many aspects of the
7 case including settlement efforts and a full day mediation session. The Court will determine the
8 actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the
9 Settlement Amount. Class Members are not personally responsible for any of Class Counsel’s
attorneys’ fees or expenses. Class Counsel will collectively ask for fees of one third (*i.e.*,
\$133,333.33) of the Settlement Amount as reasonable compensation for the work Class Counsel
performed and will continue to perform in this Lawsuit. Class Counsel also will ask for
reimbursement of up to \$10,000.00 for the costs Class Counsel incurred in connection with the
Lawsuit.

10 Service Payment to Named Plaintiff and Class Representative. Class Counsel will ask the Court to
11 award Named Plaintiff and Class Representative Jackie Thompson a service payment in the
12 amount of \$10,000 to compensate him for his service and extra work provided on behalf of the
13 Class Members. The Class Representative also may receive a share of the Settlement as a Class
Member.

14 PAGA Payment. The Parties have agreed on a reasonable sum to be paid in settlement of the
15 PAGA claims included in the Action, which is \$10,000.00. The PAGA Payment is to be
16 approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows:
17 seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to the Class Members.
Class Counsel shall give timely notice of the Class Settlement to the LWDA under Labor Code
section 2699(I)(2).

18 Net Settlement Amount. After deducting the amounts above, the balance of the Settlement
19 Amount will form the Net Settlement Amount for distribution to the Class Members.

20 You can view the Settlement Agreement and other Court documents related to this case by
21 visiting www.CPTGroup.com/xxxxxxx.

22 **IV. YOUR INDIVIDUAL SHARE OF THE SETTLEMENT AMOUNT**

23 The Individual Settlement Amount for each Class Participant (a Class Member that does not opt-
24 out of the Settlement) will be calculated as follows. Compensable pay workweeks will be all
25 weeks worked by all Class Members during the Class Period. The dollars per compensable
26 workweek will be calculated by dividing the total number of workweeks worked by the Net
27 Settlement Amount to determine a workweek value. The workweek value will be multiplied by
28 the number of workweeks each Class Member worked during the Class Period to determine the
Individual Settlement Amount for each Class Member. If any Class Member opts-out of the
Settlement, his/her share will be distributed to Class Participants. One-Third (1/3) of the
Settlement Award distributed to each Claimant will be considered and reported as “wages” (W-2
reporting), and Two-Thirds (2/3) of the Settlement Award will be distributed to each Claimant as

1 “interest” and as non-wage “penalties” (Form 1099). Defendant, or its proxies, shall take all
2 usual and customary deductions from the Settlement payments that are distributed as wages,
3 including, but not limited to, state and federal tax withholding, disability premiums, and
4 unemployment insurance premiums. There will be no deduction taken from the interest or
5 penalty distribution; however, it will be reported on IRS Form 1099 as income. Class Participants
6 are responsible for the proper income tax treatment of the Settlement Awards. The Settlement
7 Administrator, Defendants and their counsel, and Class Counsel cannot provide tax advice.
8 Accordingly, Class Members should consult with their tax advisors concerning the tax
9 consequences and treatment of payments they receive under the Settlement.

6 The workweeks you worked as a truck driver for Defendant during the Class Period will be
7 calculated based on Defendant’s records. If you feel that you were not credited with the correct
8 number of workweeks worked during the Class Period, you may submit evidence to the
9 Settlement Administrator on or before [insert date] with documentation to establish the number of
10 pay periods you claim to have actually worked during the Class Period. **DOCUMENTATION
11 SENT TO THE SETTLEMENT ADMINSTRATOR WILL NOT BE RETURNED OR
12 PRESERVED; DO NOT SEND ORIGINALS.** The Parties and Settlement Administrator will
13 promptly evaluate the evidence submitted and discuss in good faith how many workweeks should
14 be credited. The Settlement Administrator will make the final decision as to how many weeks are
15 credited, and report the outcome to the Class Participant. If you are unsatisfied with the decision,
16 you may submit an Objection, as discussed below.

13 Settlement checks will be mailed to all Class Members who do not request to be excluded
14 (i.e., opt-out) approximately 5 days after the Fourth and final payment is made. The payments will
15 be made to the Settlement Administrator pursuant to the following Payment Plan: The “Payment
16 Plan” shall be the series of four payments, that Defendant shall make to the Settlement
17 Administrator encompassing the Gross Settlement Amount, as follows: assuming that Court
18 grants preliminary approval to the settlement on or before December 31, 2018, then Defendant
19 shall pay \$100,000.00 on or before December 31, 2018 (the “First Payment”), Defendant shall
20 pay \$100,000.00 on or before July 2, 2019 (the “Second Payment”), Defendant shall pay
21 \$100,000.00 on or before January 2, 2020 (the “Third Payment”), and Defendant shall pay
22 \$100,000.00 on or before July 2, 2020 (“Fourth and Final Payment”).

20 You can view the final approval order and final judgment and payment schedule at
21 www.CPTGroup.com/xxxxxxx.

21 **V. THE RELEASE OF CLAIMS**

23 If the Court approves the Settlement, the Court will enter judgment and the Settlement Agreement
24 will bind all members of the Settlement Class who have not opted out of the Settlement, and will
25 bar all Class Members from bringing certain claims against Defendants as described below.

25 The settlement includes a release by Class Members (other than those who submitted a timely
26 request to be excluded) of Cheema Freightlines, LLC and all of its subsidiaries, affiliates,
27 shareholders, members, agents (including, without limitation, any insurers, reinsurers, attorneys
28 and any past, present or future officers, directors and employees) predecessors, successors and
assigns (the “Released Parties”) from all claims in the operative Complaint (“Complaint”),
including claims under Labor Code sections 201-203, 512, 226.2, 226, 226.7, 1194, 1194.2, 1197,

1 2802, 2699, 558, IWC Wage Order No. 9, section 11, 12, and claims under Section 17200-17204
2 of the California Business and Professions Code based on the foregoing (the "Released Claims").
3 The Release Period shall be the Class Period. The Class Representative agrees to a general release
4 of all claims against Defendant during the Class Period, and agrees to waive his rights under Civil
5 Code Section 1542.

6 The Settlement does not release any person, party or entity from claims, if any, by Class Members
7 for workers compensation, unemployment, or disability benefits of any nature, nor does it release
8 any claims, actions, or causes of action which may be possessed by Settlement Class Members
9 under state or federal discrimination statutes, including, without limitation, the Cal. Fair
10 Employment and Housing Act, the Cal. Government Code § 12940, *et seq.*; the Unruh Civil
11 Rights Act, the Cal. Civil Code §51, *et seq.*; the California Constitution; Title VII of the Civil
12 Rights Act of 1964, 42 U.S.C. § 2000, *et seq.*; the Americans with Disabilities Act, as amended,
13 42 U.S.C. § 12101, *et seq.*; the Employee Retirement Income Security Act of 1974, as amended,
14 29 U.S.C. § 1001 *et seq.*; and all of their implementing regulations and interpretive guidelines.

15 Class Members who do not opt out will be deemed to have acknowledged and agreed that their
16 claims for wages and/or penalties in the Lawsuit are disputed, and that the Settlement payments
17 constitute payment of all sums allegedly due to them. Class Members will be deemed to have
18 acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the
19 Settlement payments. That section provides in pertinent part as follows:

20 **"An employer shall not require the execution of a release of a claim or right on
21 account of wages due, or to become due, or made as an advance on wages to be
22 earned, unless payment of those wages has been made."**

23 **VI. WHAT ARE YOUR OPTIONS?**

24 **A. Do Nothing and Receive Your Portion of the Settlement**

25 You are automatically included as a Class Participant and will receive a settlement
26 payment and do not have to take any further action to receive your settlement payment. It is the
27 responsibility of all Class Members to ensure that the Settlement Administrator has your current
28 address on file, or you may not receive important information or a settlement payment. The
29 estimated amount of your settlement payment if you do nothing is included on the attached Share
30 Form.

31 **B. Opt-Out and Be Excluded from the Class and the Settlement**

32 If you **do not** wish to take part in the Settlement, you may exclude yourself (i.e., opt-out) by
33 sending to the Settlement Administrator a "Request for Exclusion from the Class Action
34 Settlement" letter/card postmarked no later than [*insert date*], with your name, address, telephone
35 number, and signature. The Request for Exclusion should state:

36 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE THOMPSON V.
37 CHEEMA FREIGHTLINES LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE
38 EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY
39 FROM THE SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY

1 CLAIMS I MIGHT HAVE.”

2 Send the Request for Exclusion directly to the Settlement Administrator at the following
3 address by no later than [Insert opt-out date]:

4 [Insert ADDRESS]

5 Any person who submits a timely Request for Exclusion from the Class Action Settlement shall,
6 upon receipt, no longer be a Class Member, shall be barred from participating in any portion of
7 the Settlement, and shall receive no benefits from the Settlement. If you want confirmation of
8 receipt of your Opt-Out, please send it by U.S. certified mail, return receipt requested and/or
9 contact the Settlement Administrator.

10 **C. Object to the Settlement**

11 You also have the right to object to the terms of the Settlement. However, if the Court rejects
12 your objection, you will still be bound by the terms of the Settlement. If you wish to object to the
13 proposed Settlement, or any portion of it, you must file with the Settlement Administrator a
14 written objection stating your name, address, telephone number, dates of employment with
15 Defendants, the case name and number, each specific reason in support of your objection, and any
16 legal support for each objection. Objections must be in writing and must be mailed to the
17 Settlement Administrator, [Insert ADDRESS], by no later than [Insert deadline] for your
18 objection to be considered. **OBJECTIONS THAT DO NOT INCLUDE ALL REQUIRED
19 INFORMATION, OR THAT ARE NOT SUBMITTED TIMELY, MAY NOT BE
20 CONSIDERED BY THE COURT.**

21 If you object to the Settlement, you will remain a member of the Settlement Class, and if the
22 Court approves the Settlement, you will receive payment and be bound by the terms of the
23 Settlement in the same way as Class Members who do not object. Any member of the Settlement
24 Class who does not object in the manner provided above shall have waived any objection to the
25 Settlement, whether by appeal or otherwise.

26 **D. Your Right to Appear at the Final Approval and Fairness Hearing Through
27 an Attorney or In Person**

28 If you choose to object to the Settlement, you may also appear at the Final Approval Hearing
scheduled for [Insert DATE], at ??? a/p.m. in Department 11B of the San Joaquin Superior Court,
Stockton Courthouse, located at 180 E. Weber Avenue, Stockton, CA 95202. You have the right
to appear either in person or through your own attorney at this hearing. Objections not previously
filed in writing in a timely manner as described above will not be considered by the Court. Any
attorney who intends to represent an individual objecting to the Settlement must file a notice of
appearance with the Court and serve counsel for all parties on or before [Insert DATE 30 Days
After Mailing]. All objections or other correspondence must state the name and number of the
case, which is *Jackie Thompson v. Cheema Freightlines*, Case No. STK-CV-UOE-2017-11658.

VII. UPDATE FOR YOUR CHANGE OF ADDRESS

If you move after receiving this Notice or if it was misaddressed, please complete the

1 Change of Address portion of the Share Form and mail it to the Settlement Administrator, ??? at
2 ???, as soon as possible. **THIS IS IMPORTANT SO THAT FUTURE NOTICES AND/OR
THE SETTLEMENT PAYMENT REACH YOU.**

3 **VIII. IF THE STIPULATION OF SETTLEMENT AND RELEASE OF CLASS
4 ACTION IS NOT APPROVED**

5 If the Stipulation is not approved by the Court, or if any of its conditions are not satisfied,
6 the conditional settlement will be voided, no money will be paid, and the case will return to
7 litigation. If that happens, there is no assurance: (1) that the Class will be certified; (2) that any
8 decision at trial would be in favor of Class Members; (3) that a trial decision, if any, would be as
favorable to the Class Members as this settlement; or (4) that any favorable trial decision would
be upheld if an appeal was filed.

9 **IX. QUESTIONS OR COMMENTS?**

10 **PLEASE DO NOT CALL OR CONTACT THE COURT.** If you have any questions
11 about the settlement, you may contact the Settlement Administrator at: ??? or by e-mail at
12 _____. You may also contact Class Counsel at the address or phone number listed
below.

13 THE ATTORNEYS REPRESENTING THE CLASS MEMBERS ARE:

14 MELMED LAW GROUP P.C.
15 Jonathan Melmed, Esq.
16 jm@melmedlaw.com
17 1180 South Beverly Drive, Suite 610
18 Los Angeles, California 90035
Telephone: (310) 824-3828
Facsimile: (310) 862-6851

Share Form

Jackie Thompson v. Cheema Freightlines, LLC
Case No. STK-CV-UOE-2017-1168, Superior Court of the State of California, County of San Joaquin

For all California residents who are or have been employed as truck drivers by Defendant who drove routes in California and who were paid, in whole or in part, based on a "per mile" basis at any time from November 1, 2013 through [the earlier of the Preliminary Approval Date or September 25, 2018].

Your Estimated Payment

Your total Individual Settlement Amount is currently estimated at \$ _____. Your estimated pro-rata share of the Net Settlement Amount (as defined in the accompanying Notice) is: ____%. Your estimated pro-rata share may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement. The Net Settlement Amount to be distributed to all Class Members who do not opt-out of the settlement is currently estimated to be \$ _____.

Your estimated award is based on your pro-rata percentage of the Net Settlement Amount based on your Weeks Worked as a truck driver employed in California during the Class Period, as a percentage of all of the Class Members' Weeks Worked during the Class Period. "Weeks Worked" means the number of weeks you were employed as a truck driver in California during the Class Period according to Cheema Freightlines' payroll records. Cheema Freightlines' payroll records show that during the Class Period (between November 1, 2013 through (the earlier of the date of preliminary approval or September 25, 2018) you had a total number of Weeks Worked of _____.

YOU DO NOT NEED TO DO ANYTHING IN ORDER TO RECEIVE MONEY UNDER THE SETTLEMENT.

If you believe the total number of your Weeks Worked during the Class Period (listed above) is accurate, you do not need to take any further action in order to receive your payment.

TO CHALLENGE THE NUMBER OF YOUR WEEKS WORKED AS A TRUCK DRIVER EMPLOYED BY DEFENDENT DURING THE CLASS PERIOD, THE SHARE FORM AND THE CHALLENGE PORTION OF THE FORM BELOW MUST BE SIGNED AND POSTMARKED NO LATER THAN [DATE].

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CHALLENGE FORM

Important:

- 1. You do NOT have to complete this part of the Share Form if the total number of your Weeks Worked as a truck driver for Cheema Freightlines during the Class Period as stated above is accurate.
- 2. If you do submit this form, it is strongly recommended that you keep proof of timely mailing of this form until receipt of your settlement payment.
- 3. If you change your mailing address, please provide your new mailing address to the Settlement Administrator. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.

Check the box below ONLY if you wish to challenge the total number of your Work Weeks as stated above. All fields on this Challenge Form must be complete for your challenge to be accepted:

I wish to challenge the total number of my Work Weeks. I have included a written statement detailing what I believe to be the correct number of weeks I was employed as a truck driver California during the Class Period (between November 1, 2013 through the earlier of the date of preliminary approval or September 25, 2018). I have also included information and/or documentary evidence that support my challenge. I understand that by submitting this challenge I authorize the Settlement Administrator to review Cheema Freightlines' records and determine the validity of my challenge.

Signature

Name of Class Member _____ **[preprinted]**

Class Member ID Number (from address label): _____ **[preprinted]**

I believe that the correct number of weeks I was employed as a truck driver for Cheema Freightlines in California during the Class Period between November 1, 2013 through (the earlier of the date of preliminary approval or September 25, 2018) is: _____

The following is a statement of my reasons and documentation to support this number of Weeks Worked:

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[Attach documentation and use separate page(s) as necessary]

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN**

Jackie Thompson, individually and on behalf
of all others similarly situated,

Plaintiff,

v.

Cheema Freightlines, LLC, a California
Limited Liability Company, and DOES 1-10,

Defendant.

Case No. STK-CV-UOE-2017-11658

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date:

Time:

Judge: Hon. Roger Ross

Dept.: 11B

Complaint Filed: November 1, 2017

FAC Filed:

Trial Date: None Set

TO ALL PARTIES AND THEIR RESPECTIVE COUNSEL OF RECORD:

The Motion for Preliminary Approval of a Class Action Settlement came before this Court, on _____, 2018, the Honorable Roger Ross presiding. The Court having considered the papers submitted in support of the application of the parties, HEREBY ORDERS THE FOLLOWING:

1. The Court grants preliminary approval of the Settlement and the Settlement Class based upon the terms set forth in the Joint Stipulation of Settlement and Release of Class Action ("Settlement Agreement") filed with the Declaration of Jonathan Melmed on _____. All terms used herein shall have the same meaning as defined in the Stipulation

1 of Settlement. The settlement set forth in the Stipulation of Settlement (“Settlement”) appears
2 to be fair, adequate and reasonable to the Class.

3 2. The Settlement falls within the range of reasonableness and appears to be
4 presumptively valid, subject only to any objections that may be raised at the final fairness
5 hearing and final approval by this Court.

6 3. A final fairness hearing on the question of whether the proposed Settlement,
7 attorneys’ fees and costs to Class Counsel, and the Class Representative’s Enhancement Award
8 should be finally approved as fair, reasonable and adequate as to the members of the Class is
9 scheduled in Department 11B on the date and time set forth in the implementation schedule in
10 Paragraph 10 below.

11 4. This Court approves, as to form and content, the Notice of Proposed Class
12 Action Settlement and Hearing Date for Court Approval (“Class Notice”), in substantially the
13 form attached to the Stipulation of Settlement as **Exhibit 1**, and the Share Form in substantially
14 the form attached thereto as **Exhibit 2**. The Court approves the procedure for Class Members to
15 participate in, to opt out of, and to object to, the Settlement as set forth in the Stipulation of
16 Settlement.

17 5. The Court directs the mailing of the Class Notice, and the Share Form by first
18 class mail to the Class Members in accordance with the Implementation Schedule set forth
19 below. The Court finds the dates selected for the mailing and distribution of the Notice and the
20 Share Form, as set forth in the Implementation Schedule, meet the requirements of due process
21 and provide the best notice practicable under the circumstances and shall constitute due and
22 sufficient notice to all persons entitled thereto.

23 6. It is ordered that the Settlement Class is preliminarily certified for settlement
24 purposes only.

25 7. The Court confirms Plaintiff Jackie Thompson as Class Representative, and
26 Jonathan Melmed of Melmed Law Group P.C. as Class Counsel.

27 8. The Court confirms CPT Group, Inc. as the Settlement Administrator.

28 9. To facilitate administration of the Settlement pending final approval, the Court
hereby enjoins Plaintiff and all Class Members from filing or prosecuting any claims, suits or

1 administrative proceedings (including filing claims with the Division of Labor Standards
 2 Enforcement of the California Department of Industrial Relations) regarding claims released by
 3 the Settlement, unless and until such Class Members have filed valid Requests for Exclusion
 4 with the Settlement Administrator and the time for filing claims with the Settlement
 5 Administrator has elapsed.

6 10. The Court orders the following **Implementation Schedule** for further
 7 proceedings:

8 a.	Deadline for Defendant to Submit Class Member Information to Settlement Administrator	[Within 14 days after the Preliminary Approval Date]
9 b.	Deadline for Settlement Administrator to Mail Notice to Class Members	[Within 28 days following the Preliminary Approval Date]
10 c.	Deadline for Class Members to Postmark Share Forms with Challenges	[30 days after mailing of the Class Notice and Share Form]
11 d.	Deadline for Class Members to Postmark Requests for Exclusion	[30 days after mailing of the Class Notice and Share Form]
12 e.	Deadline for Class Members to submit any Objections to Settlement	[30 days after mailing of the Class Notice and Share Form]
13 f.	Deadline for Settlement Administrator to file Declaration of Due Diligence and Proof of Mailing	[30 days prior to Final Approval and Fairness Hearing]
14 g.	Deadline for Class Counsel to file Motion for Final Approval of Settlement, including Request for Attorneys' Fees, Costs, and Enhancement Award	[16 Court days prior to Final Approval and Fairness Hearing]
15 h.	Final Approval and Fairness Hearing	_____, 2018 at ____ a.m./p.m.
16 i.	Deadline for Defendant to wire First Installment (\$100,000) of the Gross Settlement Amount to the Settlement Administrator	[On or before December 31, 2018]
17 j.	Deadline for Defendant to wire Second Installment (\$100,000) of the Gross	[On or before July 2, 2019]

1	Settlement Amount to the Settlement Administrator	
2	k. Deadline for Defendant to wire Third Installment (\$100,000) of the Gross Settlement Amount of the Settlement Administrator	[On or before January 2, 2019]
3		
4	l. Deadline for Defendant to wire Fourth and Final Installment (\$100,000) of the Gross Settlement Amount and the employer's portion of the payroll taxes to the Settlement Administrator	[On or before July 2, 2020]
5		
6		
7	m. Deadline for Settlement Administrator to mail the Settlement Awards, Enhancement Award, and PAGA Payments, and to wire transfer the Attorneys' Fees and Costs (if Settlement is Effective)	[Within 5 days of the Fourth Payment]
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11	n. Settlement Administrator to File Proof of Payment of Settlement Awards, Enhancement Award, Attorneys' Fees and Costs (if Settlement is Effective)	[120 calendar days after the Fourth and Final Payment Date]
12		

13
14 11. If any of the dates in this Implementation Schedule falls on a weekend, bank or
15 court holiday, the time to act shall be extended to the next business day.

16 **IT IS SO ORDERED.**

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18 Dated: _____

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Hon. Roger Ross