

THIS NOTICE AFFECTS YOUR LEGAL RIGHTS, PLEASE READ IT CAREFULLY.

Phillip Daniel v. Stericycle, Inc. and Shred-it USA, LLC
United States District Court for the Western District of North Carolina
Civil Action No. 3:20-cv-00655-RJC-DCK

NOTICE OF PROPOSED CLASS AND COLLECTIVE ACTION SETTLEMENT

To:

Re: Proposed settlement of claims on behalf of employees who were employed in North Carolina by Stericycle, Inc. and Shred-it USA, LLC (“Defendants”) as drivers or customer service representatives between November 24, 2018 and February 25, 2023, and who are not subject to an arbitration agreement, for alleged unpaid wages.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	<p>If you do nothing, and the settlement is approved by the Court, you will receive a monetary award under the Settlement.</p> <p>Receive money and release your Fair Labor Standards Act (“FLSA”) and North Carolina Wage and Hour Act (“NCWHA”) claims, if any, as well as any other wage and hour claims you may have.</p>
EXCLUDE YOURSELF FROM THE SETTLEMENT	<p>If you do not wish to participate in the Settlement, you may exclude yourself by following the instructions in Section 10.B below.</p> <p>Only those individuals who exclude themselves will retain any right they may have to pursue their own lawsuit or claims under the NCWHA in the future. Individuals who request exclusion will not release any NCWHA claims as part of this Settlement, but also will not receive any monetary award as part of the Settlement.</p> <p>Please note, though, that if you exclude yourself from (or “opt out” of) the Settlement and are already an FLSA collective member because you previously filed a consent form to join this case, your decision to exclude yourself will also result in the withdrawal of your consent to join form, and you will not be entitled to receive any monetary award and will not be bound by the Settlement.</p>
OBJECT	<p>You can object to the settlement of the NCWHA claims in this case by following the instructions in Section 11.C below. Please note that if you object, you cannot exclude yourself from the Settlement.</p>

These Rights and Options – And the Deadlines to Exercise Them – Are Explained in this Notice

1. INTRODUCTION

The Court has preliminarily approved a proposed Settlement in this case. This is a Court-authorized Notice.

Your estimated Settlement payment (if you choose to participate) is available to you by contacting the Settlement Administrator or Class Counsel. Their contact information is below. Settlement payments will be made to those individuals who do not exclude themselves from the Settlement, if the Court approves the Settlement and after any appeals are resolved.

You have received this Notice because records indicate you were employed in North Carolina by Stericycle, Inc. and/or Shred-it USA, LLC as a driver or customer service representative between November 24, 2018 and February 25, 2023, and are not subject to an arbitration agreement.

If the Settlement is approved by the Court, and you do not exclude yourself from the Settlement, you will be mailed a check within approximately sixty (60) days after the Court grants final approval of the settlement. Cashing the check will operate as if you had consented to join the lawsuit as a party plaintiff under 29 U.S.C. § 216(b), and you will release all claims you may have against Defendants under both state and federal laws or the NCWHA and the FLSA, as described in Section 14, below.

Alternatively, if you wish, you can exclude yourself from (or “opt out” of) the Settlement. However, if you exclude yourself and wish to pursue claims against Defendants, you will have to file a new lawsuit and represent yourself and hire a lawyer to represent you in that new lawsuit. Statutes of limitations may affect any ability to bring potential claims.

You can also object to the settlement of the NCWHA claims in this case. Please note that if you object, you cannot exclude yourself from the Settlement.

Questions? Call the Settlement Administrator Toll Free at 888-544-9397

2. WHAT IS THIS CASE ABOUT?

A former driver, Plaintiff Phillip Daniel, has sued Stericycle, Inc. and Shred-it USA, LLC, alleging that he and other drivers/customer service representatives were subject to automatic lunch break deductions and not paid correctly for all hours worked, including alleged unpaid overtime pay, in violation of the FLSA and NCWHA. Based on these allegations, Plaintiff Daniel has sought to recover unpaid wages, liquidated damages, pre- and post-judgment interest, and attorneys' fees, costs, and expenses.

Defendants dispute these claims and have defended against the lawsuit. Defendants deny the allegations made by Plaintiff Daniel in the case, assert that drivers and customer service representatives in North Carolina were paid for all hours worked, and deny that their pay practices violated the law in any way. Without admitting any liability, the Defendants have agreed to settle these claims to avoid further litigation.

The Court has conditionally certified an Fair Labor Standards Act ("FLSA") collective action in this lawsuit, and has also preliminarily certified this case as a class action under the North Carolina Wage and Hour Act ("NCWHA") for purposes of settlement. The Parties, however, have proposed a settlement of this case without admitting liability or wrongdoing of any kind, and the Court has authorized notice of that proposed settlement to those who may be eligible to participate in it.

3. WHAT SETTLEMENT PAYMENT WILL I RECEIVE IF I DO NOT OPT-OUT?

If you do not opt-out of this Settlement and it is approved by the Court, you will receive a check for the approximate amount calculated by the Settlement Administrator or Plaintiff's Counsel. This settlement payment will be treated as 50% wages income subject to standard payroll deductions and reported on an I.R.S. Form W-2 and 50% non-wage income reported on an I.R.S. Form 1099 Misc.

4. WHO IS INCLUDED IN THE PROPOSED SETTLEMENT?

The proposed Settlement includes two groups of individuals who will be able to receive payment from the Settlement if they do not opt out of the settlement by requesting exclusion:

a. **FLSA Opt-In Plaintiffs:** The FLSA Opt-In Plaintiffs are eleven (11) individuals, including Plaintiff Daniel, who previously filed a consent form to join this case as party-plaintiffs prior to the execution of the Parties' Settlement Agreement.

b. **Putative Rule 23 Settlement Class Members:** All non-exempt drivers or customer service representatives who were employed by Defendants in North Carolina at any time from November 24, 2018 through February 25, 2023, and who are not subject to an arbitration agreement.

5. WHAT ARE THE PROPOSED BENEFITS AND TERMS OF THIS SETTLEMENT?

Pursuant to the Settlement, the Defendants agreed to pay a total of \$725,000.00 (the "Maximum Gross Settlement Amount") inclusive of all alleged unpaid wages, straight time, overtime compensation, liquidated damages, interest, Class Counsel's attorneys' fees, costs and expenses, Service Payment to Plaintiff Daniel, costs of administering the Settlement, and all other settlement-related payments and costs.

There will be a hearing for final approval of the Settlement (the "Final Approval Hearing"). If the Court approves the Settlement, and you do not exclude yourself from this settlement by **August 24, 2024**, you will receive a settlement payment. If you receive a settlement payment, you will be responsible for paying any income taxes you owe as a result of the payment.

After Class Counsel's approved attorney's fees, costs and expenses, any approved Service Payment to Plaintiff Daniel, and the costs of settlement administration are paid from the Maximum Gross Settlement Amount, the remaining amount (the "Revised Gross Settlement Amount") will be distributed to all eligible individuals who do not exclude themselves from the Settlement. Each Putative Rule 23 Settlement Class Member who does not exclude themselves will be entitled to receive a share of the Revised Gross Settlement Amount, and the damages are calculated based on Class Counsel's analysis of payroll records provided by Defendants, which identify each individual Putative Rule 23 Settlement Class Member's workweeks, hourly rate(s), period of employment, and weekly/daily hours worked.] ("Individual Settlement Payment"). Individual Settlement Payments will only be distributed to individuals who do not opt-out.

The settlement distribution process will be administered by an independent, third-party Settlement Administrator approved and

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appointed by the Court.

If you are sent a settlement check but fail to cash your check within 180 days after it is mailed, the Settlement Administrator will either redistribute that money to the participating members in the settlement who *did* cash their checks or donate the money to non-profit organization agreed to by the Parties and approved by the Court.

6. WHO IS CLASS COUNSEL?

For purposes of settlement, the Court has appointed the following lawyers as Class Counsel to represent the Putative Rule 23 Settlement Class Members:

Gilda Adriana Hernandez, Esq.
Hannah Simmons, Esq.
THE LAW OFFICES OF GILDA A. HERNANDEZ, PLLC
1020 Southhill Drive, Suite 130
Cary, NC 27513
Tel: (919) 741-8693
Fax: (919) 869-1853
rkreuz@gildahernandezlaw.com

You do not need to hire your own lawyer because Class Counsel is working on your behalf in this case. You may, however, choose to hire your own lawyer, but you must do so at your own expense.

7. ARE ATTORNEYS' FEES, COSTS, AND EXPENSES BEING SOUGHT?

Yes. Class Counsel has handled this case on a "contingent fee" basis and has not received any fees or payment for their work. Class Counsel has also advanced the costs of filing and pursuing this case on behalf of the Plaintiff Daniel, the FLSA Opt-In Plaintiffs, and Putative Rule 23 Settlement Class Members. As part of the Settlement, Class Counsel will ask the Court to approve fees in an amount equal to one-third (1/3) of the Maximum Gross Settlement Amount (\$241,666.67), plus reimbursement of litigation costs and expenses in the amount of \$20,000. The Court may choose to award less than these amounts. The Court will make a final decision about the reasonableness of Class Counsel's request at the Final Approval Hearing. Class Counsel's approved attorneys' fees, costs, and expenses will not be deducted from your estimated Settlement payment, but will be paid from the Maximum Gross Settlement Amount before your settlement payment is calculated.

8. IS THE NAMED PLAINTIFF RECEIVING ADDITIONAL PAYMENT?

Yes, if approved by the Court. Plaintiff Phillip Daniel will ask the Court to approve a Service Payment in the amount of \$15,000 for himself, in bringing this action on behalf of himself and others alleged to be similarly situated, in recognition of his cooperation and contributions as named plaintiff, his having provided a declaration in the lawsuit, and providing Defendants with a general release of all claims he may have. The Court may deny this amount or award less than this amount. The Court will make a final decision about the Service Payment to Plaintiff Daniel at the Final Approval Hearing. The Service Payment will be paid from the Maximum Gross Settlement Amount before your settlement payment is calculated.

9. HOW ARE THE SETTLEMENT ADMINISTRATOR'S EXPENSES BEING PAID?

The costs of administering this Settlement will be paid out of the Maximum Gross Settlement Amount before your settlement payment is calculated.

10. WHAT ARE MY OPTIONS REGARDING THE SETTLEMENT?

A. Do Nothing and Participate In the Settlement: If you do nothing, you will remain a Rule 23 Settlement Class Member and, upon final approval of the Settlement by the Court, will receive a check constituting your settlement payment. In consideration for the settlement payment and upon signing and cashing the settlement check, you will release all FLSA and NCWHA claims as described in Section 14 below. **To obtain specific details regarding your estimated settlement payment, you should contact the Settlement Administrator or Class Counsel.**

You should inform the Settlement Administrator of any changes in your address until you have received your Settlement check and tax reporting form(s). If you fail to update your address, you may not receive your settlement check and/or tax forms.

B. Request to be Excluded (Opt-Out): As a Rule 23 Settlement Class Member, if you do not want to participate in the Settlement or to receive a settlement payment, you can request to exclude yourself. If you wish to exclude yourself, you must submit a written request for exclusion. To be effective, the request for exclusion must clearly state that you wish to be excluded from the Settlement. Your request should say at the top of the letter, “Request for Exclusion from Settlement in *Daniel et al. v. Stericycle and Shred-it USA LLC*, No. 3:20-cv-00655-RJC-DCK,” and should include your name, address, telephone number, and signature. All written requests for exclusion must be sent by First-Class U.S. Mail to the Settlement Administrator at c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606, and must be postmarked on or before **August 24, 2024**.

If you exclude yourself and are already an FLSA Opt-In Plaintiff because you previously filed a consent form to join this case, your decision to opt-out of the Settlement will also result in the withdrawal of your consent to join form, and you will not be entitled to receive any settlement payment and will not be bound by the Settlement. Thus, if you exclude yourself, you will not receive any monies from the Settlement.

If You Exclude Yourself, You Will Not Receive Any Monies from the Settlement.

Failure to include the required information in, or to timely submit, your request to be excluded will result in your remaining a member of the Rule 23 Settlement Class and being bound by any final judgment.

If you validly and timely request exclusion, you will not be bound by any final judgment, and you will not be prevented from seeking to file or prosecute any individual claim you may otherwise have against Defendants under the NCWHA or the FLSA. However, statutes of limitations may separately affect your ability to bring claims against Defendants in a new lawsuit.

C. Object: As a Putative Rule 23 Settlement Class Member, you may object to the terms of the Settlement, to Class Counsel’s request for attorneys’ fees, costs, and expenses, and/or to the Named Plaintiff’s request for a Service Payment. If you object and the Settlement is approved, you will be barred from bringing your own individual lawsuit asserting claims related to the matters released through this Settlement, and you will be bound by the final judgment and release and all orders entered by the Court. If you object, you may, but are not required to, hire an attorney to represent you. If you hire an attorney, you will be responsible for your own attorneys’ fees, costs and expenses. Please note that if you object, you cannot exclude yourself from the Settlement.

If you object to the Settlement, to the requested attorneys’ fees, costs, expenses, and/or to the requested Service Payment, you must, on or before **August 24, 2024**, file a written objection with the U.S. District Court for the Western District of North Carolina, Charlotte Division at:

Clerk of Court
Charles R. Jonas Federal Building
401 West Trade Street
Charlotte, NC 28202

You must also serve copies of your objection by mailing them to Class Counsel (at the addresses listed in Section 6, above) and Defense Counsel at:

Richard W. Black, Esq.
LITTLER MENDELSON, P.C.
3424 Peachtree Rd., NE, Suite 1200
Atlanta, GA 30326

Your written objection should include your name, address, a detailed statement of the basis for each objection you make, and the grounds on which you desire to appear at the Final Settlement Approval Hearing and be heard (if any). You should include whether you are represented by counsel, and, if you are, the name and address of your counsel. Your written objection should be labeled at the top of the page with the name and case number of this lawsuit (“*Phillip Daniel v. Stericycle, Inc. et al. Case No. 3:20-cv-00655-RJC-DCK*”). Any Rule 23 Settlement Class Member who submits a proper, timely objection may appear at the Final Approval Hearing, either in person or through a lawyer hired at his or her own expense.

Rule 23 Settlement Class Members who do not fail to timely or properly object by the deadline will be deemed to have waived

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the right to make objections and will not have the right to appeal approval of the Settlement or speak at the Final Approval Hearing.

The Court may consider any objections that are timely filed. This does not mean, however, that the Court will necessarily take action based on any objection. If the Court considers and rejects your objection, you will still be bound by the terms of the Settlement and the Release of Claims described in Section 14 below.

11. WHAT HAPPENS IF THE COURT APPROVES THE SETTLEMENT?

If the Court approves the proposed Settlement, settlement checks will be issued to Putative Rule 23 Settlement Class Members who have not excluded themselves from the Settlement and the FLSA Opt-In Plaintiffs.

The Settlement will be binding on all individuals who do not timely and properly request exclusion. This means that all individuals who do not exclude themselves cannot bring their own lawsuits against Defendants for wage and hour claims based on alleged violations of the NCWhA or any other wage and hour laws (other than the FLSA) that arose while you were employed by Defendants from any time prior to the final effective date of the Settlement Agreement after the Court's order granting final approval of the Settlement. This includes, but is not limited to, claims for back pay, liquidated damages, penalties, prejudgment interest, attorneys' fees, costs and expenses.

In addition to these claims, if you sign and cash your settlement check, you will also release wage and hour claims that could be brought under the FLSA against Defendants that arose while you were employed by Defendants, any time prior to the final effective date of the Settlement Agreement after the Court's order granting final approval of the Settlement. This includes, but is not limited to, claims for back pay, liquidated damages, penalties, interest, and attorneys' fees, costs and expenses.

The scope of these releases is explained more fully in Section 14 below.

12. WHAT HAPPENS IF THE COURT DOES NOT APPROVE THE SETTLEMENT?

If the Court does not approve the proposed Settlement, the case will proceed in court as if no Settlement had been reached. If the case proceeds in court, there is no guarantee that the FLSA Opt-In Plaintiffs or Putative Rule 23 Settlement Class Members will recover more than is provided for in this Settlement, or indeed, anything.

13. WHEN IS THE HEARING ON FINAL APPROVAL OF THIS SETTLEMENT?

The Court will hold the Final Approval Hearing on **September 23, 2024, at 10:00 A.M.**, in Courtroom 4A, Charles R. Jonas Federal Building, United States Courthouse, 401 West Trade Street, Charlotte, NC 28202. At this hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate, and should be approved and, if so, to determine what amount should be awarded to Class Counsel for their fees, costs and expenses, and whether any Service Payment should be awarded to the Named Plaintiff. Either during or after this hearing, the Court will decide whether to approve the Settlement. We do not know how long this decision will take.

If there are written objections to the Settlement, the Court may consider them at that time. If you file an objection, you do not have to come to Court to talk about it if you do not wish to do so. The Court may, however, listen to timely objectors who have requested to speak at the Final Approval Hearing.

You do not have to attend this hearing. Class Counsel will answer questions the Court may have about the Settlement. You may also pay your own lawyer to attend the hearing, but it is not required.

The time and date of this hearing may be changed without further notice.

14. WHAT CLAIMS ARE BEING RELEASED?

a. All individuals who were employed by Defendants in North Carolina as a driver or customer service representative or in a similar position at any time between **November 24, 2018, and February 25, 2023**, and who are not subject to an arbitration agreement, **unless they properly exclude themselves from the lawsuit**, will release all possible claims under the NCWhA, arising on or before the date of the Court's final approval of Settlement, whether known or unknown, which were or could have been asserted in this lawsuit against the Defendants, including, without limitation, claims for wages, overtime, wage deductions, retaliation for complaining about any alleged violations of any wage and hour law, and any related damages, equitable relief, or any other relief related to any alleged failure to pay all wages or other compensation owed, or properly record or credit hours worked. This release includes all

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federal, state, and local statutory claims and common law claims related to hours worked and unpaid wages, *but it will not include claims based on the Fair Labor Standards Act, 29 U.S.C. § 201, et seq., unless you sign and cash the check which you receive within approximately sixty (60) days from the Court's final approval of the Settlement Agreement. That is, if you do not exclude yourself from the settlement and you sign and cash the check you receive, you will also release claims based on the Fair Labor Standards Act under the which you have or might have, known or unknown, asserted or unasserted, of any kind whatsoever, up to and including the final effective date of the settlement agreement. However, if you exclude yourself from the settlement as instructed above in Section 10(B), you will preserve your rights under both federal and state wage and hour laws, but will not receive any payment in this settlement.*

A more complete statement of the claims released by individuals bound by the Settlement can be found in Article VI of the Settlement Agreement ("Release of Claims"), which is accessible at www.cptgroupcaseinfo.com/StericycleSettlement or by contacting the Settlement Administrator at Daniel v. Stericycle, Inc. et al. c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 at (888) 544-9397.

15. IF I AM A CURRENT EMPLOYEE WITH DEFENDANTS AND I CHOOSE TO PARTICIPATE IN THIS SETTLEMENT, AM I PROTECTED FROM POSSIBLE RETALIATION?

Yes. It is against the law for an employer to retaliate against an individual who decides to participate in this Settlement. Defendants will not retaliate against you in any way because of your decision to participate or not in the case or this Settlement.

16. ARE THERE MORE DETAILS AVAILABLE?

For additional information you may contact the Settlement Administrator at *Daniel v. Stericycle, Inc. et al.*, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606, or call (888) 544-9397, or visit www.cptgroupcaseinfo.com/StericycleSettlement. You also may contact Class Counsel, the attorneys who have brought this lawsuit. Their contact information is located at Section 6 above.

NO INQUIRES ABOUT THIS SETTLEMENT SHOULD BE DIRECTED TO THE COURT, THE CLERK OF COURT, OR DEFENDANT.