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18 UNITED STATES DISTRICT COURT

19 CENTRAL DISTRICT OF CALIFORNIA

20 DUY NAM LY and KIET NGUYEN
21 individually and on behalf of all others
22 similarly situated,

23 Plaintiffs,

24 v.

25 J.B. HUNT TRANSPORT, INC., an
26 Arkansas corporation,

27 Defendant.

28 Case No.: 2:19-cv-01334-SVW-SS

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

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1 This Joint Stipulation of Settlement and Release of Class Action (Stipulation) is
2 made between Plaintiffs and Counterclaim Defendants, Duy Nam Ly and Kiet Nguyen
3 (collectively, the Named Plaintiffs), individually and as representatives of the Class, as
4 defined below, on the one hand, and Defendant and Counterclaim Plaintiff, J.B. Hunt
5 Transport, Inc. (J.B. Hunt), on the other hand. This Stipulation is subject to the approval
6 of the Court pursuant to Federal Rule of Civil Procedure 23(c) (Rule 23(e)) and is made
7 for the purpose of consummating settlement of this Action, as defined below, on a
8 classwide basis subject to the following terms and conditions and for release of J.B.
9 Hunt's counterclaim. As detailed below, in the event the Court does not enter an order
10 granting final approval of the Stipulation or the conditions precedent are not met for any
11 reason, this Stipulation shall be null and void and shall have no force or effect whatsoever.

12 **I. DEFINITIONS**

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

17 **1. Action.**

18 "Action" shall mean the civil action filed on June 25, 2018, by the Named Plaintiffs
19 against J.B. Hunt in the Los Angeles County Superior Court, under Case No. BC710744,
20 and removed for the final time to the U.S. District Court for the Central District of
21 California, under Case No. 2:19-cv-01334 SVW (SSx) and entitled *Duy Nam Ly, et al. v.*
22 *J.B. Hunt Transport, Inc.*

23 **2. Administrative Expenses.**

24 "Administrative Expenses" shall include Class Counsel's attorney fees and other
25 litigation expenses or costs, not to exceed 30% of the Gross Settlement Amount
26 (provided, however, Class Counsel may seek a one-time additional award of attorney fees
27 and expenses in the event of an appeal, writ, or other appealable proceeding opposing the
28 Stipulation is filed), any Service Fee Award granted to the Named Plaintiffs as Class

1 Representatives not to exceed \$25,000.00 each, the payment of all costs and expenses to
2 or associated with the Settlement Administrator, and the employer’s share of all payroll
3 taxes due, if any, on any amount distributed to the Class Participants.

4 **3. CAFA Notice.**

5 “CAFA Notice” shall mean the notice of this Stipulation required to be filed by
6 J.B. Hunt with the appropriate federal and state agencies as required by 28 U.S.C. §
7 1715(b).

8 **4. Claims.**

9 “Claims” shall mean the claims for relief asserted in the Complaint, as defined
10 herein, including claims arising out of: (a) J.B. Hunt’s alleged failure to pay the minimum
11 wage in violation of Cal. Labor Code §§ 1194 and 1197, and Wage Order No. 9-2001;
12 (b) J.B. Hunt’s alleged failure to provide meal breaks in violation of Cal. Labor Code
13 §§ 226.7 and 512, and Wage Order No. 9-2001; (c) J.B. Hunt’s alleged failure to permit
14 and pay compensation for rest breaks in violation of Cal. Labor Code §§ 226.7 and 512,
15 and Wage Order No. 9-2001; (d) J.B. Hunt’s alleged failure to reimburse for necessary
16 business expenses in violation of Cal. Labor Code § 2802 and Wage Order No. 9-2001;
17 (e) J.B. Hunt’s alleged unlawful deductions from wages in violation of Cal. Labor Code
18 § 221 and Wage Order No. 9-2001; (f) J.B. Hunt’s alleged failure to provide adequate
19 wage statements in violation of Cal. Labor Code §§ 226, 226.2, and 226.3; (g) J.B. Hunt’s
20 alleged intentional misclassification of drivers as independent contractors in violation of
21 Cal. Labor Code § 226.8; (h) J.B. Hunt’s alleged failure to timely pay wages of persons
22 who were discharged or quit in violation of Cal. Labor Code § 203; (i) J.B. Hunt’s
23 allegedly unlawful and unfair competition in violation of Cal. Bus. & Prof. Code § 17200,
24 *et seq.*; (j) J.B. Hunt’s alleged unjust enrichment; (k) civil penalties under the Private
25 Attorneys General Act, Cal Labor Code §§ 2698, *et seq.* (PAGA); and (k) any claims,
26 wages, penalties, liquidated damages, interest, attorney fees, or litigation costs allegedly
27 due and owing by virtue of any of the facts asserted in the Complaint, whether known or
28 unknown, under any other federal, state, or local law, which the Class and/or any Class

1 Member has ever had, or hereafter may claim to have, for the Class Period, as described
2 more fully in the Released Claims set forth hereafter, except for worker’s compensation
3 claims.

4 **5. Class.**

5 “Class” shall mean all current and former California-resident truck drivers who
6 signed Intermodal Independent Contractor Operating Agreements with appendices
7 (Intermodal ICOAs) under which they performed work for J.B. Hunt in California at any
8 time during the Class Period, as defined herein, and whose names appear on the list
9 attached hereto as **Exhibit 1**. If the Court grants preliminary approval of this Stipulation
10 and Settlement, J.B. Hunt will supplement this list by providing the identities of any other
11 persons who signed an Intermodal ICOAs and performed work for J.B. Hunt at any time
12 during the Class Period in California who are not listed in **Exhibit 1** to the Settlement
13 Administrator and Class Counsel within 14 days after the Preliminary Approval Date.

14 **6. Class Counsel.**

15 “Class Counsel” shall mean Stanley D. Saltzman and Cody R. Kennedy, of Marlin
16 & Saltzman, LLP, 29800 Agoura Road, Suite 210, Agoura Hills, California 91301.

17 **7. Class List.**

18 “Class List” shall mean the list of names, last known residential addresses, and
19 social security numbers of Class Members. The Class List will indicate, for each Class
20 Member, the number of Qualifying Weeks Worked during the Class Period.

21 **8. Class Member.**

22 “Class Member” shall mean a person who is a member of the Class, or, if such
23 person is incapacitated or deceased, the person’s legal guardian, executor, heir, or
24 successor in interest.

25 **9. Class Notice.**

26 “Class Notice” shall mean the Notice of Proposed Class Action Settlement and
27 Final Approval Hearing, as set forth in the form of **Exhibit 2** attached hereto, or as
28 otherwise approved by the Court, which is to be mailed to Class Members.

1 **10. Class Participant(s).**

2 “Class Participant(s)” shall mean any and all Class Member(s) who do not submit
3 a timely and valid Opt-Out Request.

4 **11. Class Period.**

5 “Class Period” shall mean June 25, 2014, through the Preliminary Approval Date.

6 **12. Class Representatives.**

7 “Class Representatives” shall mean Named Plaintiffs in their capacity as
8 representatives of the Class.

9 **13. Complaint.**

10 “Complaint” shall mean the operative First Amended Class Action Complaint filed
11 on June 3, 2019, in this Action.

12 **14. Counterclaim.**

13 “Counterclaim” shall mean the Counterclaim under quasi-contract arising out of
14 the Intermodal ICOAs for rescission and restitution brought by J.B. Hunt against the
15 Named Plaintiffs in Defendant’s Answer and Affirmative Defenses to Plaintiffs’ Class
16 Action Complaint, Counterclaim, and Demand for Jury Trial dated March 22, 2019.

17 **15. Counterclaim Defendant(s).**

18 “Counterclaim Defendant(s)” shall mean Duy Nam Ly and Kiet Nguyen.

19 **16. Court.**

20 “Court” shall mean the U.S. District Court for the Central District of California.

21 **17. Defense Counsel.**

22 “Defense Counsel” shall mean James H. Hanson, Chris J. Eckhart, E. Ashley
23 Paynter, Alaina C. Hawley, and James A. Eckhart, Scopelitis, Garvin, Light, Hanson &
24 Feary, P.C., 10 West Market Street, Suite 1500, Indianapolis, Indiana 46204; and
25 Christopher C. McNatt, Jr., Scopelitis, Garvin, Light, Hanson & Feary, LLP, 2 North
26 Lake Avenue, Suite 560, Pasadena, California 91101.

27 **18. Effective Date.**

28 “Effective Date” shall be the date when all of the following events have occurred:

1 (a) this Stipulation has been executed by all Parties and by Class Counsel and Defense
2 Counsel; (b) the Court has given preliminary approval to the Stipulation; (c) notice has
3 been given to the Class Members providing them with an opportunity to Opt-Out of the
4 Settlement; (d) the Court has held a Final Approval and Fairness Hearing and entered a
5 final order and judgment certifying the Class and approving this Stipulation from which
6 no appeal can be taken; and (e) in the event there are written objections filed prior to the
7 Final Approval and Fairness Hearing that are not later withdrawn, the later of the
8 following events: (i) when the period for filing any appeal, writ, or other appellate
9 proceeding opposing the Stipulation and Settlement has elapsed without any appeal, writ
10 or other appellate proceeding having been filed; or any appeal, writ, or other appellate
11 proceeding opposing the Stipulation and Settlement has been dismissed finally and
12 conclusively with no right to pursue further remedies or relief; or (ii) any appeal, writ, or
13 other appellate proceeding has upheld the Court’s final order with no right to pursue
14 further remedies or relief. In this regard, it is the intention of the Parties that the
15 Stipulation and Settlement shall not become effective until the Court’s order approving
16 the Stipulation and Settlement is completely final and there is no further recourse for an
17 appellant or objector who seeks to contest the Stipulation and Settlement. If no objections
18 are filed, the Effective Date shall be after steps (a) through (d) have been completed.

19 **19. Final Approval and Fairness Hearing.**

20 “Final Approval and Fairness Hearing” shall mean a hearing set by the Court for
21 the purpose of determining the fairness, adequacy, and reasonableness of the Stipulation
22 and Settlement, which hearing shall be scheduled to take place after the expiration of the
23 90-day notice period required for the CAFA Notice.

24 **20. Gross Settlement Amount.**

25 “Gross Settlement Amount” means \$6,500,000.00, which will be all-inclusive,
26 including Individual Settlement Amounts to all Class Participants, Service Fee Awards
27 to the Named Plaintiffs, Settlement Administrator Costs, Class Counsel’s attorney fees
28 and costs related to the Action as awarded by the Court, civil penalties recoverable under

1 PAGA, and any employer-side payroll taxes, if any. This Settlement is a non-claims made
2 and non-reversionary settlement.

3 **21. Hearing on Preliminary Approval.**

4 “Hearing on Preliminary Approval” shall mean the hearing held on the motion for
5 preliminary approval of the Stipulation and Settlement.

6 **22. Individual Settlement Amount.**

7 “Individual Settlement Amount” shall mean the amount ultimately distributed to
8 each Class Participant.

9 **23. J.B. Hunt.**

10 “J.B. Hunt” shall mean Defendant, J.B. Hunt Transport, Inc., and its present and
11 former parent companies, subsidiaries, divisions, affiliates, successors, predecessors,
12 related companies, and joint ventures, and each of their present and former officers,
13 directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors,
14 advisors, representatives, consultants, pension and welfare benefit plans, plan fiduciaries,
15 administrators, trustees, general and limited partners, predecessors, successors, and
16 assigns.

17 **24. LWDA.**

18 “LWDA” shall mean the California Labor and Workforce Development Agency.

19 **25. Named Plaintiffs.**

20 “Named Plaintiffs” shall mean Plaintiffs, Duy Nam Ly and Kiet Nguyen.

21 **26. Net Settlement Amount.**

22 “Net Settlement Amount” shall mean the cash portion of the Gross Settlement
23 Amount paid by J.B. Hunt less Administrative Expenses, Class Counsel’s attorney fees
24 and costs, and the PAGA Payment to the LWDA, and shall be the maximum amount
25 distributed to Class Participants.

26 **27. Notice of Estimated Individual Settlement Amount.**

27 “Notice of Estimated Individual Settlement Amount” shall mean the notice sent to
28 Class Members of their estimated Individual Settlement Amount calculated by the

1 Settlement Administrator using the ratio of a Class Member’s Qualifying Weeks Worked
2 divided by the total number of Qualifying Weeks Worked by the Class, times the Net
3 Settlement Amount.

4 **28. Notice Packet.**

5 “Notice Packet” shall mean the Notice of Class Action Settlement and the Notice
6 of Estimated Individual Settlement Amount that will be mailed to each Class Member by
7 the Settlement Administrator.

8 **29. Objection Deadline and Opt-Out Deadline.**

9 “Objection Deadline” and “Opt-Out Deadline” shall mean the date by which Class
10 Members must dispute an Estimated Individual Settlement Amount, send an Opt-Out
11 Request Form, or object to the Stipulation and Settlement. The Objection Deadline and
12 Opt-Out Deadline shall be 42 days after the Settlement Administrator mails the Notice
13 Packets.

14 **30. Opt-Out(s).**

15 “Opt-Out(s)” shall mean any and all persons who timely and validly request
16 exclusions from the Class in accordance with the terms of the Class Notice.

17 **31. Opt-Out Request.**

18 “Opt-Out Request” shall mean a timely and valid request for exclusion from the
19 Class in accordance with the terms of the Class Notice.

20 **32. PAGA Payment.**

21 “PAGA Payment” shall mean the funds allocated for the settlement and full release
22 of any and all claims for civil penalties that could have been made in this Action by the
23 Class Members under PAGA.

24 **33. PAGA Payment to the LWDA.**

25 “PAGA Payment to the LWDA” means the funds allocated to the PAGA Payment,
26 which shall be paid to the LWDA.

27 **34. Parties.**

28 “Parties” shall mean the Named Plaintiffs and J.B. Hunt.

1 **35. Preliminary Approval Date.**

2 “Preliminary Approval Date” shall mean the date upon which the Court enters an
3 order preliminarily approving this Stipulation and Settlement.

4 **36. Qualifying Weeks Worked.**

5 “Qualifying Weeks Worked” shall mean the total number of workweeks during
6 which a Class Member was engaged by J.B. Hunt at any time during the Class Period.
7 Any workweek in which a Class Member worked at least one day shall be counted as a
8 Qualifying Week Worked.

9 **37. Released Claims.**

10 “Released Claims” shall mean the Claims, and all rights under the California Civil
11 Code § 1542 (Section 1542) with respect to the Claims being released.

12 **38. Released Claims by J.B. Hunt.**

13 “Released Claims by J.B. Hunt” shall mean the Counterclaim brought by J.B. Hunt
14 against the Named Plaintiffs. Nothing in this Stipulation shall impact the Named
15 Plaintiffs’ obligations to repay amounts advanced by J.B. Hunt to them under any short-
16 term Aid agreement or under any other agreement between the Named Plaintiffs and J.B.
17 Hunt.

18 **39. Released Counterclaim Defendant(s).**

19 “Released Counterclaim Defendant(s)” shall mean Named Plaintiffs.

20 **40. Released Parties.**

21 “Released Parties” shall mean J.B. Hunt, and its present and former parent
22 companies, subsidiaries, divisions, affiliates, related companies, joint ventures, and each
23 of their respective present and former officers, directors, shareholders, agents,
24 employees, insurers, attorneys, accountants, auditors, advisors, representatives,
25 consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees,
26 general and limited partners, predecessors, successors, and assigns.

27 **41. Service Fee Award.**

28 “Service Fee Award” shall mean any additional monetary payment provided to the

1 Named Plaintiffs as Class Representatives for their efforts on behalf of the Class in this
2 Action.

3 **42. Settlement.**

4 “Settlement” shall mean the settlement between the Parties, which is memorialized
5 in this Stipulation.

6 **43. Settlement Administrator.**

7 “Settlement Administrator” shall mean CPT Group, Inc., which the Parties have
8 agreed will be responsible for administration of the Stipulation and Settlement and related
9 matters, or another neutral administrator mutually agreed to by the Parties.

10 **44. Settling Parties.**

11 “Settling Parties” shall mean the Named Plaintiffs, the Class Participants, and J.B.
12 Hunt.

13 **45. Stipulation.**

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

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

17 **1. The Named Plaintiffs’ Claims**

18 The Named Plaintiffs filed their Class Action Complaint, captioned *Duy Nam Ly*
19 *and Kiet Nguyen, individually and on behalf of all others similarly situated v. J.B. Hunt*
20 *Transport, Inc., an Arkansas corporation; and Does 1 to 100, inclusive*, Case No.
21 BC710744, in the Superior Court of Los Angeles County, California, on June 25, 2018,
22 which J.B. Hunt removed under 28 U.S.C. 1441(a) and 28 U.S.C. 1332(a), to the Central
23 District of California on February 22, 2019. C.D. Cal. Case No. 2:19-cv-01334 (Dkt. 1).
24 The Named Plaintiffs filed their First Amended Class Action Complaint (Complaint) on
25 June 3, 2019. The Complaint asserts that J.B. Hunt intentionally misclassified the Named
26 Plaintiffs and the Class under Cal. Lab. Code § 226.8 and alleges the following claims
27 predicated on that finding: (1) failure to pay minimum wages pursuant to Cal. Labor Code
28 §§ 1194 and 1197 and Wage Order No. 9-2001; (2) failure to provide meal breaks under

1 Cal. Labor Code §§ 226.7, 512 and Wage Order No. 9-2001; (3) failure to permit and
2 compensate for rest breaks under Cal. Labor Code §§ 226.7, 512 and Wage Order No. 9-
3 2001; (4) failure to reimburse for necessary business expenses under Cal. Labor Code
4 § 2802; (5) unlawful deductions from wages under Cal. Labor Code § 221 and Wage
5 Order No. 9-2001; (6) failure to provide adequate wage statements under Cal. Labor Code
6 §§ 226, 226.2 and 226.3 and Wage Order No. 9-2001; (7) unfair competition under Cal.
7 Bus. & Prof. Code § 17200 *et seq.*; (8) quantum merit/unjust enrichment; and
8 (9) violations that support PAGA penalties under Cal. Labor Code § 2698, *et seq.*,
9 including under Cal. Lab. Code §§ 200-203, 226, 226.2, 226.3, 226.7, 226.8, 510,
10 512, 558, 1174, 1192, 1194, 1197, and 2802.

11 **2. J.B. Hunt's Counterclaim.**

12 On March 1, 2019, J.B. Hunt filed its Answer and Affirmative Defenses to
13 Plaintiffs' First Amended Class Action Complaint, Counterclaim, and Demand for Jury
14 Trial. J.B. Hunt denied and continues to deny any liability to the Named Plaintiffs and
15 the Class and raised various defenses to the Claims. In addition, J.B. Hunt asserted a
16 Counterclaim. The Counterclaim alleges that Counterclaim Defendants signed
17 Intermodal ICOAs with J.B. Hunt to lease a tractor trailer and a driver, pursuant to the
18 Federal Leasing Regulations, 49 C.F.R. Part 376, to J.B. Hunt. And, to the extent the
19 Counterclaim Defendants could demonstrate that they were misclassified as independent
20 contractors, they could only avail themselves of the remedies afforded for rescission and
21 restitution and alleged violations of the California Labor Code; and their compensation
22 must be limited to the deficit, if any, between the amount J.B. Hunt had compensated
23 them pursuant to the terms of their leases less the wages they were entitled to for
24 personally performing work and the reasonable expenses they incurred for performing
25 that work.

26 **3. Early Motion Practice.**

27 On March 25, 2019, the Named Plaintiffs moved to remand the Action to state
28 court arguing that J.B. Hunt's removal was outside the 30-day removal period in

1 28 U.S.C. § 1446. The Motion to Remand was fully briefed, and the Court denied the
2 Motion, without argument, by order dated April 25, 2019. In the same order, the Court
3 set the Action for trial to begin on August 13, 2019.

4 On May 14, 2019, Named Plaintiffs filed a Motion for Leave to File a First
5 Amended Complaint, an Ex Parte Application to Continue Trial Date, and an Ex Parte
6 Application for Relief from Local Rule 23-3. J.B. Hunt opposed the motion and the
7 applications in part. On May 29, 2019, the Court granted the Motion for Leave to File a
8 First Amended Complaint and both Ex Parte Applications, vacated the August 13, 2019,
9 trial date, and re-set the trial to begin on December 10, 2019.

10 **4. Expedited Discovery, Investigation and Research.**

11 Class Counsel conducted discovery and investigation during prosecution of the
12 Action. This discovery, investigation, and prosecution has included, among other things,
13 (a) early motion practice; (b) meetings and conferences with the Named Plaintiffs;
14 (c) inspection and analysis of documents produced by the Named Plaintiffs and/or J.B.
15 Hunt; (d) analysis of the legal positions taken by J.B. Hunt; (e) investigation into the
16 viability of class treatment of the claims asserted in the Action; (f) analysis of potential
17 classwide damages; (g) research into the applicable law with respect to the allegations of
18 misclassification and the claims asserted in the Complaint and the potential defenses
19 thereto; (h) answering and propounding extensive written discovery; (i) defending
20 depositions of the Named Plaintiffs; (j) negotiating the topics and preparing for J.B.
21 Hunt's Federal Rule of Civil Procedure 30(b)(6) (Rule 30(b)(6)) representative's
22 deposition; (k) preparing a mediation statement; and (l) assembling data for calculating
23 damages. The Named Plaintiffs have vigorously prosecuted this case.

24 Further, J.B. Hunt has vigorously contested this case by (a) opposing early motion
25 practice; (b) asserting a Counterclaim; (c) analyzing the legal positions taken by the
26 Named Plaintiffs; (d) answering and propounding extensive written discovery;
27 (e) analyzing the Named Plaintiffs' and its own documents; (f) taking the Named
28 Plaintiffs' depositions; (g) negotiating the topics and preparing for J.B. Hunt's Rule

1 30(b)(6) representative's deposition; (h) preparing a mediation statement; and (i)
2 assembling data for calculating potential damages.

3 The Parties have engaged in sufficient investigation and formal discovery to assess
4 the relative merits of the claims of the Class Representatives and of J.B. Hunt's defenses
5 and Counterclaim to them.

6 **5. Mediation.**

7 By agreement and based on the large amount of data that had been exchanged, the
8 Parties mediated this matter before the Honorable Edward Infante (ret.), for a full day on
9 June 24, 2019. The mediation was held open for approximately one week, but the case
10 did not settle.

11 The Parties continued informal settlement discussions and exchanged additional
12 written correspondence about their positions. Simultaneously, the Parties prepared for
13 J.B. Hunt's Rule 30(b)(6) representative's deposition and further discovery.

14 The Parties finally reached the Settlement almost one month later, on July 19,
15 2019. At that time, the Rule 30(b)(6) deposition of J.B. Hunt's representative was
16 imminent.

17 **6. Allegations of the Named Plaintiffs and Benefits of Settlement.**

18 The extensive written and document discovery conducted in this Action as well as
19 the Named Plaintiffs' depositions and discussions between counsel have been adequate
20 to give the Named Plaintiffs as Class Representatives and Class Counsel a sound
21 understanding of the merits of their positions and to evaluate the worth of the Claims of
22 the Class. The Parties reached the Settlement with the assistance of an experienced
23 mediator, The Honorable Edward Infante (ret.), after arms-length bargaining by the
24 Parties during a full-day mediation, several additional discussions with the mediator,
25 email exchanges, and discussions between counsel. The extensive and expedited formal
26 discovery conducted in this Action and the information exchanged between the Parties
27 through that discovery, and during mediation and informal settlement discussions, are
28 sufficient to assess reliably the merits of the respective Parties' positions and to

1 compromise the issues on a fair and equitable basis.

2 The Named Plaintiffs as Class Representatives and Class Counsel believe that the
3 claims, causes of action, allegations and contentions asserted in the Action have merit.
4 However, the Named Plaintiffs as Class Representatives and Class Counsel recognize
5 and acknowledge the expense and delay of continued lengthy proceedings necessary to
6 prosecute the Action against J.B. Hunt through trial and through appeals. Class Counsel
7 has taken into account the uncertain outcome and the risk of any litigation, the risk of
8 continued litigation in complex actions such as this, as well as the difficulties and delays
9 inherent in such litigation, and the potential difficulty of maintaining the Action as a class
10 action. Class Counsel is mindful of the inherent problems of proof under, and possible
11 defenses to, the Claims alleged in the Action. Class Counsel believes that the Settlement
12 set forth in this Stipulation confers substantial benefits upon the Class Participants,
13 Named Plaintiffs and each of the Class Members and that an independent review of this
14 Stipulation by the Court in the approval process will confirm this conclusion. Based on
15 their own independent investigation and evaluation, Class Counsel, being experienced in
16 this area of class action litigation, have determined that the Settlement set forth in the
17 Stipulation is in the best interests of the Named Plaintiffs and the Class Members.

18 **7. J.B. Hunt's Counterclaim and Denial of Wrongdoing and Liability.**

19 J.B. Hunt has denied and continues to deny all of the claims and contentions
20 alleged by the Named Plaintiffs in the Action. J.B. Hunt has expressly denied and
21 continues to deny all charges of wrongdoing or liability against it arising out of any of
22 the conduct, statements, acts or omissions alleged, or that could have been alleged based
23 upon the conduct, statements, acts or omissions alleged, in the Action. J.B. Hunt contends
24 that it complied in good faith with California wage and hour laws, including, but not
25 limited to, properly classifying Named Plaintiff and the Class Members as independent
26 contractors, paying the California minimum wage and dealing legally and fairly with the
27 Named Plaintiffs and Class Members. J.B. Hunt further denies that, for any purpose other
28 than settling this Action, these claims are appropriate for class or representative

1 treatment. J.B. Hunt also believes it has viable defenses and that it would be entitled to
2 relief pursuant to the Counterclaim.

3 Nonetheless, J.B. Hunt has concluded that further prosecution and defense of the
4 Action would be protracted and expensive and that it is desirable that the Action be fully
5 and finally settled in the manner and upon the terms and conditions set forth in this
6 Stipulation in order to limit further expense, inconvenience, and distraction, to dispose of
7 burdensome and protracted litigation, and to permit the operation of J.B. Hunt’s business
8 without further expensive litigation and the distraction and diversion of its personnel with
9 respect to matters at issue in the Action. J.B. Hunt has also considered the uncertainty
10 and risks inherent in any litigation, especially in complex cases such as the Action. J.B.
11 Hunt has, therefore, determined that it is desirable and beneficial to it that the Action and
12 its Counterclaim be settled in the manner and upon the terms and conditions set forth in
13 this Stipulation.

14 **8. Intent of the Settlement.**

15 The Settlement set forth herein intends to achieve the following: (a) entry of an
16 order approving the Settlement and granting the monetary and other relief set forth in this
17 Stipulation to the Class Participants; (b) entry of judgment and dismissal with prejudice
18 of the Action; (c) discharge of Released Parties from liability for any and all of the
19 Released Claims; and (d) discharge of the Named Plaintiffs from liability for the Released
20 Counterclaim.

21 **III. CONDITIONAL CLASS CERTIFICATION AND APPOINTMENT OF**
22 **CLASS COUNSEL AND CLASS REPRESENTATIVES**

23 **1. The Class.**

24 For purposes of this Stipulation and Settlement of this Action only, the Parties
25 stipulate to conditional class certification of the Class pursuant to Rules 23(a) and (b)(3).
26 The Class is defined in Article I, Section 5, as follows: All current and former California-
27 resident truck drivers who signed an Intermodal ICOA and who performed work for J.B.
28 Hunt Transport, Inc., in California at any time during the Class Period and whose names

1 appear on the list attached hereto as **Exhibit 1.**

2 **2. Appointment of Class Counsel.**

3 For purposes of this Stipulation, and subject to the Court's approval, the Parties
4 hereby stipulate to the appointment of Class Counsel for the Class and the effectuation
5 of the Settlement pursuant to this Stipulation.

6 **3. Appointment of Class Representatives.**

7 For purposes of this Stipulation and subject to the Court's approval, the Parties
8 hereby stipulate to the appointment of the Named Plaintiffs as class representatives for
9 the Class.

10 **IV. SETTLEMENT CONSIDERATION**

11 **1. Gross Settlement Amount.**

12 The Gross Settlement Amount and other actions and forbearances taken by J.B.
13 Hunt, including the Released Counterclaim, shall constitute adequate consideration for
14 the Settlement and will be made in full and final settlement of: (a) the Released Claims,
15 (b) Class Counsel's claims for attorney fees and expenses, (c) the Administrative
16 Expenses, (d) the Service Fee Awards to the Named Plaintiffs, (e) penalties under PAGA,
17 including PAGA payments to the LWDA; and (f) any other obligation of J.B. Hunt under
18 this Stipulation or as ordered by the Court.

19 **2. Service Fee Awards.**

20 The Named Plaintiffs may receive a Service Fee Award, subject to Court approval,
21 in an amount up to \$25,000 for each of the Named Plaintiffs for their efforts on behalf of
22 the Class in this Action. These efforts include identifying the Claims made in the Action,
23 seeking counsel with regard to those Claims, each preparing for and then appearing for a
24 day-long deposition, assisting in investigation of the Claims, responding to written
25 discovery, consulting with Class Counsel, and exposing themselves to a substantial
26 potential for an award of costs and attorney fees to J.B. Hunt in the event that J.B. Hunt
27 prevailed on summary judgment or at trial. J.B. Hunt shall not oppose any request by the
28 Named Plaintiffs for a Service Fee Award, provided that the Named Plaintiffs each

1 execute the release provided for in this Stipulation, which release will be effective upon
2 the Effective Date. Any Service Fee Award approved by the Court shall be paid to the
3 Named Plaintiffs from the Gross Settlement Amount and shall be in addition to any
4 distribution to which they may otherwise be entitled as Class Members. Such Service Fee
5 Award shall not be considered wages, and the Settlement Administrator shall issue each
6 of the Named Plaintiffs an Internal Revenue Service Form 1099 (Form 1099) reflecting
7 such payment. Each of the Named Plaintiffs shall be responsible for the payment of any
8 and all taxes with respect to his Service Fee Award and shall hold J.B. Hunt harmless
9 from any and all liability with regard to those payments.

10 **3. Payment to Class Participants.**

11 Each Class Participant shall receive payment based on a formula calculated in
12 accordance with Article VIII, Section 1(c).

13 **4. Tax Treatment of Settlement Payments.**

14 For the purpose of calculating applicable taxes for the payment of the Individual
15 Settlement Amounts paid to Class Participants (including any Service Fee Award to the
16 Named Plaintiffs), the Parties agree that 100% of the Individual Settlement Amounts will
17 be allocated to their respective unreimbursed expenses, penalties, and interest and will
18 not be subject to tax withholding. The Settlement Administrator shall be responsible for
19 issuing and providing Form 1099s to Class Participants for their Individual Settlement
20 Amounts. Accordingly, J.B. Hunt will not owe any payroll taxes under this Settlement,
21 provided, however, that any tax obligations the Court may find must be paid from the Net
22 Settlement Amount. Unless otherwise set forth therein, each Named Plaintiff, Class
23 Participant, and Class Counsel will be responsible for payment of their own tax
24 obligations, if any. Class Members who may have questions about their tax liability, if
25 any, should consult independent tax counsel.

26 **5. No Effect on Bonus Plans.**

27 Neither the Class Settlement nor any amounts paid under the Class Settlement will
28 modify any previously credited hours, days, or weeks of service under any bonus program

1 sponsored by J.B. Hunt for the Class. Such amounts will not form the basis for additional
2 contributions to, benefits under, or any other monetary entitlement under any of J.B.
3 Hunt's sponsored bonus programs. The payments made under the terms of this
4 Stipulation shall not be applied retroactively, currently, or on a going forward basis, as
5 any form of compensation for the purposes of any of J.B. Hunt's bonus programs. J.B.
6 Hunt retains the right to modify the language of its bonus programs to effect this intent
7 and to make clear that any amounts paid pursuant to this Stipulation are not for "weeks
8 worked," "weeks paid," "weeks of service," or any similar measuring term as defined by
9 any bonus programs for purpose of eligibility, vesting, benefit accrual, or any other
10 purpose, and that additional contributions or benefits are not required by this Stipulation.
11 J.B. Hunt does not consider the Settlement payments "compensation" for purposes of
12 determining eligibility for, or benefit accrual within, any bonus programs, or any other
13 plan sponsored by J.B. Hunt.

14 **V. ATTORNEY FEES AND EXPENSES OF CLASS COUNSEL**

15 **1. Application for Award of Attorneys' Fees and Costs**

16 As part of the motion for final approval of the Settlement, Class Counsel may
17 submit an application for an award of attorney fees and costs in an amount not to
18 exceed 30% of the Gross Settlement Amount paid by J.B. Hunt to be heard by the Court
19 at the Final Approval and Fairness Hearing. J.B. Hunt agrees not to object to any such
20 fees, costs, or expense application in those amounts. As a condition of this Settlement,
21 Class Counsel have agreed to pursue their fees only in the manner reflected by this
22 Section. Any fees, costs, and expenses awarded by the Court shall be paid to Class
23 Counsel from the Gross Settlement Amount and shall not constitute payment to any Class
24 Members. Any amount awarded to Class Counsel by the Court from the Gross Settlement
25 Amount shall be in full payment of their attorney fees, costs, and expenses, and, neither
26 the Named Plaintiffs nor Class Counsel shall be entitled to any further award of attorney
27 fees, costs, or expenses from J.B. Hunt.

1 **2. Effect of Non-Approval of Attorney Fees, Costs, and Expenses, or**
2 **Service Fee Award.**

3 To the extent the Court does not approve the full amount of attorney fees, costs,
4 expenses, or the Service Fee Awards, the non-approved amounts will be made available
5 to Class Participants as part of the Net Settlement Amount. However, if an appeal is filed
6 by the Named Plaintiffs and/or Class Counsel relating to any reduction by the Court of
7 the attorney fees, costs, or expenses sought at the Final Approval Hearing, the Parties
8 shall carry out the terms of this Stipulation as finally approved by the Court, except that
9 the Settlement Administrator shall withhold an amount equal to the amount of the
10 aforementioned reduction of attorney fees, costs, or expenses, plus an additional amount
11 from the attorney fees, costs, and expenses, which shall be calculated and handled as
12 follows: (a) The Settlement Administrator shall provide a written estimate of the total
13 costs which would be incurred as a result of a supplemental distribution to Class
14 Participants, in the event that following the appeal some amount of money still remains
15 to be distributed to the Class Participants; (b) From the attorney fees, the Settlement
16 Administrator shall withhold a sum equal to 120% of the estimated fees, costs, and
17 expenses of a possible supplemental distribution; (c) If a supplemental distribution is
18 required following a final appellate ruling relating to the attorney fees, costs, and
19 expenses the funds withheld from Class Counsel's previously approved fee award, as
20 estimated above, shall be used to pay for all costs of the supplemental distribution charged
21 by the Settlement Administrator.

22 **VI. CLAIMS ADMINISTRATION COSTS AND EXPENSES; FUNDING OF**
23 **SETTLEMENT**

24 **1. The Settlement Administrator's Costs and Expenses.**

25 All costs and expenses due the Settlement Administrator in connection with its
26 administration of the Settlement, including, but not limited to, providing the Class Notice,
27 locating Class Members, processing Notices of Individual Settlement Amounts and Opt-
28 Out Forms, and administering and distributing settlement payments to the Class

1 Participants, shall be paid from the Gross Settlement Amount and are not anticipated to
2 exceed \$_____.

3 **2. Deposit by Defendant.**

4 Within 14 days after the Preliminary Approval Date, J.B. Hunt shall remit \$10,000
5 by wire transfer to the Settlement Administrator from the Gross Settlement Amount and
6 for partial payment of the Settlement Administrator's costs and expenses to administer
7 the Settlement. In the event the Court does not approve the Settlement, any unused
8 amount from the \$10,000 shall be returned to J.B. Hunt by the Settlement Administrator,
9 and the Parties shall split the fees and costs incurred to the Settlement Administrator.

10 **3. Payment by J.B. Hunt of Balance of the Gross Settlement Amount.**

11 Within seven days after the Effective Date, J.B. Hunt will remit the balance of the
12 Gross Settlement Amount to the Settlement Administrator by wire transfer.

13 **VII. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION**
14 **PROCESS**

15 **1. The Settlement Administrator.**

16 The Settlement Administrator will be responsible for locating correct Class
17 Members' addresses, mailing the Class Notice to Class Members, handling inquiries from
18 Class Members concerning the Class Notice, Notice of Estimated Individual Settlement
19 Amounts, and determining Individual Settlement Amounts or any other issue, preparing,
20 administering and distributing settlement checks to Class Participants, and performing
21 such other duties as the Parties may direct.

22 On a weekly basis, the Settlement Administrator will provide reports to Class
23 Counsel and Defense Counsel updating them as to the number of validated timely
24 received Opt-Out Forms as well as any disputes of Estimated Individual Settlement
25 Amounts or objections submitted by Class Members or Class Participants. The
26 Settlement Administrator will serve on Class Counsel and Defense Counsel via e-mail
27 date-stamped copies of the original Opt-Out Request Forms, disputes, objections, and
28 any withdrawals of objections no later than seven days after their receipt. Within 14 days

1 after the Opt-Out Deadline, but no later than 14 days before the Final Approval Hearing,
2 or as soon thereafter as practicable, the Settlement Administrator will provide Class
3 Counsel with a declaration of due diligence and proof of mailing of the Class Notice, the
4 Notice of Estimated Individual Settlement Amounts, and the Opt-Out Request Form,
5 which Class Counsel will file with the Court no later than seven days prior to the Court's
6 Final Approval and Fairness Hearing. Within 14 days after the Opt-Out Deadline, or as
7 soon thereafter as practicable, the Settlement Administrator will compile and deliver to
8 Class Counsel and Defense Counsel a final report with information regarding the final
9 pro rata portion of each Class Participant and the final number of Opt-Outs.

10 All costs and expenses of the Settlement Administrator for administration of the
11 Settlement shall be paid from the Gross Settlement Amount as part of the Administrative
12 Expenses.

13 **2. Class List to Be Provided by J.B. Hunt to the Settlement Administrator.**

14 J.B. Hunt shall provide a Class List to the Settlement Administrator, as well as to
15 Class Counsel, within 14 days after entry and service of an Order Granting Preliminary
16 Approval of this Settlement. The Class List will identify each Class Member, his or her
17 social security number and last known home address. However, in the interest of
18 protecting the privacy of the Class Members, the Class List provided to Class Counsel
19 will be redacted to remove the social security numbers of the Class Members. To the
20 extent that Class Counsel have a legitimate case-related need for any Class Member's
21 social security number, the Settlement Administrator will release that information on
22 request from Class Counsel. The Class List will also contain the number of Qualifying
23 Weeks Worked credited to each Class Member for purposes of the Settlement
24 Administrator calculating the Individual Settlement Payments. The Class List shall be
25 marked "Confidential – Attorney's and Settlement Administrator's Eyes Only." Class
26 Counsel represents, warrants, covenants and agrees that (a) Class Counsel shall hold the
27 Class List, including any copies thereof, in strictest confidence and shall not disclose or
28 divulge its contents to any Class Member, including the Named Plaintiffs, or to any third

1 party other than the Settlement Administrator; (b) the Class List shall be kept in secure
2 facilities; and (c) the contents of the Class List shall be used exclusively for
3 administration of the Settlement pursuant to this Stipulation and for no other purpose,
4 including, but not limited to, fact-gathering, or discovery. This provision does not
5 preclude Class Counsel from speaking with Class Members about the terms of this
6 Settlement once the Motion for Preliminary Approval is filed with the Court or earlier
7 with those Class Members with whom they have had contact.

8 **3. Notice of Class Action.**

9 **a. Notice Packet.**

10 The Notice of Class Action and the Notice of Estimated Individual Settlement
11 Amount are attached hereto as **Exhibit 2** and **Exhibit 3**, respectively.

12 **b. Notice.**

13 Within 14 days after the Settlement Administrator receives the Class List from J.B.
14 Hunt, the Settlement Administrator will first update all addresses using the National
15 Change of Address System (NCOA) and then mail to all Class Members, via first-class
16 U.S. mail, the following documents: (i) Notice of Class Action, **Exhibit 2**; and (ii) Notice
17 of Estimated Individual Settlement Payment, **Exhibit 3**. The envelope in which the
18 Notice Packet is mailed will clearly state that it concerns a class action and the recipient
19 could be entitled to a cash payment.

20 **c. Returned or Undeliverable Notice Packets.**

21 In the event of returned or non-deliverable Notice Packets, the Settlement
22 Administrator will make reasonable efforts, including skip-tracing services offered by
23 publicly available databases, to locate Class Members and re-send the Notice Packet. It
24 will be conclusively presumed that a Class Member's Notice Packet was received if the
25 Notice Packet has not been returned within 21 days of the original mailing of the Notice
26 Packet to the Class Member.

27 **d. Objections.**

28 In order to object to the Settlement, a Class Member must not have excluded

1 himself or herself from the Settlement and must mail his or her objection to the Settlement
2 Administrator no later than the Opt-Out Deadline or, if applicable, the extended date upon
3 a re-mailing of the Notice Packet. In the instance that the Class Member's Notice Packet
4 is re-mailed, that Class Member's Objection Deadline, dispute and/or Opt-Out Deadline
5 shall be recalculated so that the Class Member shall have an additional 14 calendar days
6 from the Opt-Out Deadline and Objection Deadline to Opt-Out, object or dispute the
7 Estimated Individual Settlement Amount.

8 **e. Non-Receipt of Notice Packet.**

9 In the event the procedures set forth herein are followed and the intended Class
10 Member of a Notice Packet later asserts that he or she did not receive the Notice Packet,
11 the Class Member will remain a Class Participant and will be bound by all terms of the
12 Stipulation and the order granting final approval entered by the Court.

13 **4. Dispute Resolution Regarding Qualifying Weeks Worked.**

14 Each Class Member will receive a Notice of Estimated Individual Settlement
15 Amount, **Exhibit 3**, which will specify the Qualifying Weeks Worked for which that
16 Class Member is credited.

17 Class Members will be entitled to dispute the number of Qualifying Weeks Worked
18 reported on the Notice of Estimated Individual Settlement Amount Form by sending
19 written notice of their dispute to the Settlement Administrator by the Opt-Out Deadline.
20 To be considered by the Settlement Administrator, such written dispute must be:
21 (a) signed by the Class Member; (b) timely; and (c) accompanied by satisfactory
22 evidence of the actual weeks worked during the Class Period. Evidence of dates of
23 engagement with J.B. Hunt alone will not constitute satisfactory evidence if the Class
24 Member has worked in other jobs or positions for J.B Hunt.

25 Within seven days of receiving a dispute concerning a Class Member's Qualifying
26 Weeks Worked, the Settlement Administrator shall review all documents received from
27 the Class Member in support of the Class Member's dispute and shall contact J.B. Hunt
28 and Class Counsel regarding the dispute. J.B. Hunt and Class Counsel shall work in good

1 faith to resolve it. The Settlement Administrator shall inform the Parties of its decision
2 as to whether it accepts or rejects the dispute or whether it needs additional information
3 from J.B. Hunt prior to rendering a decision, within seven days of contacting J.B. Hunt
4 regarding the dispute.

5 The Settlement Administrator shall be the final arbiter of the number of Qualifying
6 Weeks Worked by the Class Member during the Class Period. The Settlement
7 Administrator shall resolve all disputes prior to the date upon which the Settlement
8 Administrator must submit its Declaration to counsel for final approval of the Stipulation
9 by the Court.

10 Any changes to a Class Member's Qualifying Weeks Worked will be reflected in
11 the total weeks worked for the entire Class on the updated Class List. For example, if
12 Class Member "A" disputed his Qualifying Weeks Worked and provides satisfactory
13 evidence that his Qualifying Weeks Worked should be increased by two weeks, and the
14 Settlement Administrator, in consultation with J.B. Hunt, Class Counsel, and the records
15 provided, agrees, the total Qualifying Weeks Worked for the entire Class will also be
16 increased by two weeks for purposes of calculating Individual Settlement Amounts.

17 **5. Opt-Out Procedure.**

18 The Notice of Class Action Settlement will notify all Class Members of their right
19 to Opt-Out of the Settlement. For a Class Member to request exclusion from the
20 Stipulation and Settlement, the Opt-Out Request Form must be postmarked no later than
21 the Opt-Out Deadline. Any returned envelopes containing the Class Notice from the
22 initial mailing which have forwarding addresses will be used by the Settlement
23 Administrator to locate Class Members. In the event that, prior to the Opt-Out Deadline,
24 any Class Notice mailed to a Class Member is returned as having been undelivered by
25 the U.S. Postal Service, the Settlement Administrator shall perform a skip trace search
26 and seek an address correction for such Class Member(s), and a second Notice Packet
27 will be sent to any new or different address obtained. In such instance, the Opt-Out
28 Request Form must be postmarked no later than 14 days after the Opt-Out Deadline.

1 It will be conclusively presumed that, if an envelope containing the Class Notice
2 has not been returned within 28 days of the mailing, the Class Member received the Class
3 Notice. However, a Class Member may ask the Settlement Administrator for a substitute
4 Notice Packet and file an Opt-Out Request Form any time up to the Opt-Out Deadline.
5 Within 14 days after the Opt-Out Deadline, the Settlement Administrator shall provide
6 Class Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of
7 Mailing (Declaration) about the mailing of the Class Notice and its attempts to locate
8 Class Members. The Declaration shall specify the number of Class Members to whom
9 Class Notices were sent and the number of Class Members to whom Class Notices were
10 not delivered. Class Counsel shall file the Declaration with the Court.

11 If the Settlement Administrator determines that an Opt-Out Request Form returned
12 by a Class Member before the Opt-Out Deadline is deficient, then the Settlement
13 Administrator shall mail a deficiency letter to that Class Member identifying the problem
14 and either return the Opt-Out Request Form for completion or, if deemed necessary by
15 the Settlement Administrator, send a new Opt-Out Request Form no later than seven days
16 of receipt of the deficient Opt-Out Request Form.

17 Those Class Members who have not returned a completed Opt-Out Request Form
18 by the Opt-Out Deadline shall share in the distribution of the Net Settlement Amount of
19 the Gross Settlement Amount and shall be bound by the dismissal with prejudice of this
20 Action and the release of Released Claims set forth in Article XI of this Stipulation.

21 **6. Objections.**

22 The Class Notice shall inform the Class Members of their right to object to the
23 Settlement. Any Class Member who wishes to object to the Settlement must file and
24 deliver a written objection with the Court and serve copies of the written objection to
25 Class Counsel and Defense Counsel no later than the Objection Deadline. The date of
26 delivery of the written objection is deemed to be the date the objection is deposited in the
27 U.S. mail, postage prepaid, as evidenced by the postmark. The objection must include the
28 case name and number and must set forth, in clear and concise terms a statement of the

1 reasons why the objector believes that the Court should find that the proposed Settlement
2 is not in the best interest of the Class and the reasons why the Settlement should not be
3 approved, including the legal and factual arguments supporting the objection. If an
4 objector also wishes to appear at the Final Approval Hearing, in person or through an
5 attorney, he or she must *also* file a notice of their intention to appear at the same time as
6 the objection is filed. Copies of any objection or notice of intention to appear must be
7 simultaneously served on Class Counsel and Defense Counsel. Unless otherwise ordered
8 by the Court, Class Members shall not be entitled to speak at the Final Approval Hearing
9 unless they have submitted a timely written objection and notice of intention to appear
10 pursuant to this Section. Class Members who have properly and timely submitted
11 objections may appear at the Final Approval Hearing, either in person or through a lawyer
12 retained at their own expense.

13 **7. Notice of Settlement to State and Federal Officials.**

14 On the same day that Class Counsel files a Motion for Preliminary Approval of
15 this Stipulation, Class Counsel shall provide notice of the Settlement to the LWDA as
16 required by Cal. Labor Code § 2699(1)(2).

17 Within 14 days of receiving notice of filing of a Motion for Preliminary Approval
18 of this Stipulation, Defendant shall serve the CAFA Notice of this Stipulation on the
19 appropriate federal and state officials, as required by 28 U.S.C. § 1715(b).

20 **VIII. SETTLEMENT DISTRIBUTION**

21 **1. Allocation of the Gross Settlement Amount.**

22 The Claims of all Class Participants are settled for the Gross Settlement Amount.
23 The Gross Settlement Amount of \$6,500,000 shall be allocated as follows:

24 **a. Administrative Expenses.**

25 The Administrative Expenses, including any Attorneys' Fees, Costs and Expenses
26 for Class Counsel and Service Fee Awards for the Named Plaintiffs as Class
27 Representatives, costs and expenses of the Settlement Administrator, including providing
28 Class Notice to Class Members, and J.B. Hunt's share of applicable payroll taxes, if any

1 are applicable as set forth above in Article IV, Section 4.

2 **b. PAGA Payments.**

3 The Parties agree that \$150,000 will be allocated to civil penalties recoverable
4 under PAGA, of which 75%, \$112,500, will be paid to the LWDA; and 25%, \$37,500,
5 will be included in the Net Settlement Amount to be distributed among Class Participants.

6 **c. Individual Settlement Amounts.**

7 Individual Settlement Amounts to be paid from the Net Settlement Amount to the
8 Class Participants will be determined as follows: Each of the approximately 312 Class
9 Members who does not Opt-Out shall receive a pro rata share of the Net Settlement
10 Amount. Pro rata shares shall be determined by, first, determining the value of a single
11 Qualifying Week Worked by dividing the Net Settlement Amount by the total number of
12 Qualifying Weeks Worked. Individual Settlement Amounts will be determined by
13 multiplying the value of a single Qualifying Week Worked by the number of the total
14 Qualifying Weeks Worked by each Class Participant during the Class Period. The
15 Qualifying Weeks Worked shall include only those weeks actually worked by Class
16 Participants and will not include any period of vacations or leave of absence of greater
17 than one week. If a Class Participant worked any day during a workweek, it will be
18 counted as a Qualifying Week Worked for purposes of calculating the Individual
19 Settlement Amount.

20 The Individual Settlement Amounts are payments for all Released Claims. The
21 Individual Settlement Amounts will be treated as non-wage payments reported on a Form
22 1099. The Settlement Administrator shall be responsible for issuing and providing
23 Form 1099s to Class Participants for their Individual Settlement Amounts. Accordingly,
24 J.B. Hunt will not owe any payroll taxes under this Settlement, provided, however, any
25 tax obligations the Court may find must be paid from the Net Settlement Amount before
26 distribution of the Individual Settlement Amounts, and the Settlement Administrator shall
27 be responsible for issuing and providing Form W-2s for any amounts deemed wages.
28 Unless otherwise set forth herein, each Named Plaintiff, Class Participant, and Class

1 Counsel will be responsible for payment of their own tax obligations, if any. Class
2 Participants who may have questions about their tax liability, if any, should consult
3 independent tax counsel.

4 **2. Time for Payment of Attorney Fees, Costs, and Expenses to Class**
5 **Counsel.**

6 The Settlement Administrator shall pay any attorney fees, costs, and expenses
7 awarded by the Court to Class Counsel by wire transfer after the Settlement Administrator
8 receives the balance of the cash portion of the Gross Settlement Amount from J.B. Hunt
9 after the Effective Date of the Settlement. Class Counsel will provide the Settlement
10 Administrator with the necessary W-9 form, tax ID number, and bank routing information
11 for the payment.

12 **3. Time for Payment of Service Fee Awards to the Named Plaintiffs as**
13 **Class Representatives.**

14 The Settlement Administrator shall pay any Service Fee Award for each of the
15 Named Plaintiffs as Class Representatives to Class Counsel's Client Trust Account by
16 wire transfer after the Settlement Administrator receives the balance of the Gross
17 Settlement Amount from J.B. Hunt after the Effective Date of the Settlement. The Service
18 Fee Award will not be treated as wages and the Settlement Administrator will provide a
19 Form 1099 for the payment. The Named Plaintiffs will be solely liable for and pay any
20 and all taxes, costs, interest, assessment, penalties, or damages by reason of payment of
21 their Service Fee Awards. Class Counsel will provide the Settlement Administrator with
22 the necessary bank routing information.

23 **4. Time for Payment of Individual Settlement Amounts.**

24 The Settlement Administrator shall make every effort to mail, by first-class U.S.
25 mail, to the last-known address, the Individual Settlement Amount to each Class
26 Participant no later than 28 days after the Effective Date of the Settlement.

27 If the Settlement Administrator is not able to mail the Individual Settlement
28 Amounts to Class Participants within the time period set forth above, it shall so inform

1 Class Counsel and Defense Counsel and provide an approximate date by which the
2 Individual Settlement Amounts will be mailed. Under no circumstances shall the
3 Settlement Administrator distribute checks to Class Participants until all disputes of
4 Estimated Individual Settlement Amounts have been resolved, all objections have been
5 considered, all Individual Settlement Amounts calculated, and accounted for, and the
6 obligations set forth in Subsection 1 have been satisfied. In the event any Class
7 Participant is deceased, payment shall be made payable to the estate of that Class
8 Participant and delivered to the executor or administrator of that estate, unless the
9 Settlement Administrator has received an affidavit or declaration pursuant to California
10 Probate Code § 13101, in which case payment shall be made to the affiant(s) or
11 declarant(s).

12 Within 14 days of mailing the Individual Settlement Amounts to Class
13 Participants, the Settlement Administrator shall provide a declaration of payment to Class
14 Counsel, who will be responsible for filing it with the Court.

15 **5. Returned and Uncashed Settlement Checks.**

16 Each Class Participant must cash his or her Individual Settlement Amount check
17 within 90 days after it is mailed to him or her. If a check is returned to the Settlement
18 Administrator, the Settlement Administrator may make such efforts, if any, as it deems
19 to be reasonable to re-mail it to the Class Participant at his or her correct address. If any
20 Class Participant's Individual Settlement Amount check is not cashed within 60 days
21 after it is mailed or re-mailed, whichever is later, the Settlement Administrator will send
22 the Class Participant a letter informing him or her that, unless the check is cashed
23 within 90 days after the date on the check, it will expire and become non-negotiable and
24 will offer to replace the check if it was lost or misplaced, but not cashed. If the check
25 remains uncashed by the expiration of the 90-day period, the Settlement Administrator
26 will pay over the Individual Settlement Amount represented by the check to the California
27 State Controller – Unclaimed Property Division, with the identity of the Class Participant
28 to whom the funds belong. In such event, the Class Participant will nevertheless remain

1 bound by the Settlement.

2 **6. Extension of Time to Pay and/or Process Claims.**

3 Should the Settlement Administrator need more time than is provided under this
4 Stipulation to complete any of its obligations, the Settlement Administrator may request,
5 in writing, such additional time (including an explanation of the need for additional time)
6 from Defense Counsel and Class Counsel. If Defense Counsel and/or Class Counsel do
7 not agree, in writing, to the Settlement Administrator's request for additional time, the
8 Settlement Administrator, Class Counsel, or Defense Counsel may seek such additional
9 time from the Court.

10 **7. Time for PAGA Payment to LWDA.**

11 Within seven days after the Effective Date of the Settlement, Class Counsel shall
12 provide a copy of the Final Order Approving Settlement and Judgment to the Settlement
13 Administrator. Within seven days thereafter, the Settlement Administrator will send a
14 copy of the Final Order Approving Settlement and Judgment along with the PAGA
15 Payment to the LWDA to:

16 Department of Industrial Relations
17 Accounting Unit
18 455 Golden Gate Avenue, 10th Floor
19 San Francisco, CA 94102

20 **8. No Additional Contribution by J.B. Hunt.**

21 J.B. Hunt's monetary obligations under this Stipulation are limited to the Gross
22 Settlement Amount. Thus, all costs and expenses arising out of or in connection with the
23 performance of this Stipulation shall be paid from the Gross Settlement Amount.

24 **IX. NULLIFICATION OF THIS STIPULATION**

25 **1. Non-Approval of the Stipulation.**

26 If (a) the Court should for any reason decline to approve this Stipulation in the
27 form agreed to by the Parties, or (b) the Court should for any reason fail to enter a
28 judgment and dismissal with prejudice of the Action, or (c) the judgment and dismissal

1 is reversed, modified or declared or rendered void, then the Stipulation, Settlement and
2 class certification shall be considered null and void, and the Stipulation, Settlement, class
3 certification, or any of the related negotiations or proceedings, shall be of any force or
4 effect, and all parties to the Stipulation shall stand in the same position, without prejudice,
5 as if the Stipulation had been neither entered into nor filed with the Court.
6 Notwithstanding the foregoing, the Parties may attempt in good faith to cure any
7 perceived defects in the Stipulation to facilitate approval. The Parties will be equally
8 responsible for all charges incurred by the Settlement Administrator as of the date of
9 entry of any order denying preliminary or final approval of this Stipulation.

10 **2. J.B. Hunt's Right to Void Settlement.**

11 As of November 25, 2019, the total number of Qualifying Weeks Worked for the
12 Class Members is approximately 42,059. J.B. Hunt shall have the right to terminate this
13 Stipulation if the Class Members who opt-out of the Settlement represent 5% or more of
14 the total Qualifying Weeks Worked in the Class Period. In such event, J.B. Hunt, shall
15 have the option to (a) terminate the Stipulation and decline to proceed with the Settlement
16 or (b) proceed with the Stipulation and Settlement with the Gross Settlement Amount
17 ratably reduced by the percentage of Qualifying Weeks Worked attributable to the Opt-
18 Outs. On the other hand, if the final number of Qualifying Weeks Worked for Class
19 Participants increases by more than 5%, J.B. Hunt shall increase the Gross Settlement
20 Amount ratably by the percentage of Qualifying Weeks Worked above 5%.

21 **3. Invalidation.**

22 Invalidation of any material portion of the Stipulation shall invalidate the
23 Stipulation in its entirety, unless the Parties shall subsequently agree in writing that the
24 remaining provisions of the Stipulation are to remain in full force and effect. The Parties
25 will be equally responsible for all charges incurred by the Settlement Administrator as of
26 the time the Stipulation is invalidated.

27 **4. Stay Upon Appeal.**

28 In the event of a timely appeal from the judgment and dismissal, other than as

1 described in Article V, Section 2, the judgment shall be stayed, J.B. Hunt shall have no
2 obligation to fund the Gross Settlement Amount, and none of the Gross Settlement
3 Amount shall be distributed to Class Participants, the Named Plaintiffs, or Class Counsel.
4 The actions required by this Stipulation shall not take place until all appeal rights have
5 been exhausted by operation of law.

6 **5. Apportionment of Settlement Administrator Charges in the Event of**
7 **Stipulation Failure.**

8 In the event the Stipulation is not finally approved, any unused amount from the
9 deposit shall be returned to J.B. Hunt by the Settlement Administrator, and Class Counsel
10 shall reimburse J.B. Hunt for one-half of the portion of the deposit expended by the
11 Settlement Administrator for expenses. In the event the Settlement Administrator has
12 expended more than the deposit on the expenses of claims administration for the
13 Settlement, the Parties shall be equally responsible for all such charges.

14 **X. MOTION FOR COURT APPROVAL**

15 **1. Preliminary Approval.**

16 Class Counsel will submit this Stipulation to the Court and request preliminary
17 approval of the Stipulation. Each party shall cooperate to present the Stipulation to the
18 Court for preliminary approval in a timely fashion. The Court's preliminary approval of
19 the Stipulation shall be embodied in an Order substantially in the form attached hereto as
20 **Exhibit 4.**

21 **2. Final Approval.**

22 The Final Approval and Fairness Hearing shall be held before the Court in the U.S.
23 District Court for the Central District of California, First Street Courthouse, 350 W. First
24 Street, Courtroom 10A, 10th Floor, Los Angeles, California 90012, as soon after the Opt-
25 Out Deadline as the matter can practicably be heard.

26 **3. Dismissal with Prejudice of the Action.**

27 The Action shall be dismissed with prejudice as of the Effective Date as part of the
28 consideration for the Stipulation. Notwithstanding the dismissal of the Action with

1 prejudice, the Court shall retain jurisdiction to interpret and enforce this Stipulation.

2 At the Final Approval and Fairness Hearing, Plaintiffs and J.B. Hunt shall jointly
3 request that the Court enter the final order certifying the Class for settlement purposes
4 only and approving the Stipulation as being fair, reasonable and adequate to the Class
5 within the meaning of Rule 23(c), including the release of all Claims, and for the entry
6 of a final judgment of dismissal with prejudice of the Action consistent with the terms of
7 the Stipulation. The Court's final approval of the Stipulation shall be embodied in an
8 order substantially in the form attached hereto as **Exhibit 5**. Class Counsel and Defense
9 Counsel shall submit to the Court such pleadings and/or evidence as may be required for
10 the Court's determination.

11 **XI. RELEASES AND WAIVERS**

12 **1. Release of Claims by Class Participants.**

13 Upon the Effective Date, the Class Participants each release J.B. Hunt and the
14 Released Parties, and each of them, of and from any and all of the Released Claims.

15 It is the desire of the Parties to fully, finally, and forever settle, compromise, and
16 discharge disputes and claims asserted in this Action against J.B. Hunt, and the
17 Counterclaim against the Counterclaim Defendants whether known or unknown,
18 liquidated or unliquidated. Each Class Participant waives, as to the Released Claims only,
19 all rights and benefits afforded by Section 1542 and does so understanding the
20 significance of that waiver. Section 1542 provides as follows:

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

26 As such, the Class Participants understand and agree that they are providing the
27 Released Parties with a full and complete release with respect to the Released Claims.

28 The Parties acknowledge that this Stipulation is intended to include within its effect

1 any and all claims, damages, causes of action, and claims for attorney fees, asserted in
2 the Action (including the Released Claims), subject to the terms and conditions of this
3 Stipulation, and, upon the Court's final approval of this Stipulation, all such claims,
4 damages, causes of action, and claims for attorney fees, that were asserted in the Action
5 (including the Released Claims) are deemed to be fully and finally resolved and are to be
6 dismissed, with prejudice, as to each and every Class Member, except as to those who
7 timely submit Opt-Out Request Forms.

8 Unless a Class Member submits an Opt-Out Request Form, each Class Member
9 will be bound to the release of Released Claims as a result of the final approval of this
10 Stipulation.

11 **2. Release of Claims by the Named Plaintiffs.**

12 **a. Release.**

13 The Named Plaintiffs individually and on behalf of themselves and their heirs,
14 executors, administrators, and representatives, shall and do hereby forever release,
15 discharge, and agree to hold harmless J.B. Hunt and the Released Parties from any and
16 all claims, charges, complaints, claims, liabilities, obligations, promises, agreements,
17 controversies, damages, actions, causes of action, suits, rights, demands, costs, losses,
18 debts, and expenses (including attorney fees and costs), known or unknown, at law or in
19 equity, which they may now have or may have at the signing of this Stipulation, against
20 J.B. Hunt arising out of or in any way related to the Action, their alleged employment
21 with J.B. Hunt, or contract with J.B. Hunt, including the claims alleged in the Complaint,
22 and any and all transactions, occurrences or matters between the Parties occurring prior
23 to the date of final approval of the Stipulation. Without limiting the generality of the
24 foregoing, this release shall include, but not be limited to, any and all claims under the
25 (i) Americans With Disabilities Act, as amended; (ii) Title VII of the Civil Rights Act
26 of 1964, as amended; (iii) the Civil Rights Act of 1991; (iv) 42 U.S.C. § 1981, as
27 amended; (v) the Age Discrimination in Employment Act, as amended; (vi) the Fair
28 Labor Standards Act, as amended; (vii) the Equal Pay Act; (viii) the Employee

1 Retirement Income Security Act, as amended; (ix) the Consolidated Omnibus Budget
2 Reconciliation Act; (x) the Rehabilitation Act of 1973; (xi) the Family and Medical
3 Leave Act; (xii) the Civil Rights Act of 1966; (xiii) the California Fair Employment and
4 Housing Act; (xiv) the California Constitution; (xv) the California Labor Code; (xvi) the
5 California Government Code; (xvii) the California Civil Code; and (xviii) any and all
6 other federal, state and local statutes, ordinances, regulations, rules and other laws, and
7 any and all claims based on constitutional, statutory, common law, or regulatory grounds
8 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
10 intentional and/or negligent infliction of emotional distress, or damages under any other
11 federal, state or local statutes, ordinances, regulations, rules, or laws. This release is for
12 any and all relief, no matter how denominated, including, but not limited to, back pay,
13 front pay, vacation pay, bonuses, compensatory damages, tortious damages, liquidated
14 damages, penalties, punitive damages, damages for pain and suffering, and attorney fees
15 and costs, and the Named Plaintiffs hereby forever release, discharge and agree to hold
16 harmless J.B. Hunt and the Released Parties from any and all claims for attorney fees and
17 costs arising out of the matters released in this Stipulation.

18 **b. California Civil Code Section 1542.**

19 The Named Plaintiffs specifically acknowledge that they are aware of and familiar
20 with the provisions of Section 1542, which provides as follows:

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

26 The Named Plaintiffs, being aware of Section 1542, hereby expressly waive and
27 relinquish all rights and benefits they may have under Section 1542 as well as any other
28 statutes or common law principles of a similar effect. The Named Plaintiffs may hereafter

1 discover facts in addition to or different from those which they now know or believe to
2 be true with respect to the subject matter of the Released Claims and all the claims
3 referenced herein, but stipulate and agree that, upon the Effective Date, the Named
4 Plaintiffs shall and hereby do fully, finally and forever settle and release any and all
5 claims against J.B. Hunt, known or unknown, suspected or unsuspected, contingent or
6 non-contingent, which now exist or heretofore have existed upon any theory of law or
7 equity without regard to the subsequent discovery of existence of such different or
8 additional facts.

9 **c. Revocation of Stipulation.**

10 Each Named Plaintiff understands that he has been given 21 days to consider this
11 Stipulation before executing it and, after executing this Stipulation, he has the right to
12 revoke it within seven days after execution. Each Named Plaintiff understands that this
13 Stipulation will not become effective and enforceable unless and until the seven-day
14 revocation period has passed. The release provided for in this Subsection 2 by each
15 Named Plaintiff shall become effective and enforceable as of the Effective Date of this
16 Stipulation provided that the Effective Date of this Stipulation occurs after the seven-day
17 revocation period has expired.

18 **d. Waiver of Money or Damages.**

19 The Named Plaintiffs also agree that, to the extent permitted by law, if a claim is
20 prosecuted in their name against J.B. Hunt and/or the Released Parties before any court
21 or administrative agency, they waive, and agree not to take, any award of money or other
22 damages from such proceeding. The Named Plaintiffs agree that, unless otherwise
23 compelled by law, if a claim is prosecuted in any of their names against J.B. Hunt and
24 the Released Parties that, upon a written request by Defense Counsel, they will
25 immediately request in writing that the claim on their behalf be withdrawn.

26 **3. Claims Not Released.**

27 It is understood and agreed that the Stipulation will not release any person, party
28 or entity from claims, if any, by Class Participants for worker's compensation,

1 unemployment, or disability benefits of any nature, nor does it release any claims, actions,
2 or causes of action which may be possessed by Class Participants under state or federal
3 discrimination statutes, including, without limitation, the California Fair Employment
4 and Housing Act, the Cal. Government Code section 12940, *et seq.*; the Unruh Civil
5 Rights Act, the Cal. Civil Code § 51, *et seq.*; the California Constitution; Title VII of the
6 Civil Rights Act of 1964, 42 U.S.C. § 2000, *et seq.*; the Americans with Disabilities Act,
7 as amended, 42 U.S.C. § 12101, *et seq.*; the Employee Retirement Income Security Act
8 of 1974, as amended, 29 U.S.C. § 1001 *et seq.*; and all of their implementing regulations
9 and interpretive guidelines.

10 **XII. DUTIES OF THE PARTIES**

11 **1. Mutual Full Cooperation.**

12 The Parties agree to cooperate fully with one another to accomplish and implement
13 the terms of this Stipulation. Such cooperation shall include, but not be limited to,
14 execution of such other documents and the taking of such other actions as may reasonably
15 be necessary to fulfill the terms of this Stipulation. The Parties shall use their best efforts,
16 including all efforts contemplated by this Stipulation and any other efforts that may
17 become necessary by court order, or otherwise, to effectuate this Stipulation and the terms
18 set forth herein. As soon as practicable after execution of this Stipulation, Class Counsel,
19 with the cooperation of J.B. Hunt and Defense Counsel, shall take all necessary and
20 reasonable steps to secure the Court's final approval of this Stipulation.

21 **2. Duty to Support and Defend the Stipulation.**

22 The Parties hereto agree to abide by all terms of the Stipulation in good faith and
23 to support the Stipulation fully and to use their best efforts to defend this Stipulation from
24 any legal challenge, whether by appeal or collateral attack.

25 **3. Duties Prior to Court Approval.**

26 Class Counsel shall promptly submit this Stipulation to the Court for preliminary
27 approval and determination by the Court as to its fairness, adequacy, and reasonableness.
28 Promptly upon execution of this Stipulation, Class Counsel shall apply to the Court for

1 the entry of a preliminary approval order substantially in the form filed concurrently
2 herewith as **Exhibit 4**, scheduling a hearing on the question of whether the proposed
3 Settlement should be approved as fair, reasonable, and adequate as to the Class Members,
4 approving as to form and content the proposed Class Notice attached hereto as **Exhibit 2**,
5 and directing the mailing of the Class Notice to Class Members. Defense Counsel shall
6 file a notice of non-opposition to the motion for preliminary approval or join in the
7 motion.

8 **XIII. MISCELLANEOUS PROVISIONS**

9 **1. Voiding the Stipulation.**

10 Pending Court approval and other than as provided in Article IX herein, if any of
11 the conditions set forth in this Stipulation are not met and satisfied, this Stipulation shall,
12 at the option of either the Named Plaintiffs or J.B. Hunt, be ineffective, void, and of no
13 further force and effect, and shall not be used or be admissible in any subsequent
14 proceeding, either in this Court or in any other court or forum.

15 **2. Different Facts.**

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

23 **3. No Prior Assignments.**

24 The Parties represent, covenant, and warrant that they have not directly or
25 indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
26 encumber to any person or entity any portion of any liability, claim, demand, action,
27 cause of action, or right herein released and discharged except as set forth herein.
28

1 **4. Non-Admission.**

2 Nothing in this Stipulation shall be construed to be or deemed an admission by J.B.
3 Hunt of any liability, culpability, negligence, or wrongdoing toward the Named Plaintiffs,
4 the Class Members, or any other person, and J.B. Hunt specifically disclaims any liability,
5 culpability, negligence, or wrongdoing toward the Named Plaintiffs, the Class Members,
6 or any other person. Each of the Parties has entered into this Stipulation with the intention
7 to avoid further disputes and litigation with the attendant inconvenience, expenses, and
8 contingencies. Nothing herein shall constitute any admission by J.B. Hunt of wrongdoing
9 or liability, or of the truth of any factual allegations in the Action. Nothing herein shall
10 constitute an admission by J.B. Hunt that the Action was properly brought as a class or
11 representative action other than for settlement purposes. To the contrary, J.B. Hunt has
12 denied and continues to deny each and every material factual allegation and alleged claim
13 asserted in the Action. To this end, the Settlement of the Action, the negotiation and
14 execution of this Stipulation, and all acts performed or documents executed pursuant to
15 or in furtherance of this Stipulation, shall not be deemed to be, and may not be used as,
16 an admission or evidence of any wrongdoing or liability on the part of J.B. Hunt or of the
17 truth of any of the factual allegations in the Complaint in the Action; and are not, shall
18 not be deemed to be, and may not be used as, an admission or evidence of any fault or
19 omission on the part of J.B. Hunt in any civil, criminal or administrative proceeding in
20 any court, administrative agency or other tribunal.

21 **5. Public Comments Regarding the Litigation or the Stipulation.**

22 a. Neither the Named Plaintiffs nor Class Counsel shall issue any press release
23 related to the settlement. The Named Plaintiffs and Class Counsel agree that, prior to
24 preliminary approval of the Stipulation, they will keep the terms of the Stipulation and
25 Settlement confidential except for purposes of communicating with the Named Plaintiffs
26 only. The Named Plaintiffs shall be informed that the Stipulation and Settlement is
27 confidential and shall be advised to keep the Stipulation and Settlement confidential.

28 b. From and after preliminary approval of the Stipulation, the Named Plaintiffs

1 and Class Counsel may: (i) as required by law; (ii) as required under the terms of the
2 Stipulation; or (iii) as required under Class Counsel's duties and responsibilities as Class
3 Counsel, comment regarding the specific terms of the Stipulation, including placing a
4 general description of the case and the Stipulation on its website. In all other cases, the
5 Named Plaintiffs and Class Counsel agree to limit their statements regarding the terms of
6 the Stipulation, whether oral, written or electronic (including the world wide web), to say
7 the Action have been resolved and that the Named Plaintiffs and Class Counsel are
8 satisfied with the Stipulation terms. Nothing in this Paragraph is intended to interfere
9 with Class Counsel's duties and obligations to faithfully discharge their duties as Class
10 Counsel, including but not limited to, communicating with Class Members regarding the
11 Stipulation and Settlement.

12 c. Following entry of the order granting final approval of the Stipulation, Class
13 Counsel shall not be prohibited from including information regarding the Stipulation that
14 is a matter of public record on its firm's website but shall not mention J.B. Hunt's name
15 in any such information. That restriction shall not apply to any firm resume of Class
16 Counsel.

17 d. All necessary disclosures may be made on the Parties' financial statements; to
18 the Parties' accountants and auditors; in public filings; to government regulatory
19 agencies; and to any local, state, or federal taxing authority: or as otherwise required by
20 law.

21 **6. Non-Retaliation.**

22 J.B. Hunt understands and acknowledges that it has a legal obligation not to
23 retaliate against any Class Member who elects to participate in the Stipulation and
24 Settlement or elects to opt-out of the Settlement. J.B. Hunt will refer any inquiries
25 regarding this Stipulation to the Settlement Administrator or Class Counsel and will not
26 discourage Class Members who are contractors, directly or indirectly, from making
27 claims, opting out or objecting to the Stipulation.

1 **7. Construction.**

2 The Parties hereto agree that the terms and conditions of this Stipulation are the
3 result of lengthy, intensive, arms-length negotiations between the Parties and that this
4 Stipulation is not to be construed in favor of or against any party by reason of the extent
5 to which any party or its counsel participated in the drafting of this Stipulation.

6 **8. Governing Law.**

7 This Stipulation is intended to and shall be governed by the laws of the State of
8 California, without regard to conflict of law principles, in all respects, including
9 execution, interpretation, performance, and enforcement.

10 **9. Notices.**

11 Except for Class Member Notices required to be made by the Settlement
12 Administrator, any and all notices or other communications required or permitted under
13 this Stipulation shall be in writing and shall be sufficiently given if delivered in person to
14 the party or their counsel or if sent to the party without counsel by U.S. certified mail,
15 postage prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the
16 party appearing in this Stipulation.

17 **10. Captions and Interpretations.**

18 Section titles or captions contained herein are inserted as a matter of convenience
19 and for reference only and in no way define, limit, extend, or describe the scope of this
20 Stipulation or any provision thereof.

21 **11. Modification.**

22 This Stipulation may not be changed, altered, or modified, except in writing signed
23 by the Parties and approved by the Court. This Stipulation may not be discharged except
24 by performance in accordance with its terms or by a writing signed by the Parties.

25 **12. Integration Clause.**

26 This Stipulation contains the entire agreement between the Parties relating to the
27 Settlement of the Action and the transactions contemplated thereby, and all prior or
28 contemporaneous agreements, understandings, representations, and statements, whether

1 oral or written, and whether by a party or such party's legal counsel, are hereby
2 superseded. No rights under this Stipulation may be waived except in writing.

3 **13. Successors and Assigns.**

4 This Stipulation shall be binding upon and inure to the benefit of the Parties, Class
5 Participants and their respective present and former heirs, trustees, executors,
6 administrators, representatives, officers, directors, shareholders, agents, employees,
7 insurers, attorneys, accountants, auditors, advisors, consultants, pension and welfare
8 benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies,
9 joint ventures, predecessors, successors, and assigns.

10 **14. Class Counsel Signatories.**

11 Because the Class Members are so numerous, the Parties agree that it is impossible
12 or impractical to have each Class Member sign this Stipulation. It is agreed that, for
13 purposes of seeking approval of the Stipulation and Settlement, this Stipulation may be
14 executed on behalf of the Class by Class Counsel and the Named Plaintiffs, and the
15 Named Plaintiffs in their capacity as Class Representatives.

16 **15. Corporate Signatories.**

17 Any person executing this Stipulation or any such related document on behalf of
18 J.B. Hunt hereby warrants and promises, for the benefit of all Parties hereto, that such
19 person has been duly authorized by J.B. Hunt to execute this Stipulation or any such
20 related document.

21 **16. Execution in Counterparts.**

22 This Stipulation shall become effective upon its execution by all of the
23 undersigned. The Parties may execute this Stipulation in counterparts, and execution of
24 counterparts shall have the same force and effect as if all Parties had signed the same
25 instrument.

26 **17. Attorney Fees, Costs, and Expenses.**

27 Except as otherwise specifically provided for herein, each party shall bear his or
28 its own attorney fees, costs, and expenses, taxable or otherwise, incurred by them in or

1 arising out of the Action and shall not seek reimbursement thereof from any other party
2 to this Stipulation.

3 **18. Action to Enforce Stipulation.**

4 In any suit or court action to enforce the terms of this Stipulation, the prevailing
5 party shall be entitled to recover attorney fees and costs.

6 **IN WITNESS WHEREOF**, the Parties and their counsel have executed this
7 Stipulation on the date below their signatures or the signature of their representatives.

8 The date of the Stipulation shall be the date of the latest signature.

9 Dated: 7-6-20

PLAINTIFF: DUY NAM LY

10 By: 

Duy Nam Ly

11
12 Dated: 7/6/20

PLAINTIFF: KIET NGUYEN

13 By: 

Kiet Nguyen

14
15
16 Dated: _____

DEFENDANT: J.B. HUNT TRANSPORT,
INC.

17
18
19 By: _____

20
21 Printed Name and Title
22
23
24
25
26
27
28

1 arising out of the Action and shall not seek reimbursement thereof from any other party
2 to this Stipulation.

3 **18. Action to Enforce Stipulation.**

4 In any suit or court action to enforce the terms of this Stipulation, the prevailing
5 party shall be entitled to recover attorney fees and costs.

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8 The date of the Stipulation shall be the date of the latest signature.

9 Dated: _____

PLAINTIFF: DUY NAM LY

10 By: _____
11 Duy Nam Ly

12 Dated: _____

PLAINTIFF: KIET NGUYEN

13 By: _____
14 Kiet Nguyen

15 Dated: _____

DEFENDANT: J.B. HUNT TRANSPORT,
16 INC.

17 By: 
18
19 Jeanie S. Jones, Regulatory Counsel
20 Printed Name and Title
21
22
23
24
25
26
27
28

1 APPROVED AS TO FORM AND CONTENT

2 Dated: July 6, 2020

MARLIN & SALTZMAN LLP

3 By: 
4 _____

5 Stanley D. Saltzman

6 Attorneys for Plaintiffs and the Class

7 Dated: _____

8 SCOPELITIS GARVIN LIGHT HANSON &
9 FEARY, P.C.

10 By: _____
11 James H. Hanson

12 Attorneys for Defendants J.B. Hunt Transport,
13 Inc.

14 4835-6711-4909, v. 13

1 APPROVED AS TO FORM AND CONTENT

2 Dated: _____

MARLIN & SALTZMAN LLP

3
4 By: _____
Stanley D. Saltzman

5
6 Attorneys for Plaintiffs and the Class

7 Dated: _____

SCOPELITIS GARVIN LIGHT HANSON &
FEARY, P.C.

8
9
10 By: /s/ James H. Hanson
James H. Hanson

11
12 Attorneys for Defendants J.B. Hunt Transport,
13 Inc.

14 4835-6711-4909, v. 14