

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
NOTICE OF CLASS ACTION SETTLEMENT

PLEASE READ CAREFULLY AS
THIS NOTICE MAY AFFECT YOUR RIGHTS

<p>DUY NAM LY and KIET NGUYEN individually and on behalf of all others similarly situated,</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">v.</p> <p>J.B. HUNT TRANSPORT, INC., an Arkansas corporation; and DOES 1 to 100, inclusive,</p> <p style="text-align: center;">Defendants.</p>	<p>Case No. 2:19-cv-01334-SVW-SS</p> <p>NOTICE OF CLASS ACTION SETTLEMENT</p> <p>Judge: Honorable Stephen V. Wilson Courtroom: 10A</p>
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I. WHY DID I GET THIS NOTICE?

This notice explains that a settlement has been reached in the case entitled *Duy Nam Ly and Kiet Nguyen, et al. v. J.B. Hunt Transport, Inc.*, Case No. 2:19-cv-01334-SVW-SS (the Lawsuit). You are receiving this notice because the records of J.B. Hunt Transport, Inc. (J.B. Hunt) indicate that you are a member of the proposed “Class” of all current and former California-resident truck drivers who signed Intermodal Independent Contractor Operation Agreements with appendices (Intermodal ICOAs) under which they performed work for J.B. Hunt in California between June 25, 2014, through August 18, 2020. As a member of the proposed Settlement Class, you are eligible to receive a portion of the Net Settlement Amount.

This is **not** a notice of a lawsuit against you. **You are not being sued.** If this Settlement receives final approval from the Court, you may be entitled to a Settlement payment. The Lawsuit was brought on behalf of all persons who are members of the Class (Class Members), for their benefit. Your participation, or non-participation, in the Settlement will not affect your contractual agreement with J.B. Hunt in any way whatsoever.

The Court has ordered that this notice be sent to you because J.B. Hunt’s records indicate that you are a Class Member. The purpose of this notice is to inform you of the proposed Settlement of the Lawsuit. The notice is also intended (i) to describe the Settlement, including how the Net Settlement Amount will be allocated and how the Settlement may affect you, and (ii) to advise you of your rights and options with respect to the Settlement.

II. WHAT IS THIS CLASS ACTION LAWSUIT ABOUT?

Plaintiffs, Duy Nam Ly and Kiet Nguyen, commenced the Lawsuit on June 25, 2018, by filing a Class Action Complaint, against J.B. Hunt in *Duy Nam Ly and Kiet Nguyen, individually and on behalf of all*

others similarly situated v. J.B. Hunt Transport, Inc., an Arkansas corporation; and Does 1 to 100, inclusive, Case No. BC710744, in the Superior Court of Los Angeles County, California, which J.B. Hunt removed under 28 U.S.C. 1441(a) and 28 U.S.C. 1332(a), to the United States District Court for the Central District of California on February 22, 2019. C.D. Cal. Case No. 2:19-cv-01334, Dkt. 1.

Plaintiffs filed their First Amended Class Action Complaint (Complaint) on June 3, 2019. The Complaint asserts that J.B. Hunt misclassified Plaintiffs and the Class, and alleges the following nine claims predicated on that finding: (1) failure to pay minimum wages pursuant to Cal. Labor Code §§ 1194 and 1197 and Wage Order No. 9-2001; (2) failure to provide meal breaks under Cal. Labor Code §§ 226.7, 512, and Wage Order No. 9-2001; (3) failure to provide rest breaks under Cal. Labor Code §§ 226.7, 512, and Wage Order No. 9-2001; (4) failure to reimburse for necessary business expenses under Cal. Labor Code § 2802; (5) unlawful deductions from wages under Cal. Labor Code § 221 and Wage Order No. 9-2001; (6) failure to provide adequate wage statements under Cal. Labor Code §§ 226, 226.2 and 226.3; (7) unfair competition under Cal. Bus. & Prof. Code § 17200 *et seq.*; (8) quantum merit/unjust enrichment; and (9) violations that support penalties under the California Private Attorneys General Act of 2004 (PAGA), Cal. Labor Code § 2698, *et seq.*

On March 25, 2019, Plaintiffs moved to remand the Lawsuit to state court arguing that J.B. Hunt's removal was outside the 30-day removal period in 28 U.S.C. § 1446. The Motion to Remand was fully briefed and the Court denied the Motion, without argument, by order dated April 25, 2019. In the same order, the Court set the Lawsuit for trial to begin on August 13, 2019.

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

J.B. Hunt contends that it has complied with all applicable state and federal laws, and J.B. Hunt continues to deny each and all of the claims of the Lawsuit.

For the purpose of avoiding the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, Plaintiffs and J.B. Hunt have negotiated a settlement whereby J.B. Hunt has agreed to pay \$6,500,000.00 to resolve the matter, and Class Members will be eligible to receive a portion of this amount. This Settlement is **not** an admission by J.B. Hunt of any liability.

III. WHO IS INCLUDED IN THIS CLASS ACTION LAWSUIT?

The proposed Class definition is:

All current and former California-resident truck drivers who signed Intermodal Independent Contractor Operating Agreements with appendices (Intermodal ICOAs) under which they performed work for J.B. Hunt in California at any time between June 25, 2014, and August 18, 2020.

IV. WHAT DOES THE PROPOSED SETTLEMENT OFFER?

Under the terms of the parties' Joint Stipulated Settlement Agreement and Release, the following will occur if the Settlement is given final approval by the Court

A. J.B. Hunt will pay \$6,500,000.00 to settle the claims of all Class Members.

B. A Settlement Administrator has been appointed by the Court to administer the Settlement. The Settlement Administrator will pay from the \$6,500,000.00: (1) Plaintiffs' counsel's attorneys' fees up to the amount of \$1,625,000.00 (25% of the total recovery) and costs of the litigation not to exceed \$15,000.00; (2) The expenses of administering the Settlement, estimated to be less than approximately \$25,000.00; (3) A service fee award of \$25,000.00 to each Plaintiff; and (5) \$112,500.00 to the California Labor & Workforce Development Agency (LWDA), representing 75% of the \$150,000.00 allocated to the settlement of Plaintiffs' claim for penalties under PAGA. The remainder of the \$6,500,000.00, currently estimated to be at least \$4,672,500.00, will be available to be distributed to all Class Members; this amount is called the Net Settlement Amount.

C. The Net Settlement Amount to be distributed to the Class Members will be divided among all the Class Members as follows: First, the value of a single Qualifying Week Worked will be determined by dividing the Net Settlement Amount by the total number of Qualifying Weeks Worked for all Class Members. Next, your Individual Settlement Amount will be determined by multiplying the value of a single Qualifying Week Worked by the number of the total Qualifying Weeks Worked by you during the Class Period. A "Qualifying Week Worked" is any week in which a Class Member was under contract with J.B. Hunt in California under their Intermodal ICOAs during the Class Period (June 25, 2014, through August 18, 2020); any workweek in which a Class Member worked at least one day shall be counted as a Qualifying Week Worked. The Settlement Administrator will provide a Notice of Estimated Individual Settlement Amount with this Notice of Class Action Settlement. This is an estimate only. Each Class Member would receive a Form 1099 for their Individual Settlement Amount and would be responsible for any taxes associated with their Individual Settlement Amount.

D. If the Court grants final approval of the Settlement and you do not opt-out of the Settlement, then you will release J.B. Hunt and its present and former parent companies, subsidiaries, divisions, affiliates, related companies, joint ventures, and each of their respective present and former officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, representatives, consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees, general and limited partners, predecessors, successors, and assigns (the Released Parties), from any and all claims, debts, liabilities, demands, obligations, guarantees, penalties, costs, expenses, attorneys' fees, damages, liquidated damages, action or causes of action whatever kind or nature, whether known or unknown, existing or potential, recognized now or hereafter, expected or unexpected, contingent or accrued, as long as they arise out of the causes of action alleged in the Lawsuit, as well as any claim that arises out of the factual allegations alleged in the Lawsuit against J.B. Hunt or the Released Parties or any of them, under any state, municipal or federal statute, ordinance, regulation, order, common law or equity, including and not limited to J.B. Hunt's alleged misclassification of the Class Members, J.B. Hunt's alleged failure to pay minimum wages, J.B. Hunt's alleged failure to provide meal and rest breaks, J.B. Hunt's alleged failure to reimburse for necessary business expenses, J.B. Hunt's alleged unlawful deductions from wages, J.B. Hunt's alleged failure to provide adequate wage statements, J.B. Hunt's allegedly unlawful and unfair competition, and J.B. Hunt's alleged unjust enrichment, and including but not limited to claims under California Labor Code §§ 200-203, 221, 226, 226.2, 226.3, 226.7, 226.8, 510, 512, 558, 1174, 1194, 1197, 1198, and 2802; California Code of Civil Procedure §§ 1021.5, 3287(b), and 3289; California Business & Professions Code § 17200 *et seq.* (including, but not limited to, Section 2699); California's Private Attorneys General Act of 2004, Cal. Labor Code §§ 2698 *et seq.*; the California Industrial Wage Commission Order No. 9-2001 (including, but not limited to sections 4, 7, 11, and 12); and any related claims for compensatory consequential, punitive or exemplary damages, statutory damages, declaratory relief, injunctive relief, penalties, interest (whether pre- or post-judgment), disbursements, and/or attorneys' fees and costs (the Released Claims). Released Claims include all claimed or unclaimed compensatory, consequential, incidental, liquidated, punitive and exemplary damages, restitution, interest, costs and fees,

injunctive or equitable relief, and any other remedies available at law or equity allegedly owed or available to the Class Members arising out of the Class Action Complaint, or the First Amended Class Action Complaint against J.B. Hunt and the Released Parties for the time period from the beginning of each claim's applicable statute of limitations, up to and including the date of final approval of the settlement.

V. WHAT ARE MY OPTIONS?

A. *You may accept your share of the \$6,500,000.00 settlement and be bound by the release of all claims described above. In order to receive your Individual Settlement Amount, you do not need to do anything.* The Individual Settlement Amounts will be paid by check after the Settlement is given final approval by the Court. Your check will be mailed to you by the Settlement Administrator. If a check is returned to the Settlement Administrator, the Settlement Administrator may make such efforts, if any, as it deems to be reasonable to re-mail it to the Participating Class Member at his or her correct address. Your check will remain valid and negotiable for 90 days from the date on which it is mailed. If any Participating Class Member's Individual Settlement Amount check is not cashed within 60 days after it is mailed or re-mailed, whichever is later, the Settlement Administrator will send the Participating Class Member a letter informing him or her that, unless the check is cashed within 90 days after the date on the check, it will expire and become non-negotiable and will offer to replace the check if it was lost or misplaced, but not cashed. If the check remains uncashed by the expiration of the 90-day period, the Settlement Administrator will pay over the Individual Settlement Amount represented by the check to the California State Controller – Unclaimed Property Division, with the identity of the Participating Class Member to whom the funds belong. In such event, the Participating Class Member will nevertheless remain bound by the Settlement and the release of the Released Claims; *or*

B. *You may opt out of the Settlement, and thus not participate in it, in which case you will not receive your Individual Settlement Amount and you will not be bound by the terms of the Settlement.* In order to express your intention to opt out, you must send a written request for exclusion by United States mail to the Ly, et al. v. J.B. Hunt Transport, Inc. Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine CA 92606, by no later than October 27, 2020 (42 calendar days after mailing of this notice). In order to be considered valid, your request for exclusion *must* include: (1) the following language or substantially similar language: "I elect to opt out of the *Ly v. J.B. Hunt Transport, Inc.*, class action settlement. I understand that by doing so, I will not be able to participate in the settlement and will not receive a share of the net settlement amount,"; (2) your full name, address, telephone number, and last four digits of your Social Security number; and (3) your signature affixed to that statement. You may use the Opt-Out Request Form included with this Notice of Class Action Settlement, but it *must* include all requisite information.

C. *You may dispute your Qualifying Weeks Worked.* In order to dispute the Qualifying Weeks Worked used to determine your Estimated Individual Settlement Amount, you must send a written dispute by United States mail to the Ly, et al. v. J.B. Hunt Transport, Inc. Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine CA 92606, by no later than October 27, 2020 (42 calendar days after mailing of this notice). In order to be considered, your dispute *must* be (1) signed by the Class Member; (2) timely; and (3) accompanied by satisfactory evidence of the actual weeks worked during the Class Period as a Class Member. Evidence of the dates of engagement with J.B. Hunt alone will not constitute satisfactory evidence if you have worked in jobs other than as a Class Member. Within 7 days of receiving a dispute concerning a Class Member's Qualifying Work Weeks, the Settlement Administrator will review all documents received from the Class Member in support of the Class Member's dispute and shall contact J.B. Hunt and Class Counsel regarding the dispute; J.B. Hunt and Class Counsel will work in good faith to resolve it with the Settlement Administrator. The Settlement Administrator shall be the final arbiter of the number of Qualifying Weeks Worked by the Class Member as a Class Member during the Class Period. Any changes to a Class Member's Qualifying Weeks Worked will be reflected in the total weeks worked

for the entire Class. For example, if Class Member A disputed her Qualifying Weeks Worked and provides satisfactory evidence that her Qualifying Weeks Worked should be increased by two weeks, and the Settlement Administrator agrees, the total Qualifying Weeks Worked for the entire Class will also be increased by two weeks for purposes of calculating Individual Settlement Amounts.

D. *You may object to the Settlement.* The procedures for objecting to the settlement are described below in Section VIII of this form.

VI. WHAT ARE THE PROCEDURES FOR PAYMENT?

A. The Settlement Administrator will calculate your Individual Settlement Amount based on your Qualifying Weeks Worked and will issue and mail you a check.

B. The Settlement Administrator will issue an IRS Form 1099 (other income) for your entire (100%) Individual Settlement Amount; no taxes will be withheld. You are responsible for paying the correct amount of taxes on your Individual Settlement Amount.

C. It is important for the parties to the Lawsuit to have your current address in order to be able to send you other mailings regarding the Lawsuit. You should contact the Settlement Administrator to report any change of your address after you receive this notice. Failure to report a change of address may result in you not receiving your Individual Settlement Amount.

VII. HEARING ON PROPOSED SETTLEMENT

A Final Fairness Hearing, at which the Court will decide whether or not the proposed settlement is fair, reasonable, and adequate, will be held on December 14, 2020, at 1:30 p.m., in Courtroom 10A of the First Street United States Courthouse, located at 350 West First Street, Los Angeles, CA 90012. The Court may adjourn or continue the hearing without further notice to you.

You are not required to attend the hearing. Class Counsel will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense.

VIII. PROCEDURES FOR OBJECTING TO SETTLEMENT

A. You may object to the proposed settlement as unfair, unreasonable, and/or inadequate. You will not be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or, if approved, the judgment to be entered approving the settlement, unless you formally object to the settlement on or before October 27, 2020 (42 days after mailing of this Notice).

B. To object to the Settlement, you must file a written objection, along with copies of any papers in support of your position, with the Clerk of the United States District Court for the Central District of California, located at 350 West First Street, Los Angeles, CA 90012. You also must serve your objection and supporting papers on all counsel for the parties, as listed below. In your written objection, you must also verify that you are a Class Member, and include your full name, current address and telephone number. The notice of objection must also be signed by you.

C. If you do not object in this manner as described, you will have given up your right to object to the Settlement. If you file an objection, you do not have to come to the Court to talk about it. As long as you submit your written objection on time, the Court will consider it. You may also pay your own lawyer to appear in Court on your behalf.

D. If you do not make your objection in the manner provided for in this notice, you will be deemed to have waived such objection and shall forever be barred from making any objection to or appealing the fairness, reasonableness, or adequacy of the Settlement.

IX. EXAMINATION OF COURT PAPERS AND QUESTIONS

This notice summarizes the Settlement. For more detailed information, you may review Plaintiffs' Motion for Preliminary Approval of Class Action Settlement, and all other settlement related documents and motions, which are posted for your review at www.cptgroup.com/lyjbhuntsettlement. Additionally, all papers filed in the Lawsuit, including Plaintiffs' Motion for Preliminary Approval of Class Action Settlement and all settlement related documents and motions are on file with the Clerk of the Court, case number 2:19-cv-01334-SVW-SS, which is located in the office of the Clerk of the Court for the United States District Court for the Central District of California at 350 West First Street, Los Angeles, CA 90012, and is available for viewing during regular office hours (Mon. – Fri., 10:00 a.m. to 4:00 p.m.). Finally, the pleadings and all other records from this Lawsuit may also be examined by accessing the Court docket in this case through the Court's online Public Access to Court Electronic Records (PACER) system, at <https://ecf.cacd.uscourts.gov>. There may be a fee required to review the materials via the online PACER system.

If you have any questions, you can call the Settlement Administrator at 1-888-664-1702 or any of the attorneys representing the Class (see below for Class Counsel's phone number).

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PLEASE DO NOT CALL OR OTHERWISE ATTEMPT TO CONTACT THE COURT, J.B. HUNT, J.B. HUNT'S CORPORATE OFFICE AND/OR MANAGERS, OR THE ATTORNEYS REPRESENTING J.B. HUNT REGARDING THIS SETTLEMENT. HOWEVER, YOU MAY ALWAYS CONTACT YOUR MANAGER OR J.B. HUNT'S HUMAN RESOURCES DEPARTMENT DIRECTLY WITH ANY QUESTIONS CONCERNING YOUR HOURS, WAGES, OR PAY GENERALLY, OR OTHER EMPLOYMENT-RELATED MATTERS, BUT YOU SHOULD NOT DISCUSS THE LAWSUIT OR SETTLEMENT WITH THEM IN ANY WAY.
