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NOTE: CHANGES MADE BY THE COURT

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CHRISTOPHER GONZALES and MARC  
HOEFNAGELS, individually and on  
behalf of all others similarly situated,

Plaintiff,

vs.

USF REDDAWAY, INC.,

Defendants.

Case No.: 5:10-CV-01514-AHM-  
OP

CLASS ACTION CASE

**ORDER GRANTING  
FINAL APPROVAL OF CLASS  
ACTION SETTLEMENT AND  
DISMISSAL WITH PREJUDICE**

1           The Motion Application for an *Order Granting Final Approval Of Class*  
2 *Action Settlement & Dismissal With Prejudice* came before this Court, on April  
3 30, 2012. The above captioned Action is a class action lawsuit brought by  
4 Plaintiffs Christopher Gonzales and Marc Hoefnagels (hereinafter “Plaintiffs”),  
5 against Defendant USF Reddaway, Inc. (“Defendant”) (collectively the  
6 “Parties”). The claims contained in the Action charge Defendant, *inter alia*, with  
7 violations of the California Labor Code, IWC Wage Orders and Unfair  
8 Competition Law for failing to provide putative Class Members access to meal  
9 periods without premium wage compensation, failing to provide regular and  
10 overtime compensation for all work performed, failing to timely pay wages due  
11 and owing immediately upon termination of employment, failing to provide  
12 lawful itemized wage statements. Defendant has denied any and all alleged  
13 wrongdoing, and denies any liability to the Plaintiffs or to members of the  
14 putative Class.

15           On December 22, 2012, this Court entered an *Order Granting Preliminary*  
16 *Approval Of Settlement*, resulting in certification of the following provisional  
17 settlement class:

18           *All current and former hourly employees of USF Reddaway, Inc.*  
19 *who were based at Reddaway’s California locations, and whose*  
20 *primary job responsibility at any time during the period from*  
21 *September 8, 2006 to December 22, 2011, included pickup and*  
22 *delivery in California by driving a truck on the road (hereinafter, a*  
23 *“P&D Driver”).*

24           That Order further directed the Parties to provide Notice to the Class, which  
25 informed absent class members of: **(a)** the proposed Settlement, and the  
26 Settlement’s key terms; **(b)** the date, time and location of the Final Approval  
27 Hearing; **(c)** the right of any Class Member to object to the proposed Settlement,  
28 and an explanation of the procedures to exercise that right; **(d)** the right of any  
Class Member to exclude themselves from the proposed Settlement, and an  
explanation of the procedures to exercise that right; and **(e)** an explanation of the

1 procedures for class members to participate in the proposed Settlement.

2 The Court, upon Notice having been given as required in the Preliminary  
3 Approval Order, and having considered the proposed Settlement Agreement,  
4 attached hereto as **Exhibit 1**, as well all papers filed, hereby ORDERS,  
5 ADJUDGES AND DECREES AS FOLLOWS:

6 1. This Court has jurisdiction over the subject matter of the Action and  
7 over all Parties to the Actions, including all Settlement Class Members.

8 2. The Notice provided to the Class conformed with the requirements  
9 of *Federal Rules of Civil Procedure, Rule 23, subparts (d) and (e)*, and  
10 constituted the best notice practicable under the circumstances by providing  
11 individual notice to all Class Members who could be identified through  
12 reasonable effort, and by providing due and adequate notice of the proceedings  
13 and of the matters set forth therein, and thus, fully satisfied the requirements of  
14 due process.

15 3. The Court hereby finds that Defendant has satisfied its notice  
16 obligations under 28 USCS § 1715(b) on December 30, 2011 when Defendant  
17 served the appropriate State official of each State in which a class member  
18 resides and the appropriate Federal official with the information required under  
19 28 USCS § 1715(b) and by serving the aforementioned officials with  
20 supplemental and/or updated information, pursuant to 28 USCS § 1715(b), on  
21 January 17, 2012, and pursuant to 28 USCS § 1715(d), enters the instant Order no  
22 earlier than ninety (90) days after the dates on which the appropriate Federal  
23 and/or State officials were served with the notice required under 28 USCS §  
24 1715, subsection (b).

25 4. The Court hereby finds the Settlement was entered into in good faith,  
26 that the Settlement is fair, reasonable and adequate, and that Plaintiffs have  
27 satisfied the standards and applicable requirements for final approval of this Class  
28 Action settlement under the provisions of *Federal Rules of Civil Procedure, Rule*

1 23, *subpart (e)(2)*.

2 5. The Court also finds that the Class, as defined above, is properly  
3 certified as a class for settlement purposes only.

4 6. Upon entry of this Order, compensation to the Participating  
5 Settlement Class Members shall be affected pursuant to the terms of the  
6 Settlement Agreement.

7 7. In addition to any recovery that the Representative Plaintiffs may  
8 receive as class members under the Settlement, and in recognition of the  
9 Plaintiffs' efforts on behalf of the Settlement Class, the Court hereby approves  
10 the payment of an incentive award, to be affected in the amount of \$10,000.00 to  
11 Christopher Gonzalez and \$10,000.00 to Marc Hoefnagels. The Court hereby  
12 approves the payment of attorneys fees to Class Counsel in the sum of  
13 \$300,000.00, and costs in the sum of \$30,000.00 to be effected in the manner set  
14 forth in the Settlement Agreement upon entry of this Order.

15 8. The Court also hereby approves and orders payment in the amount of  
16 \$14,000.00 to CPT Claims, Inc., for performance of its settlement claims  
17 administration services.

18 9. Upon entry of this Order, all of the claims in the Actions shall be and  
19 are hereby dismissed with prejudice upon the merits and in full and final  
20 discharge of any and all such Claims. All Settlement Class Members, as defined  
21 above, shall conclusively be deemed to have released Defendant and the Released  
22 Parties, as defined in paragraphs 7(e) and 8(a) of the Settlement Agreement, from  
23 any and all rights, claims, demands, liabilities, causes of action, liens and  
24 judgments arising out of or in any way related to the matters asserted, or that  
25 could have been asserted, in the Lawsuit, whether brought directly,  
26 representatively, derivatively, or in any capacity.

27 10. Moreover, all Settlement Class Members, as defined above, are  
28 hereby permanently barred and enjoined from prosecuting against the Defendant

1 or the Released Parties any and all of the settled and released claims. This Order  
2 is intended to be a final disposition of the Action in its entirety, and is intended to  
3 be immediately appealable.

4 11. This Court shall retain jurisdiction with respect to all matters related  
5 to the administration and consummation of the Settlement, and any and all  
6 Claims, asserted in, arising out of, or related to the subject matter of the Lawsuit,  
7 including but not limited to all matters related to the Settlement and the  
8 determination of all controversies relating thereto.

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10 **IT IS SO ORDERED.**

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12 Dated: April 30, 2012



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14 Hon. A. HOWARD MATZ  
15 United States District Court Judge  
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# **EXHIBIT 1**

## **JOINT STIPULATION OF CLASS ACTION SETTLEMENT AGREEMENT**

THIS SETTLEMENT AGREEMENT (hereinafter “Agreement”) is entered into by and between Christopher Gonzales and Marc Hoefnagels (“Plaintiffs”) on behalf of themselves and all members of the “Settlement Class,” as defined in paragraph 2 below and as ultimately and provisionally certified as part of the Court’s approval of this settlement, on the one hand, and USF Reddaway Inc. (“Defendant”), effective upon execution by both parties hereto, as set forth below.

### **RECITALS**

A. Plaintiffs and Defendant are parties to a legal proceeding styled *Gonzales et al. v USF Reddaway, Inc.*, case number 5:10-CV-01514-AHM-OP , pending in the United States District Court for the Central District of California (the “Lawsuit”).

B. Plaintiffs asserted in the Lawsuit various claims on behalf of themselves and other members of the purported class, including but not limited to: (1) Failure to Provide Meal Breaks pursuant to Labor Code §§ 226.7, 512, and I.W.C. Wage Orders; (2) Illegal Deductions/Failure to Pay Wages Due pursuant to Labor Code §§ 1194, 1194.2, and 221; (3) Failure to Provide Accurate Itemized Wage Statements pursuant to Labor Code §§ 226, 226.3; (4) Failure to Pay All Compensation Due Upon Separation of Employment pursuant to Labor Code §§ 201-203; and (5) Violation of Business & Professions Code § 17200 *et seq.* Defendant denies all such claims and any violation of law or breach of any duty or obligation with respect to Plaintiffs or any member of the purported class. All claims are vigorously contested in the Lawsuit.

C. Plaintiffs are represented in the Lawsuit by Ackermann & Tilajef, P.C. and Pollard/Bailey, LLP (“Plaintiffs’ Counsel”); Defendant is represented in the Lawsuit by Baker & Hostetler, LLP (“Defendant’s Counsel”).

D. The parties have engaged in sufficient discovery and investigation to assess the relative merits of Plaintiffs’ claims and Defendant’s defenses in the Lawsuit. In light of the costs, risks, delays, and uncertainties associated with continuing the Lawsuit, the parties have agreed to resolve the Lawsuit by way of settlement.

### **PROVISIONS**

#### **1. SETTLEMENT CLASS REPRESENTATIVES AND COUNSEL**

For purposes of this settlement only, Plaintiffs shall request that the Court appoint them as representatives of the proposed Settlement Class (“Settlement Class Representatives”), and to appoint Plaintiffs’ Counsel as counsel for the proposed Settlement Class (“Settlement Class Counsel”). Defendant shall not oppose such a request by Plaintiffs and Plaintiffs’ Counsel. In the event that the terms of this Agreement do not receive final approval from the Court (or if a final approval order is reversed on appeal), neither this provision nor the appointment of Plaintiffs as Settlement Class Representatives nor the appointment of Plaintiffs’ Counsel as Settlement Class Counsel shall be operable or admissible for any purpose whatsoever in the Lawsuit or in any other action or proceeding.

## 2. SETTLEMENT CLASS

(a) Settlement Class: For purposes of this settlement only, the parties agree that the “Settlement Class” is defined as follows:

All current and former hourly employees of USF Reddaway Inc. (“Reddaway”) who were based at Reddaway’s California locations, and whose primary job responsibility at any time during the period from September 8, 2006 to [the date of preliminary approval], 2011 included pickup and delivery in California by driving a truck on the road (hereinafter, a “P&D Driver”).

Excluded from the Settlement Class are:

- (1) All new employees hired by Defendant for the position of P&D Driver after October 11, 2011 (i.e., the mediation date); and
- (2) All P&D Drivers who, prior to September 8, 2010 when this Lawsuit was initially filed in Superior Court, previously entered into a written severance agreement releasing all claims against Reddaway and have not been employed by it since; and
- (3) Line haul Drivers.

(b) Settlement Class Period: For purposes of this settlement only, the parties agree that the “Settlement Class Period” is defined as the period of time beginning September 8, 2006 and continuing through the date on which the Court has entered a preliminary approval order.

(c) Right To Exclusion: Individuals may exclude themselves from the Settlement Class and from participation in the proceeds of the settlement by properly completing a Request For Exclusion Form (as defined below) and returning it in a timely manner in accordance with the provisions of paragraph 5(b) below.

## 3. SCOPE OF SETTLEMENT

This settlement resolves the Lawsuit and will apply to all Released Claims as defined in Section 8(b), *infra*..

## 4. NO ADMISSION OR PRECEDENT

(a) No Admission: This settlement is not and shall not be deemed an admission by Defendant of any violation of any statute or law, any wrongdoing of any kind, or any breach of any duty or obligation to Plaintiffs, the Settlement Class, or any other individual. Neither this Agreement nor any order or action with respect hereto shall be deemed an admission or finding that any allegations or claims asserted in the Lawsuit or elsewhere were or are in any way valid or meritorious. Defendant expressly denies any violation, wrongdoing, or breach of any duty or obligation associated with claims settled by this Agreement.

(b) No Precedent: Neither the fact of this settlement, the existence of this Agreement, the terms of this Agreement, nor any order or action pursuant thereto may be referred to, relied upon, cited, or used as precedent in any case involving Defendant, Plaintiffs, or the Settlement Class. Further, in the event that the terms of this Agreement do not receive final approval from the Court (or if a final approval order is reversed on appeal), no part of this Agreement nor any order or action pursuant thereto shall be operable or admissible for any purpose whatsoever in the Lawsuit or in any other action or proceeding.

(c) Acknowledgments: The parties, through their respective counsel, have considered the risks, uncertainties, delays, expenses, and complexity of proceedings necessary to continue litigation of this action through the district court and possible appeals. The parties acknowledge that this settlement is a compromise of vigorously disputed claims and that they are entering into this Agreement to avoid the time, risks, and delays of further litigation.

## 5. **PRELIMINARY COURT APPROVAL AND NOTICE PROCEDURE**

(a) Approval And Certification For Settlement: For purposes of this settlement only, Plaintiffs shall file a motion, which Defendant shall not oppose, asking the Court to enter an order preliminarily approving this settlement and preliminarily certifying the Settlement Class. In the event that the terms of this Agreement do not receive final approval from the Court (or if a final approval order is reversed on appeal), neither this provision nor the preliminary approval or certification nor the request or non-opposition therefor shall be operable or admissible for any purpose whatsoever in the Lawsuit or in any other action or proceeding.

(b) Notice Package: If the Court grants preliminary approval of the settlement under the terms of this Agreement, a "Notice Of Settlement" shall be sent to members of the Settlement Class in substantially the same form as Exhibit "A" attached hereto ("Notice Of Settlement"). The Notice Of Settlement shall be accompanied by a "Claim Form" in substantially the same form as Exhibit "B" attached hereto, and a "Request For Exclusion Form" in substantially the same form as Exhibit "C" attached hereto. Exhibits "A," "B," and "C," shall hereinafter be collectively referred to as the "Notice Package."

(c) Contents: The Notice Of Settlement contained in the Notice Package shall inform members of the Settlement Class: (i) the terms of the settlement and their right to choose whether to participate in the settlement by filing a Claim Form or a Request For Exclusion Form; (ii) that members of the Settlement Class will be deemed to have agreed that, except for the obligations imposed by the settlement, Defendant and all Released Parties (as defined below) shall be forever released and discharged from, and acquitted of, all Released Claims (as defined below) and will be barred from pursuing or becoming a party to, or involved or named in, claims against Defendant arising out of the matters asserted in the Lawsuit; (iii) that members of the Settlement Class may object to the settlement; (iv) the deadline for submitting a Claim Form or a Request For Exclusion Form, or a copy thereof, via first class United States Mail to the Administrator (*i.e.*, submitted and postmarked no later than forty-five (45) days after the Notice Package is mailed (the "Submission Date"), except as to those members of the Settlement Class who receive the Notice Package pursuant to re-mailing, whose deadline shall be thirty (30) days from the date the Notice Package is mailed to the updated address; (v) the deadline for rescinding a Request For Exclusion (*i.e.*, submitted and postmarked no later than twenty (20) days after the

date that the member of the Settlement Class originally submitted and postmarked the Request For Exclusion Form); and (vi) that any Claim Form, Request For Exclusion Form, or Rescission Of Request For Exclusion that is post-marked later than the deadline shall not be considered timely.

(d) Minimum Participation: If the number of persons that have timely submitted properly completed Request For Exclusion Forms to the Administrator without rescission is equal to or in excess of either a) two and one half percent (2.5%) of the number of persons to whom Notices are sent, or b) five (5) persons at a single terminal, Defendant shall have the absolute right, at its sole discretion, to terminate and void this Agreement and the parties' settlement by notifying Plaintiffs' Counsel in writing of its intention to do so and setting forth in such written notification the reasons therefor at least ten (10) days before the Final Approval Hearing. The Agreement and the parties' settlement shall become void seven (7) days after the delivery of such written notification unless, during that period, the parties agree in writing to a mutually acceptable resolution of the issue set forth in the written notification and thereafter the Court approves such resolution. In the event Defendant so elects to terminate and void this Agreement, it shall not be responsible for paying any Individual Settlement Awards, attorneys' fees, costs, expenses, Plaintiffs' incentive or enhancement award, administrative expenses, or any other payments whatsoever, except that Defendant shall agree to assume the cost of the Claims Administrator up to that point, nor shall it have any other obligations under this Agreement.

(e) No Solicitation Of Opt-Outs Or Objections: The parties and their counsel agree that neither they nor anyone acting on their behalf will solicit or encourage individuals to opt out of or object to the proposed settlement.

## 6. MONETARY TERMS

In consideration for the settlement and, following the entry of an order granting final approval, the dismissal of the Lawsuit with prejudice and all other terms and conditions of this Agreement, Defendant agrees to make payments as set forth below, subject to the terms and conditions of this Agreement.

(a) Maximum Settlement Amount: The total sum of all payments made by Defendant pursuant to this Agreement shall be less than or equal to, but shall not exceed, the sum of One Million Dollars (\$1,000,000.00) (the "Maximum Settlement Amount"), except as stated in paragraph 7(c). Payments made by Defendant pursuant to this Agreement shall be deducted from the Maximum Settlement Amount. All timely claims submitted by members of the Settlement Class, and all attorneys' fees, costs, and expenses, incentive awards, and claims administration expenses, shall be paid out of the Maximum Settlement Amount. If the total sum of such payments is less than the Maximum Settlement Amount, Defendant will not be obligated to pay up to the Maximum Settlement Amount, except that, irrespective of the number of timely claims submitted, at least 60% of the Potential Gross Individual Settlement Proceeds, as defined in paragraph 6(e), below, shall be distributed as follows: Each individual Settlement Class member who submits a timely and properly completed Claim Form and does not submit a Request for Exclusion Form will be entitled to receive the Individual Settlement Award calculated for such individual pursuant to paragraph 7(a) below. To the extent that the total of these Individual

Settlement Awards is less than 60% of the PGISP, each such individual Settlement Class member's Individual Settlement Award will be proportionally increased, up to maximum of 1.5 times the member's original Individual Settlement Award, until the total Individual Settlement Awards equals 60% of the PGISP. If, after the maximum adjustment to the Individual Settlement Awards, the total to be paid remains less than 60% of the PGISP, the remaining amount will be paid to the Pepperdine Law School Employment Mediation Clinic.

(b) Attorneys' Fees And Costs: Any request for attorneys' fees in the Lawsuit by Plaintiffs' Counsel shall not exceed thirty percent (30% or \$300,000.00) of the Maximum Settlement Amount, and any request for reimbursement of costs and expenses by Plaintiffs' Counsel shall not exceed \$30,000 and shall be limited to costs and expenses actually incurred in the prosecution of the Lawsuit (including but not limited to mediation expenses and expert fees). Plaintiffs' Counsel shall not request any amount that would require any payment by Defendant beyond the Maximum Settlement Amount. Defendant agrees not to object to requests, subject to the limitations herein. Any such attorneys' fees, costs, and expenses will be paid out of the Maximum Settlement Amount. Under no circumstances shall Plaintiffs be deemed a "prevailing party" for purposes of any further or additional award for attorneys' fees, costs, or expenses, nor shall Defendant have any obligation to pay any additional attorneys' fees, costs, or expenses beyond the amount described herein.

(c) Administration Fees And Expenses: The fees, costs, and expenses of the Administrator appointed to facilitate notice to the Settlement Class and payment of settlement proceeds to members of the Settlement Class and other duties associated with administration of this settlement are not expected to exceed \$14,000. Payment of such fees, costs, and expenses shall be paid out of the Maximum Settlement Amount and shall be advanced to the Administrator within 14 days after an Order granting Preliminary Approval of the settlement has been entered. The Parties hereby agree to use CPT Group, Inc. as the Claims Administrator, subject to the Court's approval of same.

(d) Incentive Awards: Any request for an enhancement or incentive award for Plaintiffs shall not exceed Twenty Thousand Dollars (\$20,000.00) (\$10,000.00 for each Plaintiff), in addition to the Individual Settlement Awards, as defined below, available to Plaintiffs, if any. Defendant agrees not to object to requests, subject to the limitations herein, and provided that Plaintiffs execute this Agreement, including its provisions applying specifically to them, i.e., the general release of all claims for the Class Representatives, set forth in paragraph 8(d), below. Any such incentive award approved by the Court shall be paid out of the Maximum Settlement Amount.

(e) Individual Settlement Awards: The Administrator will distribute payments (each payment calculated pursuant to paragraph 7(a) below) to members of the Settlement Class who submit timely and properly completed Claim Forms and do not submit Request For Exclusion Forms in accordance with paragraph 7(d) below, and subject to other terms of this Agreement (such payments herein referred to as "Individual Settlement Awards"). The total amount potentially payable for all Individual Settlement Awards shall be less than or equal to (but not greater than) the Maximum Settlement Amount minus the total of (i) Court-approved attorneys' fees, costs, and expenses; (ii) Court-approved enhancement or incentive awards to Plaintiffs; and (iii) all fees, costs, and expenses of the Administrator in connection with the settlement and

claims administration (“Potential Gross Individual Settlement Proceeds” or “PGISP”). The calculation and procedure for payments of Individual Settlement Awards is set forth in paragraph 7(a) below. As noted, at a minimum, 60% of the Potential Gross Individual Settlement Proceeds shall be distributed to Plaintiffs and Claimants and, in certain circumstances, charity, as described in paragraph 6(a), and Defendant will continue to fund all amounts necessary to pay Individual Settlement Awards up to the full amount of the PGISP.

(f) Administrative Expenses: If the Court enters an order granting preliminary approval of the settlement pursuant to paragraph 10(b) below, Defendant, within ten (10) days thereafter, will transfer \$14,000 to the Administrator for preparation of the notice and other matters necessary for the approval and implementation of the settlement.

(g) Deposit and Time Of Payments: Within forty (40) days following the Final Approval Date, Defendant shall transmit to the Administrator funds sufficient to pay (1) all of the Individual Settlement Awards payable to each Claimant, as defined in paragraph 7(d) below; (2) funds sufficient to pay the total amount of the attorneys’ fees and expenses/costs approved by the Court; and (3) funds sufficient to pay Plaintiffs their respective Enhancement Awards, as approved by the Court. If there are any objections or appeals, such payments (i.e. payments to the settlement class, attorneys’ fees and costs, and enhancement awards) shall be suspended pending final resolution of all such objections or appeals, and no payments shall be required until after final resolution of such appeals. No payments shall be required under this Agreement unless or until the date all the following has occurred: (i) the Court has entered a final approval order as proposed in this Agreement; (ii) the Court has certified the Settlement Class as proposed in this Agreement; and (iii) the Administrator has considered, calculated, and accounted for all timely Claim Forms, Request For Exclusion Forms, and Rescission Of Request For Exclusion Forms; (iv) all objections to the settlement, if any, have been fully resolved or otherwise disposed of, or the time for filing objections has expired; and (v) all appeals, if any, have been fully resolved or otherwise disposed of, or the time for filing appeals has expired (the “Effective Date). See also paragraph 10(e) below. No later than 14 days after the Effective Date, the Settlement Administrator shall mail, by first-class US Mail to the last-known address, Individual Settlement Amounts, Enhancement Payments to Plaintiffs or, if specifically instructed by Class Counsel, perform a wire transfer of funds for Attorneys Fees and Costs to Class Counsel to such accounts as the Settlement Administrator shall be instructed in writing to do so. ,

(h) Claimed Settlement Amount: The greater of: (1) the sum total of all the Individual Settlement Awards claimed by members of the Settlement Class or (2) 60 % of the PGISP shall be the “Claimed Settlement Amount.” If each and every potential member of the Settlement Class is not excluded from the Settlement Class and is a Claimant as described in paragraph 7(d) below, then the Claimed Settlement Amount shall equal the “Potential Gross Individual Settlement Proceeds” and all Individual Settlement Awards shall be distributed to all members of the Settlement Class. Any member of the Settlement Class who is not eligible to be, or otherwise does not become, a Claimant shall not receive any Individual Settlement Award or any portion of the Claimed Settlement Amount. Any portion of the Potential Gross Individual Settlement Proceeds that is not validly claimed by members of the Settlement Class pursuant to the terms of this Agreement by the date the Court enters a Final Approval Order and Final Judgment and Order of Dismissal shall not be payable by Defendant.

(i) No Effect On Benefit Plans: Payments pursuant to this Agreement are not and shall not be deemed to constitute an addition to, a modification of, or a change in any previously credited hours of service, compensation, or wages under any employee benefit plan or employment policy of, or sponsored by, Defendant or any of its present or former parent corporations or affiliates or any jointly trustee benefit plans. Payments pursuant to this Agreement shall not be deemed to form the basis for any additional contributions to, additional benefits under, or any other additional entitlements under any employee benefit plan or employment policy of, or sponsored by, Defendant or any of its present or former parent corporations or affiliates or any jointly trustee benefit plans.

## 7. **PROCEDURE FOR PAYMENTS TO SETTLEMENT CLASS**

(a) Calculation Of Individual Settlement Awards: An amount for payment to each member of the Settlement Class who timely and validly completes a Claim Form and who does not submit a Request for Exclusion Form and does not object to the settlement shall be calculated according to the following formula: The dollar amount payable to each member of Class will be calculated by taking the "Potential Gross Individual Settlement Proceeds", i.e., the "Net Settlement Amount" (estimated to be slightly more than \$625,000) divided by the total number of hours worked by all members of the Settlement Class during the Class Period, and then multiplied by the total number of hours worked by each individual member of the Settlement Class (both based upon the Defendant's payroll records, which will be deemed conclusive as to the number of hours worked).

(b) Previously Released Claims: To the extent an individual has previously settled or released claims covered by this settlement (e.g., as part of a separation agreement), after the filing of the Lawsuit, this Agreement shall not impair the enforceability of such release, and the amount of the Individual Settlement Award otherwise payable to that individual shall be reduced by the amount of consideration received by the individual in exchange for a release encompassing claims covered by this Settlement.

(c) Applicable Tax Withholding: Individual Settlement Awards consist of consideration for settlement of claims for back pay, liquidated damages, interest, penalties, and other damages and relief asserted in the Lawsuit. The settlement payments shall be allocated for tax purposes as follows: (1) One-third (1/3) of each payment shall be deemed wages; and (2) Two-thirds of the payment shall be treated as penalties and interest and class members shall be issued an IRS Form 1099 for that portion of the payment. In accordance with applicable tax laws, such sums as are required to comply with tax laws shall be withheld from each Claimant's Individual Settlement Award and remitted to the appropriate taxing authorities. Portions of any Individual Settlement Award deemed to be settlement of claims for wages will be subject to withholding for income taxes and the employee-paid portion of various employment-related taxes, including Social Security, FUTA, FICA, and Medicare taxes, and will be reported with an IRS Form W-2. Defendant will pay the employer-paid portion of such taxes as required by applicable tax law and such payments will not come out of the Maximum Settlement Amount. Portions of any Individual Settlement Award deemed to be non-wage payments not subject to withholding will be reported with an IRS Form 1099. Each Settlement Class member receiving payment of an Individual Settlement Award shall receive appropriate documentation setting forth the gross total payment and the amount of any tax or other payment withheld, in addition to the

employer contribution made, in accordance with applicable tax requirements. Settlement Class members shall be responsible for the tax consequences of all payments received by them, for filing returns and reporting all income received to state and federal taxing authorities, and for payment of any other applicable taxes due. Settlement Class members acknowledge and agree that Defendant has not provided and will not provide advice regarding tax obligations, and shall hold Defendant harmless and indemnify it for any liabilities, penalties, costs and expenses, including attorneys' fees, assessed or caused by any such taxing authority relating in any way to the tax treatment of the payments made pursuant to this Agreement.

(d) Prerequisites For Payment: To receive an Individual Settlement Award, a Settlement Class member must submit a timely Claim Form (as described in paragraphs 7(e), 7(f) and 7(h) below) and must not submit a Request For Exclusion Form (unless timely rescinded). If a Settlement Class member submits a timely Claim Form and a timely Request For Exclusion Form but also submits a timely Rescission Of Request For Exclusion, the Claim Form shall be deemed timely. Each Settlement Class member who meets these prerequisites shall be referred to in this Agreement as a "Claimant." The prerequisites described in this paragraph are in addition to the conditions precedent to Defendant's obligation to provide payments described in paragraphs 6(g) and 10(e) in this Agreement.

(e) Contents Of Claim Form: The Claim Form shall include a statement that the member of the Settlement Class is shown by Defendant's records to have been employed by Defendant as an hourly California P&D Driver during the Class Period and shall provide information from Defendant's records regarding the number of hours worked by the Settlement Class member as an hourly California P&D Driver during the Settlement Period. The Claim Form shall also include instructions on how to submit the form, shall list the estimated settlement share for each respective member of the Settlement Class, and shall notify Class Members of the Claim/Objection/Exclusion Deadline Date. The Claim Form shall afford each member of the Settlement Class the opportunity to challenge the number of hours worked reflected in Defendant's payroll records, and to provide evidence supporting any such challenge. The Claim Form also shall contain a release as described more fully in paragraph 8, below. The use of a form substantially similar to that attached as Exhibit B shall be deemed to comply with this paragraph.

(f) Timeliness Of Claims: Except as provided below, to be considered timely submitted, a Claim Form or Request For Exclusion Form must be submitted to the Administrator and post-marked on or before the Submission Date and received by the Administrator to be considered timely. Claim Forms which are not timely shall be deemed invalid.

- (1) Those members of the Settlement Class who receive a Notice Package pursuant to the one skip trace and re-mailing shall have until the thirty (30) days from the date the Notice Package is mailed to the updated address to submit a Claim Form or Request For Exclusion Form.
- (2) Members of Settlement Class shall be permitted to rescind their Request for Exclusion in writing by submitting a Rescission of Request for Exclusion to the Settlement Administrator and postmarked no later than twenty (20) business days from the postmark date of the Class Member's

Request for Exclusion Form. A Rescission Form substantially in the form attached hereto as Exhibit D, will be sent by the Administrator only to members of the Settlement Class who submit a Request for Exclusion and subsequently inform the Administrator that they have changed their minds.

- (3) The submission of a Claim Form, a Request For Exclusion Form, or a Rescission Of Request For Exclusion Form will be deemed completed on the earlier of the date of receipt by the Administrator or the postmark date, if any, on the envelope containing the form, provided that the form actually is received by the Administrator.

(g) Construction Of Forms Submitted: The following provisions shall govern determinations regarding Claim Forms, Request For Exclusion Forms, and Rescission Of Request For Exclusion Forms submitted to the Administrator:

- (1) Only a member of the Settlement Class who submits a timely Claim Form shall be deemed a “Claimant” under this Agreement. Any person who fails to submit a timely Claim Form shall not receive any Individual Settlement Award or any portion of the Claimed Settlement Amount (as defined in paragraph 6(h) above). Notwithstanding the foregoing, after they sign this agreement, Plaintiffs will be treated as if they had submitted a Claim Form and they need not submit an additional Claim Form. Moreover, by signing this Settlement Agreement, Plaintiffs thereby waive their right to object to and/or opt-out of the Settlement.
- (2) A member of the Settlement Class who does not provide the Administrator with a timely Request For Exclusion Form, or who rescinds a Request For Exclusion Form already submitted by submitting a timely Rescission Of Request For Exclusion Form, shall remain in the Settlement Class and shall be bound by all the terms and conditions of this Agreement, including the release of identified claims set forth hereinafter, whether or not the individual submits a Claim Form.
- (3) A member of the Settlement Class who does not submit a timely Claim Form and who does not submit a timely Request For Exclusion Form shall not be deemed to be a Claimant, but shall remain in the Settlement Class and shall be bound by all the terms and conditions of this Agreement, including the release of identified claims set forth hereinafter.
- (4) A member of the Settlement Class who submits both a timely Claim Form and a timely Request For Exclusion Form, and subsequently does not submit a Rescission Of Request For Exclusion Form, shall be deemed to be excluded from the Settlement Class. However, if either the Claim Form or the Request For Exclusion Form is not timely or properly completed, the form will be deemed defective and will be disregarded.

(h) Defective Claim Forms: A Claim Form shall be defective if: (i) it does not contain the required accurate identifying information, including full name and Last Four Digits of Social Security Number (the last four digits of each Settlement Class Member's Social Security Number shall be inputted by the Settlement Administrator on each Settlement Class Member's Claim Form (i.e., Exhibit B) among the other information set forth under the header, "This is the information that we have for you"); (ii) it does not contain the required release; (iii) the release is not properly executed (i.e., signed) by the Settlement Class member; and (iv) the deficiency is not corrected within thirty (30) days after the Administrator's mailing of a Deficiency Notice (as described in paragraph 9(c) below) or by the Submission date, whichever is later. Claim Forms that are defective shall be deemed invalid.

(i) Challenges And Disputes: Counsel for the Settlement Class and Counsel for Defendant may challenge or dispute a decision by the Administrator with respect to: (i) the timeliness of a Claim Form, Request For Exclusion Form, or Rescission Of Request For Exclusion Form; (ii) whether a form submitted is defective; or (iii) the amount of an Individual Settlement Award (including but not limited to disputes about hours actively employed by Defendant as a P&D Driver during the Class Period and the previous execution of a release by the Class Member) by providing notice and a statement of position to the Administrator and to opposing counsel within five (5) days of receiving written notice of such decision. Any documentation supporting the disputing party's position shall be provided to the Administrator and opposing counsel along with the notice and position statement. Opposing counsel may submit a position statement agreeing with or opposing the contesting party's position within five (5) days of receiving written notice of such position. Any documentation offered in opposition shall be provided to the Administrator and opposing counsel along with the position statement. The Administrator shall have discretion to modify such decision to effectuate the terms of this Agreement and shall be guided by the terms of this Agreement. Under no circumstances shall the Administrator have the authority or discretion to make any award or to take any action that is contrary to the terms of this Agreement. Decisions of the Administrator after the conclusion of this review process which are authorized by this provision shall be final and binding on all parties. If a party believes a decision of the Administrator is contrary to the terms of this Agreement, that party may appeal to the Court during such time as it retains jurisdiction to enforce the terms of this Agreement.

## **8. RELEASE BY PLAINTIFFS AND THE SETTLEMENT CLASS**

(a) Release By The Settlement Class: As of the Effective Date of this Agreement, for and in consideration of the promises and payments set forth herein, the sufficiency of which is acknowledged, Plaintiffs and all members of the Settlement Class who are not excluded according to the terms of this Agreement, hereby release, discharge, and acquit USF Reddaway Inc., YRC Worldwide, Inc., USF Bestway, Inc., and all of their respective predecessors, successors, parents, subsidiaries, affiliates, owners, shareholders, general or limited partners, joint venturers, directors, officers, employees, former employees, agents, representatives, attorneys, and employee benefit plans (including, without limitation, profit-sharing plans, pension plans, 401(k) plans, severance plans, and all of their respective administrators, fiduciaries, trustees and agents) and any persons acting by, through, under, or in concert with any of them, and all successors and assigns thereof, and any individual or entity which could be

jointly liable with Defendant (the “Released Parties”) from the “Released Claims,” as defined below.

(b) Released Claims: For purposes of this Agreement, the “Released Claims” of the Settlement Class are defined as: All claims, demands, rights, liabilities, and causes of action, whether brought directly, representatively, derivatively, or in any capacity, that were or could have been asserted in the Lawsuit based upon the facts alleged therein, whether in tort, contract, statute, rule, ordinance, order, regulation, or otherwise, including state, federal, and local laws, whether for economic damages, non-economic damages, restitution, penalties, punitive damages, wages, premium payments, liquidated damages, attorneys’ fees, or any other type of recovery thereon, arising out of any act, omission, transaction, or event that occurred or is alleged to have occurred up to the date of this Agreement. The claims specifically included in this release include but are not limited to those listed in Recital B (above) to this Agreement and those for alleged failure to provide meal or rest breaks, alleged failure to pay for all hours worked based on the application of an “automatic” lunch or meal time deduction, claims for unpaid overtime, whether known or unknown, arising during the Class Period for the Class Members based on the claims reasonably related to those alleged in the Lawsuit, alleged failure to provide accurate itemized wage statements, alleged failure to provide timely pay upon termination, alleged unfair competition by means of the foregoing, and any other claims arising out of alleged failure to pay wages or penalties or for any other claims asserted in the Lawsuit. This release shall be in addition to, and not in lieu of, any release previously executed by any member of the Settlement Class.

(c) Express Waiver Of Unknown Claims: The parties expressly stipulate and agree that this Agreement is intended to include within its effect, and to fully and finally resolve, all Released Claims, such that all members of the Settlement Class shall be forever barred from pursuing or becoming a party to, or involved or named in, any action, whether brought directly, representatively, derivatively, or in any capacity, for any of the Released Claims based on any act, omission, transaction, or event that occurred or is alleged to have occurred up to the date of this Agreement. As to the Released Claims, the Settlement Class expressly waives and relinquishes, to the fullest extent permitted by law, the protections, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law. Section 1542 states as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The parties expressly stipulate and agree that the Released Claims may include claims, demands, rights, liabilities, and causes of action that members of the Settlement Class may not know or suspect to exist, and that such members nevertheless intend to include all such claims included among the Released Claims.

(d) General Release By Plaintiffs: In addition to the foregoing, for and in consideration of the promises and payments set forth herein, including but not limited to the

incentive or enhancement payments described in paragraph 6(d) above, the sufficiency of which is acknowledged, Plaintiffs agree to release, discharge, and acquit the Released Parties from any and all claims, demands, rights, liabilities, and causes of action of any nature whatsoever, known or unknown, whether in tort, contract, statute, rule, ordinance, order, regulation, or otherwise, including state and federal laws, whether brought directly, representatively, derivatively, or in any capacity, for any and all remedies, including economic damages, non-economic damages, restitution, penalties, punitive damages, wages, premium payments, liquidated damages, attorneys' fees, or any other type of recovery thereon, arising out of any act, omission, transaction, or event that occurred or is alleged to have occurred up to the date of this Agreement. This general release includes but is not limited to all claims arising from or related to Plaintiffs' employment or conclusion of employment with Defendant or any of its predecessors, such that Plaintiffs shall be forever barred from pursuing or becoming a party to, or involved or named in, any action, whether brought directly, representatively, derivatively, or in any capacity, for any of such claims generally released based on any act, omission, transaction, or event that occurred or is alleged to have occurred up to the date of this Agreement. Plaintiffs expressly waive and relinquish, to the fullest extent permitted by law, the protections, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law. Section 1542 states as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The parties expressly stipulate and agree that the claims released by Plaintiffs may include claims, demands, rights, liabilities, and causes of action that Plaintiffs may not know or suspect to exist, and that Plaintiffs nevertheless intend to include all such claims included among the claims released in this Agreement.

## 9. APPOINTMENT AND DUTIES OF ADMINISTRATOR

(a) Designation: The parties will stipulate to and seek an order from the Court appointing CPT Group, Inc. to act as the settlement and claims administrator (the "Administrator") for purposes of this settlement.

(b) Information Provided By Defendant: Within seven (7) days after entry by the Court of its Order of Preliminary Approval, Defendant shall provide the Settlement Administrator and Class Counsel with an updated list containing names, social security numbers, dates of employment, hours worked during the Class Period and last-known addresses for each member of the Settlement Class based upon its records. The Settlement Administrator shall agree to maintain the private information of Class Members, including their social security numbers, in strict confidentiality.

(c) Duties: The Administrator shall be responsible for performance of the following duties, subject to preliminary and final approval of the Court:

(i) Within twenty-one (21) business days of the Preliminary Approval Date, the Administrator shall mail a Notice of Settlement to members of the Settlement Class and shall receive and process Claim Forms, Request For Exclusion Forms, and Rescission Of Request For Exclusion Forms in accordance with this Agreement.

(ii) The Administrator shall apply information provided by Defendant for calculation of Individual Settlement Awards (as described in paragraph 7(a) above) for the members of the Settlement Class, and shall issue a Claim Form for each member containing a release (as described in paragraph 7(e) above), and the estimated settlement share for each respective member of the Settlement Class.

(iii) The Administrator shall handle any inquiries from members of the Settlement Class concerning the Notice Of Settlement and the various forms accompanying the notice in accordance with this Agreement.

(iv) The Administrator shall determine whether Claim Forms submitted were timely and/or defective in accordance with this Agreement (as set forth in paragraphs 7(f) and 7(h) above). If information provided by the Settlement Class member conflicts with information provided by Defendant, the dispute may be resolved by the Administrator as described in paragraph 7(i) above.

(v) If the Administrator receives an unsigned Claim Form, the Administrator shall return the Claim Form to the member of the Settlement Class via First Class Mail instructing such individual that he or she has until the later of (i) thirty (30) days or (ii) the Submission Date within which to correct, complete, and/or sign the Claim Form and submit and postmark the corrected Claim Form to the Administrator via First Class Mail and/or to provide the requested information to the Administrator (“Deficiency Notice”). The Administrator will send only one Deficiency Notice per member of the Settlement Class. If a completed Claim Form or the requested information is not received within the prescribed time frame, the Claim Form shall be considered defective and invalid for purposes of this settlement. The Administrator shall provide the identities of those who submitted defective Claim Forms to Class Counsel and Defendant’s Counsel at the same time that members of the Settlement Class are notified that their Claim Forms are defective.

(vi) The Administrator shall maintain the original versions of completed Claim Forms, Request For Exclusion Forms, and Rescission Of Request For Exclusion Forms received throughout the administration of the settlement. The Administrator shall make the original versions of such forms available to Plaintiffs’ Counsel or Defendant’s Counsel upon request.

(vii) The Administrator shall provide reports to Plaintiffs’ Counsel and Defendant’s Counsel on a weekly basis, updating them as to the number and identity of Settlement Class members from whom timely Claim Forms, Request For Exclusion Forms, and Rescission Of Request For Exclusion Forms were received, the number and identity of Settlement Class members for whom Notice Packages were returned after having been re-sent pursuant to the one skip trace described above, the number and identity of Settlement Class members to whom Deficiency Notices were sent, as well as any questions or objections submitted by members of the Settlement Class (each, a “Periodic Report”). The Administrator

also shall serve on Plaintiffs' Counsel and Defendant's Counsel date-stamped copies of the original Request For Exclusion Forms, Rescission Of Request For Exclusion Forms, challenges and disputes, objection statements, and withdrawal of objection statements no later than five (5) days after their receipt.

(viii) No later than thirty (30) calendar days prior to the Final Approval Hearing, the Administrator shall provide the parties with a declaration (the "Claims Administrator's Declaration") setting forth the steps taken by the Administrator to provide notice to members of the Settlement Class and cumulative information provided in the Periodic Reports. The Administrator shall supplement the Claims Administrator's Declaration as necessary, and submit a final Claims Administrator's Declaration no later than three (3) business days prior to the Final Approval Hearing.

(ix) Fifteen days prior to the Submission Date, the Administrator shall send out a reminder postcard to the Settlement Class reminding them that their postmarked deadline to submit their Claim Form or, alternatively, their Request for Exclusion Form, shall occur on the Submission Date and informing the Settlement Class once again of the Submission Date. The content of the reminder postcard shall be as follows:

*Gonzales et al. v USF Reddaway Inc. Class Action Settlement.* Our records indicate that you have not yet submitted a Claim Form. If you intend to file a claim to receive payment of your share in the Settlement, you must mail your Claim Form to CPT Group, Inc. no later than [month/date/year]. If you have lost your Claim Form, please call CPT Group at [(xxx) xxx-xxxx] to request that another be mailed to you.

(x) The Administrator shall resolve challenges and disputes as to (i) the timeliness of a Claim Form, Request For Exclusion Form, or Rescission Of Request For Exclusion Form; (ii) whether a form submitted is defective; (iii) the amount of an Individual Settlement Award (as provided in paragraphs 7(a) and 7(i) above) and shall have discretion to modify determinations with respect to these items to effectuate the terms of this Agreement in accordance with the terms of this Agreement. Under no circumstances shall the Administrator have the discretion to make any award or to take any action that is contrary to the terms of this Agreement.

(xi) After all conditions precedent to payment are fulfilled as described in paragraphs 6(g) above and 10(e) below, the Administrator shall issue payments of Individual Settlement Awards, with appropriate withholding for income taxes and the employee-paid portion of payroll taxes as required by law and with appropriate reports to the I.R.S. and payments to appropriate taxing authorities (as described in paragraph 7(c) above). In the event that a Claimant is deceased at the time the payment is issued, payment shall be made payable to the Claimant's estate and delivered to the executor or administrator of that estate, unless the Administrator has received a properly completed affidavit or declaration pursuant to Section 13101 of the California Probate Code, in which case payment shall be made to the affiant(s) or declarant(s) as appropriate under such laws. Within ten (10) business days of making the payment(s), the Administrator shall file with the Court and serve on Plaintiffs' Counsel and

Defendant's Counsel a declaration of payment. Checks for settlement payments not deposited or cashed within ninety (90) days from the date they are issued will not be re-issued unless the Claimant demonstrates that the check was not received with sufficient time to deposit or cash it or that other circumstances prevented the Claimant from depositing or cashing the check. The total amount of all such uncashed checks shall be paid to a charity that is consistent with the policy set forth in California Code of Civil Procedure Section 384(a) and approved of by the Court].

(d) Additional Time: If the Administrator needs more time than is provided under this Agreement to complete any of its obligations pursuant to this Agreement or applicable law, the Administrator may request, in writing, such additional time from Plaintiffs' Counsel and Defendant's Counsel. If Plaintiffs' Counsel and Defendant's Counsel do not agree, in writing, to the Administrator's request for additional time, the Administrator may seek such additional time from the Court. Notwithstanding any other provision in this Agreement, any failure by the Administrator to complete any of its obligations pursuant to this Agreement, or to complete such obligations in a timely manner, shall not be imputed to Defendant and shall not, in and of itself, otherwise affect the enforceability of this Agreement.

(e) Administration Fees, Costs, And Expenses: The fees, costs, and expenses of the Administrator in connection with performance of the duties outlined in this Agreement shall be considered settlement administration expenses and shall be paid from the Maximum Settlement Amount.

## 10. COURT PROCEEDINGS

(a) Vacating All Deadlines: The parties have filed a joint notice of settlement and request to vacate all deadlines in the Lawsuit, and they shall not engage in discovery, motions, and other litigation activity, pending the Court's consideration and final approval of the settlement and dismissal with prejudice of the Lawsuit.

(b) Joint Stipulation And Request For Preliminary Approval: Plaintiff shall file a Joint Stipulation of Settlement And Motion For Preliminary Approval Of Settlement ("Request For Preliminary Approval"), seeking the Court's approval of, *inter alia*, the terms of the settlement, the Notice Of Settlement, the method of providing such notice, the Claim Form, the Request For Exclusion Form, the Rescission Of Request For Exclusion Form, the procedure for the calculation of settlement distributions, the incentive or enhancement award to Plaintiffs, and the attorneys' fees, costs, and expenses of Class Counsel. The parties shall use their best efforts to complete the settlement agreement and file the Request for Preliminary Approval no later than November 14, 2011. Defendant's filing of a statement of non-opposition to Plaintiff's Motion for Preliminary Approval shall suffice to comply with its obligations under this paragraph.

(c) Request For Final Approval: Following notice dissemination and after the deadline has passed for individuals to file Claim Forms, Requests for Exclusion and/or objections, Plaintiffs shall file a Motion For Final Approval Of Settlement ("Request For Final Approval"), a Motion for Approval of Attorneys Fees, Class Representative Incentive Payments, and Litigation Expenses ("Request for Fees and Costs") and a joint proposed Final Judgment and Order of Dismissal ("Proposed Final Judgment"), which shall, among other things:

(i) Grant final approval of the settlement as fair, reasonable, adequate, in good faith and in the best interests of the Settlement Class, as a whole, and order the parties to carry out the provisions of this Agreement;

(ii) Certify the Settlement Class for purposes of the settlement described in this Agreement;

(iii) Adjudge that members of the Settlement Class are conclusively deemed to have released Defendant and the Released Parties (as defined in paragraphs 7(e) and 8(a) above) from any and all rights, claims, demands, liabilities, causes of action, liens and judgments arising out of or in any way related to the matters asserted, or that could have been asserted, in the Lawsuit, whether brought directly, representatively, derivatively, or in any capacity;

(iv) Bar and permanently enjoin each member of the Settlement Class from prosecuting against the Defendant or the Released Parties any and all of the Released Claims as defined in Section 8(b), *supra*; and

(v) Within 45 days following the entry of an order granting final approval of the settlement, dismiss the Lawsuit with prejudice with respect to all members of the Settlement Class, but with the Court retaining jurisdiction to enforce the terms of the Settlement.

(d) Notice Of Final Approval Hearing: Class Counsel shall file a notice establishing a date, time, and location for a “Final Approval Hearing” for a date no earlier than ten (10) days after the last day for Defendant to exercise its right to void this Agreement, as provided in paragraph 5(d) above. The exact date, time and location of the Final Approval Hearing shall be set forth in the Notice of Settlement. At the Final Approval Hearing, Plaintiffs shall request and Defendant shall not oppose final approval of the settlement and Plaintiffs shall further request that, within 45 days following final approval, the Court shall dismiss the Lawsuit with prejudice upon proof of the settlement payments having been made. Plaintiffs’ Counsel and Defendant’s Counsel shall submit to the Court such pleading and/or other documents and evidence as may be required for the Court’s determination.

(e) Conditions Precedent: In the event: (i) the Court does not enter the Preliminary Approval Order specified herein; (ii) the Court does not finally approve the settlement as provided herein; (iii) the Court does not enter a Final Approval Order which is not subject to appeal; (iv) any of the Court’s Orders are reversed, modified, or declared or rendered void; (v) any of the conditions set forth in this Agreement are not met and satisfied; or (vi) the settlement does not become final for any other reason, Defendant shall not be obligated to make, and Plaintiffs, Plaintiffs’ Counsel, and the Settlement Class shall not be entitled to receive, any of the payments described in this Agreement. Notwithstanding the foregoing, the parties may attempt in good faith to cure any perceived defects in the Agreement to facilitate approval and final consummation.

## 11. **PROCEDURE FOR OBJECTIONS TO SETTLEMENT**

The Notice Of Settlement shall provide that members of the Settlement Class who wish to object to the settlement must mail a written statement of objection to the Administrator and serve on Class Counsel and Defendant’s counsel a written statement objecting to the settlement.

Such written statement must be mailed to the Administrator and served on Class Counsel and Defendant's counsel no later than forty-five (45) days after the date the Notice is first mailed (the "Objection Deadline Date" a/k/a the "Submission Date"). No member of the Settlement Class shall be entitled to be heard at the Final Approval Hearing (whether individually or through separate counsel) or to object to the settlement, and no written objections or briefs submitted by any member of the Settlement Class shall be received or considered by the Court at the Final Approval Hearing, unless written notice of the Settlement Class member's intention to appear at the Final Approval Hearing, and copies of any written objections or briefs, shall have been mailed to the Administrator and served on Class Counsel and Defendant's counsel on or before the Objection Deadline Date. Members of the Settlement Class who fail to file and serve timely written objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the settlement, or any aspect of the settlement.

## 12. SUMMARY OF SETTLEMENT SCHEDULE

To the extent possible, the parties will adhere to the following schedule:

<b>Event</b>	<b>Timing</b>
Preliminary Approval	As soon as practicable
Defendant provides the Administrator with an updated list containing names, SSNs, dates of employment, hours worked during the Class Period and last-known addresses for each member of the Settlement Class. Stip. at ¶9(b).	7 days after Preliminary Approval
Defendant provides funds to the Administrator for preparation of the Notice. Stip. at ¶6(e).	10 days after Preliminary Approval
Administrator mails Notice of Settlement, Claim form, Request for Exclusion Form and Rescission of Request for Exclusion Forms to Class Members. Stip. at ¶9(c)(i).	21 days after Preliminary Approval
Deadline to submit and postmark Claim Form or Request For Exclusion Form to the Administrator or to object. Stip. at ¶¶ 5(c); 7(f)(1); 11.	45 days after mailing by the Administrator, or 30 days from the date of re-mailing
Deadline to rescind a Request For Exclusion Form (postmark deadline). Stip. at ¶¶ 5(c); 7(f)(2).	20 days after the date that the member originally submitted and postmarked the Request for Exclusion Form
Deadline to correct a defective Claim Form. Stip. at ¶¶ 7(h); 9(c)(v)	30 days after the Administrator's mailing of a Deficiency Notice or by the Submission Date, whichever is later.

Reminder postcard	15 days prior to the Submission Date
Administrator provides the parties with a Declaration of mailing. Stip. at ¶9(viii).	30 days prior to Final Approval
Administrator shall submit a final Declaration. Stip. at ¶9(viii).	3 days prior to Final Approval
Final Approval Papers filed, including a fully briefed Motion for Attorneys' Fees and Costs	14 calendar days before the Final Approval Hearing, if permitted by the Court
Final Approval Hearing	Approximately 105 days after Preliminary Approval
Deadline for Defendant to transfer Settlement funds to Administrator. Stip. at ¶6(g).	40 days after the Final Approval Date
Administrator provides payment to Claimants, Plaintiffs and Attorneys. Stip. at ¶6(g).	14 days after the Effective Date
Administrator shall file with the Court and serve on the parties a Declaration of Payment. Stip. at 9(c)(xi).	10 business days after making the payments.

### 13. RETURN OF DOCUMENTS AND INFORMATION

Plaintiffs and Plaintiffs' Counsel agree that none of the documents and information provided to them by Defendant shall be used for any purpose other than prosecution of the Lawsuit. Plaintiffs and Plaintiffs' Counsel further agree that they shall continue to be bound by the Stipulation And Confidentiality Order filed on January 13, 2011 and entered by the Court in the Lawsuit on January 18, 2011.

### 14. DUTIES TO COOPERATE AND TO SUPPORT AND DEFEND SETTLEMENT

The parties agree to cooperate fully with one another to accomplish and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms and conditions of this Agreement. The parties shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by Court order, or otherwise, to effectuate this Agreement and the terms and conditions set forth herein. Upon the Agreement becoming effective and fully enforceable, the parties also agree to abide by all of the terms of the Agreement in good faith and to support the Agreement fully and to use their best efforts to defend this Agreement from any legal challenge, whether by objection, appeal, collateral attack, or other procedure.

### 15. REPRESENTATIONS AND WARRANTIES

Each party to this Agreement represents and warrants that he, she, or it has not heretofore directly or indirectly assigned, transferred, or encumbered, or purported to assign, transfer, or

encumber, any of the claims, or any portion of the claims, released pursuant to this Agreement to any other person or entity and that he, she, or it is fully entitled to compromise and settle same.

**16. DIFFERENT FACTS**

The parties hereto, and each of them, acknowledge that, except for matters expressly represented herein, the facts in relation to the dispute and all claims released by the terms of the Agreement may turn out to be other than or different from the facts now known by each party and/or its counsel, or believed by such party or counsel to be true, and each party therefore expressly assumes the risk of the existence of different or presently unknown facts, and agrees that this Agreement shall be in all respects effective and binding despite such difference, provided that the Agreement does not become null and void as otherwise set forth herein.

**17. CALIFORNIA LAW**

All questions with respect to the construction of this Agreement and the rights and liabilities of the parties hereto shall be governed by the laws of the State of California applicable to agreements to be wholly performed within the State of California.

**18. OWN COUNSEL**

Each party hereto acknowledges that he, she, or it has been represented by counsel of his, her, or its own choice throughout all of the negotiations which preceded the execution of this Agreement and in connection with the preparation and execution of this Agreement.

**19. COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**20. HEADINGS**

The headings contained in this Agreement are for reference only and are not to be construed in any way as a part of the Agreement.

**21. ENTIRE AGREEMENT**

This Agreement represents the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior oral and written agreements and discussions, except that any releases signed by Settlement Class members will continue to be valid in addition to, and not in lieu of, any release provided in this Agreement. Each of the parties covenants that he, she, or it has not entered into this Agreement as a result of any representation, agreement, inducement, or coercion, except to the extent specifically provided herein. Each party further covenants that the consideration recited herein is the only consideration for entering into this Agreement and that no promises or representations of another or further consideration have been made by any person. This Agreement may be amended only by an agreement in writing duly executed by all parties hereto. Notwithstanding anything herein to the contrary, an order of the Court modifying the deadlines set forth in this Agreement, if any, will be considered and treated

as a valid modification of the Agreement by the parties. This Agreement supersedes the Joint Stipulation of Class Action Settlement Agreement previously entered into between the parties.

**22. BINDING EFFECT**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, assigns, and/or successors-in-interest.

**23. MODIFICATION**

This Agreement may not be changed, altered, or modified in any respect, except in writing signed by the parties hereto and approved by the Court.

**24. DRAFTING**

Each party hereto has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any party as drafter of this Agreement.

**25. SEVERABILITY**

In the event any covenant or other provision herein is held to be invalid, void, or illegal, the same shall be deemed severed from the remainder of this Agreement and the overall Agreement shall be enforced to the fullest extent permitted by law. If any covenant, condition, or other provision herein is held to be invalid due to its scope or breadth, such covenant, condition, or other provision shall be deemed valid to the extent of the scope or breadth permitted by law.

**26. INCORPORATION OF EXHIBITS**

All exhibits attached to this Agreement are hereby incorporated by reference as though set forth fully herein and are a material part of this Agreement. Any notice, order, judgment, or other exhibit that requires approval of the Court must be approved without material alteration from its current form in order for this Agreement to become effective. Notwithstanding this paragraph, insubstantial changes to the attached exhibits shall not invalidate the Agreement.

**27. AUTHORITY**

Each party hereto warrants and represents that each of the persons or entities executing this Agreement is duly empowered and authorized to do so.

**28. WAIVER OF RIGHT TO OBJECT**

Plaintiffs agrees to sign this Agreement and by signing this Agreement is bound by the terms herein stated and further agrees not to request to be excluded from the Settlement Class and agrees not to object to any of the terms of this Agreement. Non-compliance with this paragraph shall be void and of no force or effect. Any such request for exclusion or objection shall therefore be void and of no force or effect.

29. **NOTICE**

All notices, requests, demands, and other communications required or permitted to be given pursuant to this Agreement (other than Notice Packages to members of the Settlement Class) shall be in writing and shall be delivered personally, telecopied, or mailed postage pre-paid by first class mail to the following persons at their addresses set forth as follows:

**Plaintiffs' Counsel/Class Counsel:**

**ACKERMANN & TILAJEF, P.C.**

Craig J. Ackermann, CA Bar No. 229832  
Devin Coyle, CA Bar No. 267194  
1180 South Beverly Drive, Suite 610  
Los Angeles, CA 90035  
Telephone: (310) 277-0614  
Facsimile: (310) 277-0635  
cja@laborgators.com  
devin@laborgators.com

**POLLARD/BAILEY**

Dylan Pollard, CA Bar No. 180306  
Matt Bailey, CA Bar No. 208685  
9701 Wilshire Blvd., 10<sup>th</sup> Floor  
Beverly Hills, CA 90212  
Telephone: (310) 854-7650  
Facsimile: (310) 492-9934  
dpollard@pollardbailey.com  
mbailey@pollardbailey.com

**Defendants' Counsel:**

**BAKER & HOSTETLER LLP**

Gregory V. Mersol  
Jeffrey Williams  
PNC Center  
1900 East 9<sup>th</sup> Street, Suite 3200  
Cleveland, OH 44114-3482  
Telephone: (216) 621-0200  
Facsimile: (216) 696-0740  
gmersol@bakerlaw.com  
jwilliams@bakerlaw.com

30. **CLASS COUNSEL SIGNATORIES**

Because the members of the Settlement Class are numerous, the parties agree that it is impossible or impracticable to have each member of the Settlement Class sign this Agreement. It therefore is agreed that, for purposes of seeking approval of this Agreement, the Agreement may be executed on behalf of the Settlement Class by Plaintiffs and Plaintiffs' Counsel.

WHEREFORE, Plaintiffs, on their own behalf and on behalf of the Settlement Class, and Defendant, by their duly authorized agents or counsel, have executed this Agreement and agree to the terms hereof as of the dates set forth below.

**Plaintiff Christopher Gonzales**

Dated: December 19, 2011

Christopher Gonzales  
Christopher Gonzales, as an individual and as a  
representative of the Settlement Class

**Plaintiff Marc Hoefnagels**

Dated: December \_\_, 2011

\_\_\_\_\_  
Marc Hoefnagels, as an individual and as a  
representative of the Settlement Class

**Defendant USF Reddaway Inc.**

Dated: December 19, 2011

**USF REDDAWAY INC.**

By [Signature]

**Approval As To Form And Content By Counsel**

On Behalf of Plaintiffs,  
and the Settlement Class:

Dated: December \_\_, 2011

**ACKERMAN & TILAJEF, P.C.**

By \_\_\_\_\_  
Craig Ackermann

**POLLARD/BAILEY**

By \_\_\_\_\_  
Dylan Pollard

On Behalf of Defendant:

Dated: December 19, 2011

**BAKER & HOSTETLER LLP**

By Greg Mersol (by [Signature])  
Gregory V. Mersol

**Plaintiff Christopher Gonzales**

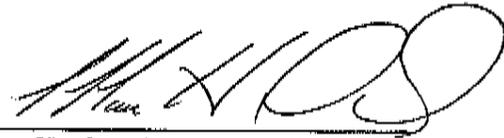
Dated: December \_\_, 2011

\_\_\_\_\_  
Christopher Gonzales, as an individual and as a representative of the Settlement Class

**Plaintiff Marc Hoefnagels**

Dated: December 21, 2011

\_\_\_\_\_  
Marc Hoefnagels, as an individual and as a representative of the Settlement Class



**Defendant USF Reddaway Inc.**

Dated: December 14, 2011

**USF REDDAWAY INC.**

By  \_\_\_\_\_

**Approval As To Form And Content By Counsel**

On Behalf of Plaintiffs,  
and the Settlement Class:

Dated: December \_\_, 2011

**ACKERMAN & TILAJEF, P.C.**

By \_\_\_\_\_  
Craig Ackermann

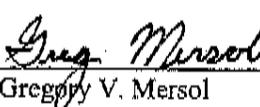
**POLLARD/BAILEY**

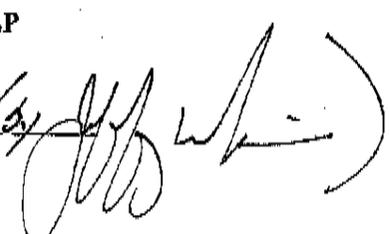
By \_\_\_\_\_  
Dylan Pollard

On Behalf of Defendant:

Dated: December 19, 2011

**BAKER & HOSTETLER LLP**

By  \_\_\_\_\_  
Gregory V. Mersol



**Plaintiff Christopher Gonzales**

Dated: December \_\_, 2011

\_\_\_\_\_  
Christopher Gonzales, as an individual and as a representative of the Settlement Class

**Plaintiff Marc Hoefnagels**

Dated: December \_\_, 2011

\_\_\_\_\_  
Marc Hoefnagels, as an individual and as a representative of the Settlement Class

**Defendant USF Reddaway Inc.**

Dated: December 14, 2011

**USF REDDAWAY INC.**

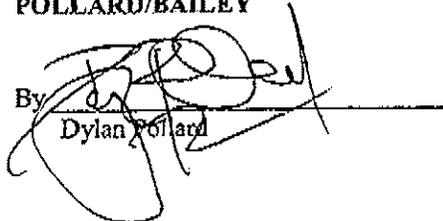
By  \_\_\_\_\_

**Approval As To Form And Content By Counsel**

On Behalf of Plaintiffs,  
and the Settlement Class:

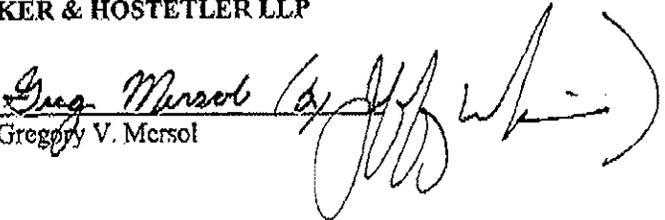
Dated: December 19, 2011

**ACKERMAN & TILAJEF, P.C.**  
By  \_\_\_\_\_  
Craig Ackermann

**POLLARD/BAILEY**  
By  \_\_\_\_\_  
Dylan Pollard

On Behalf of Defendant:

Dated: December 19, 2011

**BAKER & HOSTETLER LLP**  
By  \_\_\_\_\_  
Gregory V. Mersol

# **EXHIBIT A**

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND FAIRNESS HEARING

*in Gonzales et al. v USF Reddaway, Inc., Case Number 5:10-CV-01514-AHM-OP*

**TO: All current and former employees of USF Reddaway Inc. who were based at Reddaway’s California locations, and whose primary job responsibility at any time during the period from September 8, 2006 to December 22, 2011 consisted of hourly pickup and delivery in California by driving a truck on the road (hereinafter, a “P&D Driver”).**

*This Notice was authorized by a Court. This is not a solicitation from a lawyer.*

- Two P&D Drivers who worked for Reddaway in California brought a lawsuit alleging, among other things, that Reddaway violated meal and rest period rules, failed to provide accurate wage statements, failed to pay all wages due to former P&D Drivers on their separation of employment and failed to pay for all hours worked based on the application of automatic lunch deductions. Based on these claims, they alleged that Reddaway owes various wages and penalties to them and other P&D truck P&D Drivers.
- Reddaway strongly denies these allegations and contends that it has fully complied with the law.
- The Court has not decided whether Reddaway did anything wrong. However, the parties have reached a settlement to avoid the costs and risks of litigation, and you now have a choice to make that will affect your legal rights.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>Return Claim Form</b>	<p><b>Receive settlement funds in exchange for giving up certain rights.</b></p> <p>If you timely return the enclosed Claim Form and are eligible, you will receive a share of the settlement proceeds. You also have the right to object to the settlement. If the settlement is granted final approval by the Court, you will be bound by the settlement and you will have released the state law claims set forth in the release.</p>
<b>Request Exclusion from the Settlement</b>	<p><b>Receive no portion of the settlement proceeds. Retain rights.</b></p> <p>If you wish to be excluded from the settlement, you must submit a request for exclusion. If you submit a request, you will not be bound by the settlement and you will not receive any of the settlement money. You will also have no standing to object to the settlement, if you so desire.</p>
<b>Do Nothing</b>	<p><b>Receive no portion of the settlement proceeds. Give up certain rights.</b></p> <p>If you do not return the Claim Form and do not request exclusion, you will not receive any settlement funds. You will also have given up certain rights.</p>

- Your options are more fully explained in this notice below. The deadline to submit a claim, submit an objection or request exclusion is February 27, 2012.

**1. Why did I receive this notice?**

The records of Reddaway show that you may be entitled to share in the funds to be made available for settlement of a class action. You are not being sued and you will not be individually responsible for any of the attorney's fees or costs of the litigation as the settlement contemplates those amounts to be paid from the Settlement Fund paid by REDDAWAY. However, your rights may be affected by the legal proceedings in this action. This Notice tells of your rights to share in the settlement and, if you do not wish to participate in the settlement, your ability to instead “opt-out” of the settlement.

The Parties to the litigation signed a Joint Stipulation of Class Action Settlement Agreement (“Agreement”) that fully sets forth the details of the settlement, and you may obtain a copy of the Agreement from either the Settlement Administrator or the Plaintiffs' counsel. (Details concerning where to get additional information, including a copy of the Agreement, are provided at the end of this notice.) The proposed Agreement has been submitted to the Court, and has been preliminarily reviewed. The Court has conditionally approved a class for settlement purposes only. The settlement class (“Settlement Class”) is defined as follows:

All current and former hourly employees of USF Reddaway, Inc. (“Reddaway”) who were based at Reddaway’s California locations, and whose primary job responsibility at any time during the period from September 8, 2006 to December 22, 2011 included pickup and delivery in California by driving a truck on the road (hereinafter, a “P&D Driver”).

You have received this Notice because records indicate that you are a member of the Settlement Class. The Court must approve the terms of the settlement described below as fair and reasonable to the class. The settlement will affect all members of the class. You may get money from the class action settlement, but only if you submit a valid and timely claim form as indicated below.

**Note: Excluded from the Settlement Class are: (a) all employees hired as P&D Drivers by Reddaway after October 11, 2011; (b) line haul drivers; and (c) all P&D Drivers who entered into a written severance agreement releasing all claims against Reddaway, prior to September 8, 2010 (when the Lawsuit as described in Section 2 below, was initially filed in state court) and have not been employed by Reddaway since then.**

## 2. What is the case about?

On September 8, 2010, Christopher Gonzales and Marc Hoefnagels (“Plaintiff”), who were current or former Reddaway employees, filed a class action in the Superior Court of California, San Bernardino County. Reddaway removed the case to Federal Court. The Named Plaintiffs, individually and on behalf of all others similarly situated, allege that Reddaway violated meal and rest period laws, failed to pay wages due as a result of automatic lunch deductions, failed to provide accurate pay statements, owes waiting time penalties pursuant to the California Labor Code and Wage Orders, and engaged in unfair business practices in violation of Business & Professions Code §§ 17200 et seq. (the “Lawsuit”). Reddaway strongly denies these allegations and contends that it fully complied with the law.

## 3. What Are My Options?

You may submit a claim, request exclusion from the class, or do nothing. You also have a right to object to the settlement if you submit a claim form. The option you choose affects whether you receive settlement monies and whether you give up certain rights. These options are also summarized in the chart on the first page of this notice.

### a. How do I submit a claim?

If you timely submit a completed Claim Form, you will receive a settlement payment and you will release all claims that are released pursuant to the terms of the Settlement Agreement. As used in this Notice and the Settlement Agreement, an eligible member of the Settlement Class who submits a timely and valid Claim Form is called a “Claimant.”

In order to receive settlement monies, you must return the enclosed claim form. The Claim Form must be postmarked by February 27, 2012.

**NOTE: YOU WILL ONLY GET MONEY FROM THE SETTLEMENT IF YOU SUBMIT A VALID CLAIM FORM.**

### b. How do I request exclusion?

If you exclude yourself from the settlement, you will not receive a settlement payment and will not be subject to the terms of the Agreement.

You may exclude yourself from the proposed settlement by taking the following steps.

(1) You must complete and timely submit the enclosed Request for Exclusion Form to CPT Group, Inc. if you wish to be excluded from the settlement. The Request for Exclusion Form must contain your name, address, telephone number, last four digits of your Social Security number and must be mailed to the following address:

c/o Gonzales v. USF Reddaway, Inc.  
CPT Group, Inc.  
16630 Aston  
Irvine, CA 92606

(2) The request must be postmarked by February 27, 2012.

You cannot both exclude yourself and obtain a settlement award or object to the settlement. If you exclude yourself from the settlement, you will not receive any settlement award, even if you also submit a Claim Form, unless you also rescind your Request for Exclusion by February 27, 2012.

**c. What happens if I do nothing?**

If you do nothing (meaning you do not timely submit a completed claim form and do not exclude yourself from the settlement) you will not receive a settlement payment. However, your rights will still be governed by the terms of the Settlement Agreement, and you will waive and release your right to bring claims pursuant to the waiver and release of claims provisions of the Settlement Agreement.

**d. How do I object to the settlement?**

If you are satisfied with the proposed settlement, you do not need to appear at the hearing at which the Court will consider final approval of the settlement. If you object to the proposed settlement you must take the following steps (your failure to do so will be deemed a waiver of your objections and you will not be permitted to appear at the Fairness Hearing):

(1) You must mail a written statement (a written letter is acceptable) to all of the following: (i) to Class Counsel, Craig J. Ackermann, Esq., Ackermann & Tilajef P.C., 1180 S. Beverly Drive, Suite 610, Los Angeles, California 90035; (ii) to counsel for Reddaway, Gregory V. Mersol, Esq. and Jeffrey T. Williams, Esq., Baker & Hostetler LLP, 3200 National City Center, 1900 East 9<sup>th</sup> Street, Cleveland, OH 44114-3485; (iii) to CPT Group, Inc., 16630 Aston Street, Irvine, CA 92606; and (iv) to the Honorable A. Howard Matz, United States District Court Judge, Central District, Courtroom 14, 312 North Spring St., Los Angeles, CA 90012.

(2) The written statement MUST include: (i) a statement advising if you plan to address the Court at the hearing; (ii) a statement of your objections; and (iii) any other papers which you propose to submit to the Court, including any legal briefs or memoranda. You may appear personally, or through your own counsel, paid for at your expense.

(3) The written statement must be postmarked by February 27, 2012.

If you have satisfied the requirements set forth above, you have the right to address the Court at the hearing scheduled for April 30, 2012, at 10:00 a.m., before the Honorable A. Howard Matz, United States District Court Judge, Central District, Courtroom 14, 312 North Spring St., Los Angeles, CA 90012. For your objections to be considered, you must not also exclude yourself from the settlement.

**4. How much can I expect to receive if I submit a claim?**

**a. Summary of settlement**

The maximum sum that Reddaway will pay in connection with the settlement is One Million Dollars (\$1,000,000) ("Maximum Settlement Amount "). The maximum dollar amount that an individual class member can receive, assuming 100% participation, is estimated to be \$1,457.50. The minimum dollar amount that an individual class member could

receive, assuming 100% participation, is \$0.11 (in the event that any Settlement Class member worked only one hour during the entire Class Period). The average amount that individual class members will receive, assuming 100% participation, is estimated to be \$1,006.00. The attached Claim Form states the estimated Individual Settlement Award that you are personally eligible to claim.

Your individual settlement award will be based on the number of hours you worked as a P&D Driver for Reddaway during the Class Period, that is, from September 8, 2006 through December 22, 2011, as a pro-rata percentage of the total hours worked by all P&D Drivers during the Class Period. Time employed in non-P&D Driver positions is not included in the hours worked calculation. An estimate of the amount which you will receive (assuming the Court approves all the terms of the settlement) appears on your Claim Form. This amount may be reduced or increased, however, based upon the information contained in the Claim Forms returned, such as challenges to hours worked, decisions of the Court regarding such challenges, the number of Claimants, the number of request[s] for exclusion submitted, whether additional class members are identified or come forward, the potential reallocation of some of the unclaimed funds to Claimants and the terms of the Court's final approval order.

To the extent a you have entered into a written agreement releasing all claims (including claims covered by this settlement) against Reddaway after September 8, 2010, this Settlement shall not impair the enforceability of such release. However, the amount of the Individual Settlement Award otherwise payable to that individual shall be reduced by the amount of any consideration previously received as part of a severance package in exchange for a general release that encompassed the claims covered by this Settlement.

(1) Applicable Tax Withholding: The settlement payments shall be allocated for tax purposes as follows: (1) One-third (1/3) of each payment shall be deemed wages; and (2) Two-thirds of the payment shall be treated as penalties and interest and class members shall be issued an IRS Form 1099 for that portion of the payment. In accordance with applicable tax laws, such sums as are required to comply with tax laws shall be withheld from each Claimant's Individual Settlement Award and remitted to the appropriate taxing authorities. Portions of any Individual Settlement Award deemed to be settlement of claims for wages will be subject to withholding for income taxes and the employee-paid portion of various employment-related taxes, including Social Security, FUTA, FICA, and Medicare taxes, and will be reported with an IRS Form W-2. Defendant will pay the employer-paid portion of such taxes as required by applicable tax law and such payments will not come out of the Maximum Settlement Amount. Portions of any Individual Settlement Award deemed to be non-wage payments not subject to withholding will be reported with an IRS Form 1099. Each Settlement Class member receiving payment of an Individual Settlement Award shall receive appropriate documentation setting forth the gross total payment and the amount of any tax or other payment withheld, in addition to the employer contribution made, in accordance with applicable tax requirements. Settlement Class members shall be responsible for the tax consequences of all payments received by them, for filing returns and reporting all income received to state and federal taxing authorities, and for payment of any other applicable taxes due. Settlement Class members acknowledge and agree that Defendant has not provided and will not provide advice regarding tax obligations, and shall hold Defendant harmless and indemnify it for any liabilities, penalties, costs and expenses, including attorneys' fees, assessed or caused by any such taxing authority relating in any way to the tax treatment of the payments made pursuant to this Agreement. You should seek tax advice as any amounts you receive pursuant to the Settlement.

(2) Claimed Settlement Amount; Unclaimed Amounts: At a minimum, 60% of the funds available for distribution to members of the Settlement Class will be distributed to members of the Settlement Class. If less than 60% of the funds available for distribution are claimed, Settlement Class members who submitted valid and timely claims will receive up to 150% of their estimated amount as set forth in the attached Claim Form. If the combined total of all Claimants' awards is still less than 60% of the total available for distribution, the balance of unclaimed funds up to 60% of the PGISP shall be paid to the Pepperdine Law School Employment Mediation Clinic.

**b. Will the Named Plaintiffs receive any additional payment?**

Yes. The Court will also be asked to award an incentive payment (also called an enhancement) to the Named Plaintiffs of \$10,000.00 each (a total of \$20,000 for the two named Plaintiffs). The incentive payments will be paid from the Total Maximum Settlement, which will reduce any payment made to you as a Settlement Class Member. This incentive

payment is sought to compensate the Named Plaintiffs for their risk incurred and efforts in assisting with the prosecution of the Action on behalf of the Class Members and in return for executing a General Release of all Claims against the Released Parties, which is more broad than the release applicable to the Class Members who are not Named Plaintiffs. In exchange for this additional payment, the Named Plaintiffs are also giving up other rights in connection with their employment at Reddaway.

**c. How will the attorneys for the class be paid?**

You do not need to pay individually any portion of either the Class Counsel's or Reddaway's attorneys' fees and costs. All payments for the Class Counsel's attorneys' fees and costs will be deducted from the Total Maximum Potential Settlement, which will reduce any payment made to you as a Settlement Class Member. Class Counsel will apply to the court for approval of their attorneys' fees and costs at the hearing scheduled for April 30, 2012. The attorneys for the Class will ask for reimbursement of their costs and will ask for fees of up to 30% of the Settlement Amount remaining after costs have been deducted (i.e., the attorneys will request attorneys' fees up to \$300,000.00). The actual amount awarded will be determined by the Court to ensure that the amount of attorneys' fees and costs is reasonable. The attorneys for the Class will also seek reimbursement of up to \$30,000.00 from the Maximum Settlement Amount for their litigation costs incurred in bringing and mediating this case.

**5. What are the rights at issue in this lawsuit?**

The settlement relates to the time that you worked as a P&D Driver for Reddaway during the Class Period. If the proposed Settlement is approved, all Class Members who have not requested exclusion will have released the "Released Parties" from the "Released Claims" as defined below and will be permanently barred from suing or otherwise making a claim against any of the Released Parties that is in any way related to the Released Claims. This is more completely set forth as follows:

For purposes of this Notice and the Settlement Agreement, the "Released Claims" of the Settlement Class are defined as: All wage and hour related claims, demands, rights, liabilities, and causes of action, whether brought directly, representatively, derivatively, or in any capacity, that were or could have been asserted in the Lawsuit based upon the facts alleged therein, whether in tort, contract, statute, rule, ordinance, order, regulation, or otherwise, including state, federal, and local laws, whether for economic damages, non-economic damages, restitution, penalties, punitive damages, wages, premium payments, liquidated damages, attorneys' fees, or any other type of recovery thereon, arising out of any act, omission, transaction, or event affecting wage and hour related rights that occurred or is alleged to have occurred up to the date of this Agreement. Claims specifically included in this release without limitation are those for alleged failure to provide meal or rest breaks, alleged failure to pay for all hours worked based on the application of an "automatic lunch deduction" (including any claim for unpaid overtime, whether known or unknown, arising during the Class Period for the Class Members based on the claims reasonably related to those alleged in the Lawsuit), alleged failure to provide accurate itemized wage statements, alleged failure to provide timely pay upon termination, alleged unfair competition by means of the foregoing, and any other claims arising out of alleged failure to pay wages or penalties or for any other claims asserted in the Lawsuit. This release shall be in addition to, and not in lieu of, any release previously executed by any member of the Settlement Class.

With respect to the Released Claims, Plaintiffs and the members of the Settlement Class stipulate and agree that, upon the effective date of the settlement, all of them shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law that purports to limit the scope of a general release. Section 1542 provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

Settlement Class Members shall fully and finally release and discharge Reddaway, and each of their past, present, or future officers, directors, owners, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, attorneys, consultants, insurers, and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, and each of their company-sponsored employee benefit plans, and all of their respective officers, directors, employees, administrators, fiduciaries, trustees, and agents ("Released Parties"), from the Released Claims.

**6. Will I be subject to discipline based on whether I submit a claim?**

No. Whether you are a current or former Reddaway employee, your decision as to whether or not to submit a Claim Form will in no way affect your employment with Reddaway. **Reddaway is prohibited by law from retaliating in any way based on your decision whether or not to participate in the settlement.**

**7. Where can I get additional information?**

This Notice only summarizes this lawsuit, the Settlement, and related matters. For more information, you may inspect the Court files at the Clerk of the Court, United States District Court, Central District of California, 312 N. Spring Street, Los Angeles, California 90012, from 10:00 a.m. to 4:00 p.m., Monday through Friday, excluding any holidays or other days the Court may be closed. If you have questions about the settlement, you may also contact counsel for the class as follows:

**ACKERMANN & TILAJEF, P.C.**

Craig J. Ackerman, Esq.  
Devin Coyle, Esq.  
1180 S. Beverly Drive, Suite 610  
Los Angeles, California 90035  
Telephone: 310-277-0614  
Facsimile: 310-277-0635  
cja@laborgators.com  
devin@laborgators.com

**POLLARD/BAILEY**

Dylan Pollard, Esq.  
Matt Bailey, Esq.  
9701 Wilshire Blvd., 10<sup>th</sup> Floor  
Beverly Hills, CA 90212  
Telephone: (310) 854-7650  
Facsimile: (310) 492-9934  
dpollard@pollardbailey.com  
mbailey@pollardbailey.com

You may also contact the claims administrator as follows:

c/o Gonzales v. USF Reddaway, Inc.  
CPT Group, Inc.  
16630 Aston  
Irvine, CA 92606  
Toll Free #: (888) 819-3519

**PLEASE DO NOT TELEPHONE OR CONTACT THE COURT OR THE OFFICE OF THE CLERK (OTHER THAN TO INSPECT THE COURT FILES) FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.**

# **EXHIBIT B**

**CLAIM FORM**

**UNITED STATES DISTRICT COURT**

**FOR THE CENTRAL DISTRICT OF CALIFORNIA, EASTERN DIVISION**

*Christopher Gonzales and Marc Hoefnagels, individually and on behalf of all others similarly situated v. USF Reddaway, Inc.*

**EDCV 10-1514 AHM (OPx)**

**YOUR SETTLEMENT “CLAIM SHARE”**

According to USF Reddaway’s payroll records, you worked a total of \_\_\_\_\_ hours as a “non-exempt” P&D driver in California from September 8, 2006 through \_\_\_\_\_ [Date of Preliminary Approval].

**Based on this information, the estimated amount you will receive under the settlement is \$\_\_\_\_\_.**

**INSTRUCTIONS**

- To receive the monetary recovery above, you **must** complete, sign, date, and mail this Claim Form on or before \_\_\_\_\_, **2011**. A pre-stamped envelope has been included for your convenience. **Claim Forms which are incomplete or postmarked after this date will be rejected.**
- If you disagree that the company’s payroll records reflect the number of hours worked stated above, please review the procedures explained in Section 1\_\_\_ of the Notice and include all documents you would like the Claims Administrator to consider **with your completed Claim Form.**

---

**PLEASE COMPLETE THE FOLLOWING**

**1.** Please review the following identifying information in the left-hand column, and make any necessary changes in the right-hand column:

Claim #	Name/Address Changes (if any):
First Last	_____
Address1 Address2	_____
City, State, Zip, Country	_____
(_____) _____	(_____) _____
Area Code Telephone Number	Area Code Home Telephone Number

**[Important:** If you move, please send the Claims Administrator your new address]

**2.** By signing below, I am agreeing to provide a full and complete release of any and all “Released Claims,” as fully explained to me in Section 11 of the accompanying *Notice of Class Action Settlement*, in exchange for receipt of the benefits offered under the Settlement Agreement. I understand that by signing and submitting this Claim Form, I will be bound by all terms and conditions contained in the Settlement Agreement, as well as all Orders entered by the Court overseeing the settlement. The undersigned hereby certifies under penalty of perjury under the laws of the United States and the State of California that all of the information provided by Claimant in this Claim Form is true and correct.

Date (mm/dd/yyyy): \_\_\_\_\_  
(Must be filled in by Claimant)

\_\_\_\_\_  
Signature of Claimant

\_\_\_\_\_  
(Print Name Clearly)

**If You Have Any Questions, Please Contact The “USF Reddaway Claims Administrator” At [Telephone Number]**

# **EXHIBIT C**

**COMPLETE THIS FORM ONLY IF YOU CHOOSE TO NOT PARTICIPATE IN THIS CLASS ACTION AS A CLASS MEMBER**

**REQUEST FOR EXCLUSION FROM CLASS ACTION**

**UNITED STATES DISTRICT COURT**

**FOR THE CENTRAL DISTRICT OF CALIFORNIA, EASTERN DIVISION**

*Christopher Gonzales and Marc Hoefnagels, individually and on behalf of all others similarly situated v. USF Reddaway, Inc.*

**EDCV 10-1514 AHM (OPx)**

**INSTRUCTIONS**

- Send in this form ONLY if you wish to exclude yourself from the class action.
- If you send in this form, you will NOT participate further in the class action.
- You **must** complete, sign, date, and mail this Request For Exclusion Form on or before \_\_\_\_\_, 2011. A pre-stamped envelope has been included for your convenience. **Requests that are incomplete or postmarked after this date will be rejected.**

**PLEASE COMPLETE THE FOLLOWING**

**1.** Please review the following identifying information in the left-hand column, and make any necessary changes in the right-hand column:

Claim #	Name/Address Changes (if any):
First Last	_____
Address1 Address2	_____
City, State, Zip, Country	_____
	_____
(_____) _____	(_____) _____
Area Code Telephone Number	Area Code Home Telephone Number

Last four digits of Social Security Number: \_\_\_\_ \_

**[Important: If you move, please send the Claims Administrator your new address]**

2. I have received the notice of class action including an explanation of my right to be excluded from the class action if I wish. I do not wish to be a member of the class. I understand that by signing this form:
1. I will NOT receive any money from the settlement;
  2. I will not be represented by the attorneys for the class members;
  3. I may pursue at my own expense whatever claims I may have against the Defendant named in the case; and
  4. I understand that I am responsible for any claim that I might file, and that claim will be subject to any defenses that the Defendant may have.
3. Having read this Request for Exclusion and the Notice, I wish to be excluded from the class.

Date (mm/dd/yyyy): \_\_\_\_\_  
(Must be filled in by Claimant)

\_\_\_\_\_  
Signature of Claimant

\_\_\_\_\_  
(Print Name Clearly)

**If You Have Any Questions, Please Contact The “USF Reddaway Claims Administrator” At [Telephone Number]**