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**Class Counsel**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

ROBERT MENDEZ, an individual, ) Case No.: CV112478CW  
RANDY J. MARTINEZ, an individual, ) Action Filed: May 20, 2011  
ANTHONY A. HARANG, an individual, ) Judge: Hon. Claudia Wilken  
KEVIN JOHNSON, SR., an individual on ) Department: 2  
behalf of all others similarly situated and the )  
general public, )

**STIPULATION OF CLASS ACTION  
SETTLEMENT**

Plaintiffs,

v.

1 R+L CARRIERS, INC., )  
2 a Corporation, R+L CARRIERS SHARED )  
3 SERVICES, LLC, a Corporation, and DOES )  
4 1-10, )  
5 Defendants. )

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6 Class Representatives Robert Mendez and Randy Martinez, individually and behalf of  
7 all others similarly situated, on the one hand, and Defendants R+L Carriers, Inc. and R+L  
8 Carriers Shared Services, LLC, on the other hand, and subject to the approval of the Court, by  
9 and through their counsel of record, agree to resolve the above-captioned case through this  
10 Settlement Agreement and Joint Stipulation.

11 **DEFINITIONS**

12 1. "Action" means Robert Mendez, et al. v. R+L Carriers, Inc., and R+L  
13 Carriers Shared Services, LLC., United States District Court for the Northern District of  
14 California, case no. CV 11-02478 CW.

15 2. "Class Counsel" means Thomas W. Falvey, J.D. Henderson and Michael  
16 H. Boyamian of the Law Offices of Thomas W. Falvey, and Michael S. Morrison of  
17 Alexander Krakow + Glick LLP.

18 3. "Class Counsels' fees and costs" means attorneys' fees for Class Counsels'  
19 litigation and resolution of this Action, and their expenses and costs incurred in connection  
20 with this Action.

21 4. "Class Information" means information regarding Class Members that  
22 Defendants will in good faith compile from its records and provide to the Settlement  
23 Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each  
24 Class Member's full name; last known address; last known home telephone number; Social  
25 Security Number; status as a Current or Former employee; and Compensable Workweeks.

26 6. "Class Period" means the period from May 20, 2007 to Preliminary  
27 Approval of the Settlement.

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1           7.       "Class Representative Service Award" means the amount that the Court  
2 authorizes to be paid to Class Representatives Robert Mendez and Randy Martinez, in addition  
3 to their Individual Settlement Payment, in recognition of their efforts and risks in assisting with  
4 the prosecution of the Action and in return for executing a mutual General Release with  
5 Defendants.

6           8.       "Court" means the United States District Court for the Northern  
7 District of California.

8           9.       "Defendants" means R+L Carriers, Inc. and R+L Carriers Shared  
9 Services, LLC and their affiliated and related companies and business concerns (to the  
10 extent such affiliated and related companies and business concerns employed any Class  
11 Members by, through, for, or with R+L Carriers, Inc. and R+L Carriers Shared  
12 Services, LLC), its parents, members, subsidiaries, past and present, and each of them,  
13 as well as each of their insurers, partners, trustees, directors, shareholders, officers,  
14 agents, attorneys, servants and employees, past and present, and each of them.

15          10.       "Effective Date" means the date upon which the Court grants final  
16 approval of Settlement if no Class Members file objections to the Settlement or if all  
17 objections to the Settlement are withdrawn or overruled. However, if an objection is  
18 filed and not withdrawn or overruled, the Effective Date shall be the later of: (a) thirty  
19 (30) days after the Court grants final approval of the Settlement if no appeal is initiated  
20 by an objector, or (b) the date of termination of such appellate proceedings.

21          11.       "Individual Settlement Payment" means the amount payable from the Net  
22 Settlement Amount to all Class Members.

23          12.       "Gross Settlement Amount" means \$9,500,000, the total settlement value for  
24 all damages, penalties, interest, Class Representatives' attorneys' fees and costs (Class  
25 Counsels' fees and costs), costs of administration of the settlement, payment to the LWDA,  
26 and Service Award to the Class Representative.

27          13.       "LWDA" means Labor and Workforce Development Agency.

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1           14. "Net Settlement Amount" means the Gross Settlement Amount, less Class  
2 Counsels' fees and costs, Class Representative Service Award, payment to the LWDA, and  
3 Settlement Administrator Costs.

4           15. "Notice Packet" means the Notice of Pendency of Class Action Settlement  
5 (substantially in the form attached as Exhibit 1), exclusion form (substantially in the form  
6 attached as Exhibit 2), and self-addressed postage-paid envelope.

7           16. "Parties" means Class Representatives and Defendants, collectively, and  
8 "Party" shall mean either Class Representatives or Defendants, individually.

9           17. "Payment Ratio" means the respective Compensable Workweeks for each  
10 Class Member divided by the total Compensable Workweeks for all Class Members.

11           18. "Compensable Workweeks" means an estimate of weeks worked by Class  
12 Members during the Class Period based on Defendants' records and used as a value to  
13 calculate Individual Settlement Payments.

14           19. "Class Representatives" means Robert Mendez and Randy Martinez.

15           20. "Released Claims" means: (a) all claims, causes of action, damages, restitution,  
16 penalties and other relief based on the allegations of wrongdoing which, based on the facts  
17 plead, were alleged or could have been alleged in the complaint for violations of any state or  
18 federal laws (including but not limited to the California Labor Code and the Fair Labor  
19 Standards Act (29 U.S.C. §§201, et seq.), Wage Order No. 9, California's Unfair Business  
20 Practices law, and California's Private Attorney General Act, or any other claims in law or  
21 equity, to the extent the claims, causes of action, damages, restitution, penalties, and other  
22 relief arose out of alleged failure to pay minimum wage, violation of Labor Code §204, failure  
23 to provide meal or rest periods, or, failure to provide accurate itemized wage statements, and  
24 (b) all claims for interest, attorneys' fees, costs and penalties that are derivative of the claims,  
25 causes of action, damages, restitution, penalties, or other relief released under clause (a) of this  
26 paragraph that arose during the Class Period.

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1           30.     WHEREAS the Parties have conducted significant investigation and discovery  
2 concerning the facts and law during the prosecution of the Action;

3           31.     WHEREAS discovery and investigation have included the production of  
4 voluminous payroll records, employee schedules and daily department attendance records, ,  
5 numerous meetings and conferences between representatives of the Parties, interviews of  
6 potential witnesses, the deposition of Class Representatives; the deposition of Defendants,  
7 Defendants' officers and managers; and a heavily-contested class certification motion that  
8 resulted in class certification;

9           32.     WHEREAS the Class Representatives and Class Counsel have concluded,  
10 based upon their independent investigation and evaluation, and taking into account the sharply  
11 contested and disputed legal and factual issues involved, the expense and time necessary to  
12 prosecute the Action through trial and possible appeals, the risks, uncertainty and costs of  
13 further prosecution of the Action, the uncertainties of complex litigation, and the relative  
14 benefits to be conferred upon the Class Members pursuant to this Settlement, that a settlement  
15 with Defendants for the consideration and on the terms set forth herein is fair, reasonable,  
16 adequate, and in the best interests of the Class as a whole, and they have agreed to settle the  
17 Action on the terms set forth herein;

18           33.     WHEREAS, Defendants desire to settle the Action and the claims asserted in the  
19 Action on the terms and conditions set forth in this Stipulation, without any admission of  
20 liability, for the purposes of avoiding the burden, distraction, expense and uncertainty of  
21 protracted litigation and of putting to rest the controversies raised by the Action;

22           34.     WHEREAS a class consisting of the Class Members was certified on November  
23 19, 2012, and a trial of the Action has been scheduled for June 9, 2014;

24           35.     WHEREAS Class Counsel and Defense Counsel have engaged in extensive  
25 arms-length negotiations on multiple occasions, with the assistance of Steve Serratore, Esq., an  
26 experienced mediator, concerning the settlement of the claims asserted in the Action, which  
27 ultimately resulted in this Settlement.

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1 **TERMS OF AGREEMENT**

2 36. Release As To All Class Members. As of the Effective Date, the Class Members,  
3 including Class Representatives, release Defendants from the Released Claims for the Class  
4 Period.

5 37. With respect to the Released Claims, the Class Members, including the Class  
6 Representatives, release the Defendants from the Released Claims during the Class Period.

7 With respect only to the Released Claims, the Class Members stipulate and agree that, upon the  
8 Effective Date, the Settlement Class Members shall be deemed to have, and by operation of the  
9 Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by  
10 law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any  
11 other similar provision under federal or state law, which Section provides:

12 A general release does not extend to claims which  
13 the creditor does not know or suspect to exist in his or her favor  
14 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.

15 The Class Members may hereafter discover facts in addition to or different from those  
16 they now know or believe to be true with respect to the subject matter of the Released Claims,  
17 but upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment  
18 shall have, fully, finally, and forever settled and released any and all of the Released Claims,  
19 whether known or unknown, suspected or unsuspected, contingent or non-contingent, which  
20 now exist, or heretofore have existed, upon any theory of law or equity now existing or coming  
21 into existence in the future.

22 In addition to the Released Claims, the Class Representatives release any and all claims,  
23 known or unknown, contingent or accrued, including under California Civil Code §1542, against  
24 Defendants. This additional release for the Class Representatives includes, but is not limited to,  
25 a waiver of all claims for compensation, wages, reimbursement, claims under the Fair  
26 Employment and Housing Act, the Americans with Disabilities Act, and Title VII of the Civil  
27 Rights Act of 1964.

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1           38.   Tax Liability. The Parties make no representations as to the tax treatment or  
2 legal effect of the payments called for hereunder, and Class Members are not relying on any  
3 statement or representation by the Parties in this regard. Class Members understand and agree  
4 that they will be responsible for the payment of taxes and penalties assessed on the payments  
5 described herein and will hold the Parties free and harmless from and against any claims  
6 resulting from treatment of such payments as nontaxable damages, including the treatment of  
7 such payment as not subject to withholding or deduction for payroll and employment taxes.  
8 R+L Carriers Shared Services, LLC shall be responsible for paying their share of employer  
9 payroll related taxes. The employer's share of payroll related taxes shall not come out of the  
10 settlement fund.

11           39.   Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this  
12 section, the "acknowledging party" and each Party to this Agreement other than the  
13 acknowledging party, an "other party") acknowledges and agrees that (1) no provision of this  
14 Agreement, and no written communication or disclosure between or among the Parties or their  
15 attorneys and other advisers, is or was intended to be, nor shall any such communication or  
16 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of  
17 United States Treasury Department circular 230 (31 cfr part 10, as amended); (2) the  
18 acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and  
19 tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not  
20 entered into this Agreement based upon the recommendation of any other party or any  
21 attorney or advisor to any other party, and (c) is not entitled to rely upon any communication  
22 or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be  
23 imposed on the acknowledging party; and (3) no attorney or adviser to any other party has  
24 imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax  
25 strategies (regardless of whether such limitation is legally binding) upon disclosure by the  
26 acknowledging party of the tax treatment or tax structure of any transaction, including any  
27 transaction contemplated by this agreement.

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1           40.   Preliminary Approval of Settlement. The Class Representatives will request the  
2 Court to grant preliminary approval of this class action Settlement, and to set a date for a final  
3 approval hearing. The proposed Order shall provide for the Notice Packet to be sent to  
4 Settlement Class Members as specified herein.

5           41.   Settlement Administration. Within four (4) calendar days after the Court grants  
6 preliminary approval of this Agreement, R+L Carriers Shared Services, LLC shall provide the  
7 Settlement Administrator with the Class Information for purposes of mailing Notice Packets to  
8 Class Members.

9           a.    Notice By First Class U.S. Mail. Upon receipt of the Class  
10 Information, the Settlement Administrator will perform a search based on the  
11 National Change of Address Database to update and correct any known or  
12 identifiable address changes. Within ten (10) calendar days after receiving the  
13 Class Information from Defendants as provided herein, the Settlement  
14 Administrator shall mail copies of the Notice Packet, to all Class Members via  
15 regular First Class U.S. Mail. The Settlement Administrator shall exercise its  
16 best judgment to determine the current mailing address for each Class  
17 Member. The address identified by the Settlement Administrator as the  
18 current mailing address shall be presumed to be the best mailing address for  
19 each Class Member.

20           i.    Undeliverable Notices. Any Notice Packets returned to the  
21 Settlement Administrator as non-delivered on or before the  
22 Response Deadline shall be re-mailed to the forwarding address  
23 affixed thereto. If no forwarding address is provided, the  
24 Settlement Administrator shall promptly attempt to determine a  
25 correct address by use of skip-tracing, or other search using the  
26 name, address and/or Social Security number of the Class  
27 Member involved, and shall then perform a re-mailing, if another  
28 mailing address is identified by the Settlement Administrator.

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Class Members who receive a re-mailed Notice Packet shall have their Response Deadline extended fifteen (15) days from the original Response Deadline.

b. No Claims for Class Members. Class Members are not required to submit Claim Forms to receive their respective Individual Settlement Payments from the Net Settlement Amount. Class Members will automatically receive their estimated Individual Settlement Payments if they do not request to be excluded from the Settlement.

c. Class Notice: The Class Notice shall include instructions on how to submit a request for exclusion, shall list employment dates and Compensable Workweeks for each respective Class Member, and shall notify Class Members of the Response Deadline.

i. Disputes Regarding Administration of Settlement.  
Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court, under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

d. Exclusions. The Notice Packet shall state that Class Members who wish to exclude themselves from the Settlement must submit a request for exclusion by the Response Deadline. The request for exclusion: (1) must contain the name, address, telephone number and the last four digits of the Social Security number of the person requesting exclusion; (2) must be signed by the Class Member; and (3) must be postmarked or fax stamped by the Response Deadline and returned to the Settlement Administrator at the specified address or fax telephone number. The date of the postmark on the return mailing envelope or fax stamp on the request for exclusion shall be the exclusive means used to

1 determine whether a request for exclusion has been timely submitted. Any Class  
2 Member who requests to be excluded from the Class will not be entitled to any  
3 recovery under the Settlement and will not be bound by the terms of the  
4 Settlement or have any right to object, appeal or comment thereon. Class  
5 Members who receive a Notice Packet but fail to submit a valid and timely  
6 request for exclusion on or before the Response Deadline shall be bound by all  
7 terms of the Settlement and any Final Judgment entered in this Action if the  
8 Settlement is approved by the Court. No later than five (5) calendar days after  
9 the Response Deadline, the Settlement Administrator shall provide counsel for  
10 the Parties with a complete list of all members of the Class who have timely  
11 submitted requests for exclusion.

12 e. Objections. The Notice Packet shall state that Class Members who wish  
13 to object to the Settlement must file with the Court and serve on all Parties a  
14 written statement of objection ("Notice of Objection") by the Response  
15 Deadline. The date of filing and the date on the proof of service shall be deemed  
16 the exclusive means for determining that a Notice of Objection was filed and  
17 served timely. The Notice of Objection must be signed by the Class Member  
18 and state: (1) the full name of the Class Member; (2) the dates of employment of  
19 the Class Member; (3) the last four digits of the Class Member's Social Security  
20 number and/or the Employee ID number; (4) the basis for the objection; and, (5)  
21 if the Class Member intends to appear at the final approval hearing. Class  
22 Members who fail to make objections in the manner specified above shall be  
23 deemed to have waived any objections and shall be foreclosed from making any  
24 objections (whether by appeal or otherwise) to the Settlement. Class Members  
25 who submit a timely Notice of Objection will have a right to appear at the final  
26 approval hearing in order to have their objections heard by the Court. At no time  
27 shall any of the Parties or their counsel seek to solicit or otherwise encourage  
28 Class Members to file or serve written objections to the Settlement or appeal

1 from the Order granting final approval and/or Final Judgment. Class Counsel  
2 shall not represent any Class Members with respect to any such objections.

3 f. No Solicitation of Settlement Objections or Exclusions. The  
4 Parties agree to use their best efforts to carry out the terms of this Settlement.  
5 At no time shall any of the Parties or their counsel seek to solicit or otherwise  
6 encourage Class Members to submit either written objections to the Settlement  
7 or requests for exclusion from the Settlement, or to appeal from the Court's  
8 Final Judgment.

9 42. Funding and Allocation of Gross Settlement Amount. This is a non-reversionary  
10 Settlement in which Defendants are required to pay the entire Gross Settlement Amount as  
11 Individual Settlement Payments, Class Representative Service Awards, Class Counsels' fees  
12 and costs (as awarded by the Court), payment to the LWDA and the Settlement Administration  
13 Costs, as specified in this Agreement. No portion of the Gross Settlement Amount will revert to  
14 Defendants. R+L Carriers Shared Services, LLC's share of payroll taxes and other required  
15 withholdings from Individual Settlement Payments, including but not limited to R+L Carriers  
16 Shared Services, LLC's FICA and FUTA contributions, shall be paid separate from and in  
17 addition to the Gross Settlement Amount. Within fourteen (14) days after the Effective Date,  
18 Defendants shall provide to the Settlement Administrator the full amount of the Gross  
19 Settlement Amount and the employer's share of taxes to fully fund the Settlement.

20 a. Individual Settlement Payments. Individual Settlement  
21 Payments will be paid from the Net Settlement Amount and shall be paid  
22 pursuant to the settlement formula set forth herein. Individual Settlement  
23 Payments shall be mailed by regular First Class U.S. Mail to Class Members'  
24 last known mailing addresses within ten (10) calendar days after Defendants  
25 provide funds to the Settlement Administrator for disbursement under this  
26 Agreement. Individual Settlement Payments will be allocated as follows: forty  
27 percent (40%) as wages; forty percent (40%) as interest; and twenty percent  
28 (20%) as penalties. Any checks issued to Class Members shall remain valid

1 and negotiable for one hundred and eighty (180) days from the date of their  
2 issuance. After that time, any such unclaimed checks will be remitted to the  
3 California Department of Industrial Relations Unclaimed Wages Fund.

4 i. Calculation of Individual Settlement Payments. The Payment  
5 Ratio and proportionate distribution will be calculated for each Class  
6 Member based on Compensable Workweeks; Defendants will calculate  
7 the total Compensable Workweeks for all Class Members. The  
8 respective Compensable Workweeks for each Class Member will be  
9 divided by the total Compensable Workweeks for all Class Members,  
10 resulting in the Payment Ratio for each Class Member. Each Class  
11 Member's Payment Ratio is then multiplied by the Net Settlement  
12 Amount to determine his or her estimated Individual Settlement  
13 Payment.

14 ii. Each Individual Settlement Payment will be reduced by any  
15 legally mandated employee tax deductions (e.g., payroll taxes, etc.), for  
16 each Class Member. However, R+L Carriers Shared Services, LLC's  
17 share of payroll taxes and other required withholdings from Individual  
18 Settlement Payments, including but not limited to R+L Carriers Shared  
19 Services, LLC's FICA and FUTA contributions, shall be paid separately  
20 from the Gross Settlement Amount.

21 b. Class Representative Service Award. Subject to Court approval, in  
22 exchange for the release of all Released Claims and for their time and effort in  
23 bringing and prosecuting this matter, Class Representatives shall be paid up to  
24 ten thousand dollars each (\$10,000). The Class Representative Service Award  
25 shall be paid to Class Representatives Robert Mendez and Randy Martinez from  
26 the Gross Settlement Amount no later than ten (10) calendar days after  
27 Defendants provide funds to the Settlement Administrator for disbursement  
28 under this Agreement. The Settlement Administrator shall issue an IRS Form

1 1099 — MISC to Robert Mendez and Randy Martinez for their Class  
2 Representative Service Award. Mendez and Martinez shall be solely and legally  
3 responsible to pay any and all applicable taxes on their respective Class  
4 Representative Service Award and shall hold harmless Defendants and Class  
5 Counsel from any claim or liability for taxes, penalties, or interest arising as a  
6 result of the Class Representative Service Award. The Class Representative  
7 Service Award shall be in addition to the Individual Settlement Payments the  
8 Class Representatives would each receive as a Class Member. Any amount  
9 requested by Class Representatives for the Class Representative Service Award  
10 and not granted by the Court shall return to the Net Settlement Amount and be  
11 distributed as provided in this Agreement. The Class Representatives will also  
12 sign a release of any and all claims, known or unknown, contingent or accrued,  
13 including a Civil Code § 1542 release, against Defendants.

14 c. Class Counsels' Fees and Costs. Defendants agree not to oppose or object  
15 to any application or motion by Class Counsel for attorneys' fees not to exceed  
16 1/3<sup>rd</sup> of the Gross Settlement Amount, which is \$3,166,666.65. Class Counsel  
17 have separately stipulated to a fee splitting agreement. Defendants further agree  
18 not to oppose any application or motion by Class Counsel for the reimbursement  
19 of any costs or expenses associated with Class Counsels' prosecution of this  
20 matter from the Gross Settlement Amount. So long as there are no objections,  
21 Class Counsel shall be paid any Court-approved fees and costs, including any  
22 interest accrued thereon, no later than ten (10) calendar days after Defendants  
23 provide funds to the Settlement Administrator for disbursement under this  
24 Agreement. Class Counsel shall be solely and legally responsible to pay all  
25 applicable taxes on the payment made pursuant to this paragraph. The  
26 Settlement Administrator shall issue an IRS Form 1099 — MISC to Class  
27 Counsel for the payments made pursuant to this paragraph. This Settlement is  
28 not contingent upon the Court awarding Class Counsel any particular amount in

1 attorneys' fees and costs. Any amount requested by Class Counsel for the Class  
2 Counsel Award and not granted by the Court shall return to the Net Settlement  
3 Amount and shall be distributed as provided in this Agreement.

4 d. Settlement Administration Costs. The settlement administrator shall be  
5 paid for the costs of administration of the Settlement from the Gross Settlement  
6 Amount. The estimate of such costs of administration for the disbursement of  
7 the Gross Settlement Amount is approximately Thirteen Thousand Dollars  
8 (\$13,000). Prior to the filing of a motion for final approval of this Settlement,  
9 the Settlement Administrator shall provide the Parties with a statement detailing  
10 the costs of administration of the Final Settlement Payment. The Settlement  
11 Administrator, on Defendants' behalf, shall have the authority and obligation to  
12 make payments, credits and disbursements, including payments and credits in  
13 the manner set forth herein, to Class Members calculated in accordance with the  
14 methodology set out in this Agreement and orders of the Court. The Parties  
15 agree to cooperate in the Settlement Administration process and to make all  
16 reasonable efforts to control and minimize the cost and expenses incurred in  
17 administration of the Settlement.

18 i. The Parties each represent they do not have any financial interest  
19 in the Settlement Administrator or otherwise have a relationship with  
20 the Settlement Administrator that could create a conflict of interest.

21 ii. The Settlement Administrator shall be responsible for: processing  
22 and mailing payments to Class Representatives, Class Counsel, and  
23 Class Members; printing, translating and mailing the Notice Packets and  
24 tax forms to Class Members as directed by the Court; receiving and  
25 reporting the requests for exclusion submitted by Class Members;  
26 providing declaration(s) as necessary in support of preliminary and/or  
27 final approval of this Settlement; and other tasks as the Parties mutually  
28 agree or the Court orders the Settlement Administrator to perform. The

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Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities.

iii. The Settlement Administrator shall be paid the Settlement Administration Costs no later than ten (10) calendar days after Defendants provide funds to the Settlement Administrator for disbursement under this Agreement.

e. Payment to LWDA. \$26,666.67 from the Gross Settlement Amount will be allocated to penalties under the Private Attorneys General Act of 2005. 75% of that allocation (\$20,000) will be paid to the LWDA and 25% (\$6,666.67) will remain as part of the Net Settlement Amount for payment to Settlement Class Members.

f. No person shall have any claim against Defendants, Defense Counsel, Class Representatives, Settlement Class Members, Class Counsel or the Settlement Administrator based on distributions and payments made in accordance with this Agreement.

43. Pro-Rata Increase of Maximum Settlement Fund Based on Settlement Class Size. Defendant's best estimate of the Settlement class size is 505 Settlement Class Members. If the actual Settlement class size is more than 581 Settlement Class Members, Defendants shall be required to contribute additional money to the Gross Settlement Amount on a pro rata basis.

44. Option to Terminate Settlement. If, after the Response Deadline and before the final approval hearing, the number of individuals who submitted timely and valid requests for exclusion from the Settlement equals ten percent (10%) or more of all potential Class Members, Defendants shall have, in its sole discretion, the option to terminate this Settlement.

45. Final Settlement Approval Hearing and Entry of Final Judgment. Upon expiration of the Response Deadline, with the Court's permission, a final approval hearing shall be conducted to determine final approval of the Settlement along with the amount properly payable for (i) the Class Counsel Award, (ii) the Class Representative Service



1 Award, (iii) Individual Settlement Payments, (iv) payment to the LWDA, and (v) the  
2 Settlement Administration Costs.

3 46. Nullification of Settlement Agreement. In the event: (i) the Court does not  
4 enter the Order for preliminary approval of the Settlement; (ii) the Court does not finally  
5 approve the Settlement; (iii) the Court does not enter a Final Judgment as provided herein; or  
6 (iv) the Settlement does not become final for any other reason, this Settlement Agreement  
7 shall be null and void and any order or judgment entered by the Court in furtherance of this  
8 Settlement shall be treated as void from the beginning. In such a case, the Parties and any  
9 funds to be awarded under this Settlement shall be returned to their respective statuses as of  
10 the date and time immediately prior to the execution of this Agreement, and the Parties shall  
11 proceed in all respects as if this Agreement had not been executed. In the event an appeal is  
12 filed from the Court's Final Judgment, or any other appellate review is sought, administration  
13 of the Settlement shall be stayed pending final resolution of the appeal or other appellate  
14 review, but any fees incurred by the Settlement Administrator prior to it being notified of the  
15 filing of an appeal from the Court's Final Judgment, or any other appellate review, shall be  
16 paid to the Settlement Administrator by Defendants within thirty (30) days of said  
17 notification.

18 47. No Effect on Employee Benefits. Amounts paid to Class Representatives or  
19 other Class Members pursuant to this Agreement shall be deemed not to be pensionable  
20 earnings and shall not have any effect on the eligibility for, or calculation of, any of the  
21 employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of Class  
22 Representatives or Class Members.

23 48. No Admission By the Parties. Defendants deny any and all claims alleged in  
24 this Action and deny all wrongdoing whatsoever. This Agreement is not a concession or  
25 admission, and shall not be used against Defendants as an admission or indication with  
26 respect to any claim of any fault, concession or omission by Defendants.

27 49. Exhibits and Headings. The terms of this Agreement include the terms set forth  
28 in attached Exhibits 1 and 2 which are incorporated by this reference as though fully set

1 forth herein. The Exhibits to this Agreement are an integral part of the Settlement. The  
2 descriptive headings of any paragraphs or sections of this Agreement are inserted for  
3 convenience of reference only and do not constitute a part of this Agreement.

4 50. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the  
5 Action, except such proceedings necessary to implement and complete the Settlement,  
6 pending the Final Approval Hearing to be conducted by the Court.

7 51. Amendment or Modification. This Agreement may be amended or modified  
8 only by a written instrument signed by counsel for all Parties or their successors-in-interest.

9 52. Entire Agreement. This Agreement and any attached Exhibits constitute the  
10 entire Agreement among these Parties, and no oral or written representations, warranties or  
11 inducements have been made to any Party concerning this Agreement or its Exhibits other  
12 than the representations, warranties and covenants contained and memorialized in the  
13 Agreement and its Exhibits.

14 53. Authorization to Enter Into Settlement Agreement. Counsel for all Parties  
15 warrant and represent they are expressly authorized by the Parties whom they represent to  
16 negotiate this Agreement and to take all appropriate actions required or permitted to be taken  
17 by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other  
18 documents required to effectuate the terms of this Agreement. The Parties and their counsel  
19 will cooperate with each other and use their best efforts to effect the implementation of the  
20 Settlement. In the event the Parties are unable to reach agreement on the form or content of  
21 any document needed to implement the Settlement, or on any supplemental provisions that  
22 may become necessary to effectuate the terms of this Settlement, the Parties may seek the  
23 assistance of the Court to resolve such disagreement. The persons signing this Agreement on  
24 behalf of Defendants represent and warrant that they are authorized to sign this Agreement on  
25 behalf of Defendants. Each Class Representative represents and warrants that he is authorized  
26 to sign this Agreement and that he has not assigned any claim, or part of a claim, covered by  
27 this Settlement to a third-party.

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1           54.     Binding on Successors and Assigns. This Agreement shall be binding  
2 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as  
3 previously defined.

4           55.     California Law Governs. All terms of this Agreement and the Exhibits hereto  
5 shall be governed by and interpreted according to the laws of the State of California.

6           56.     Counterparts. This Agreement may be executed in one or more counterparts.  
7 All executed counterparts and each of them shall be deemed to be one and the same  
8 instrument.

9           57.     This Settlement Is Fair, Adequate and Reasonable. The Parties believe this  
10 Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at  
11 this Settlement after extensive arms-length negotiations, taking into account all relevant  
12 factors, present and potential.

13           58.     Jurisdiction of the Court. The Court shall retain jurisdiction with respect to the  
14 interpretation, implementation and enforcement of the terms of this Agreement and all orders  
15 and judgments entered in connection therewith, and the Parties and their counsel hereto  
16 submit to the jurisdiction of the Court for purposes of interpreting, implementing and  
17 enforcing the settlement embodied in this Agreement and all orders and judgments entered in  
18 connection therewith.

19           59.     Invalidity of Any Provision. Before declaring any provision of this Agreement  
20 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent  
21 possible consistent with applicable precedents so as to define all provisions of this  
22 Agreement valid and enforceable.

23           60.     Waiver of Certain Appeals. The Parties agree to waive appeals and to  
24 stipulate to class certification for purposes of this settlement only. Provided, however,  
25 that Class Representatives or Class Counsel may appeal any reduction in Class Counsels'  
26 fees and costs.

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IT IS SO STIPULATED:

DATED: PLAINTIFF

By: \_\_\_\_\_  
ROBERT MENDEZ

DATED: PLAINTIFF

By: \_\_\_\_\_  
RANDY MARTINEZ

DATED: DEFENDANT

By: \_\_\_\_\_  
R+L CARRIERS SHARED SERVICES,  
LLC  
TITLE: ASSOCIATE GENERAL  
COUNSEL

DATED: DEFENDANT

By: \_\_\_\_\_  
R+L CARRIERS, INC.  
TITLE: ASSOCIATE GENERAL  
COUNSEL

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DATED:

LAW OFFICES OF THOMAS W. FALVEY  
ALEXANDER KRAKOW + GLICK LLP

By: \_\_\_\_\_  
Thomas W. Falvey  
Marvin E. Krakow  
Michael Morrison  
J.D. Henderson  
Michael H. Boyamian  
Class Counsel

DATED:

WILSON, ELSER, MOSKOWITZ,  
EDELMAN & DICKER LLP

By: \_\_\_\_\_  
David S. Eisen  
Diana M. Estrada  
Attorneys for Defendants  
R+L CARRIERS SHARED SERVICES,  
LLC and R+L CARRIERS, INC.

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IT IS SO STIPULATED:

DATED:  
12-9-13

PLAINTIFF

By:   
ROBERT MENDEZ

DATED:

PLAINTIFF

By: \_\_\_\_\_  
RANDY MARTINEZ

DATED:

DEFENDANT

By: \_\_\_\_\_  
R+L CARRIERS SHARED SERVICES,  
LLC  
TITLE: ASSOCIATE GENERAL  
COUNSEL

DATED:

DEFENDANT

By: \_\_\_\_\_  
R+L CARRIERS, INC.  
TITLE: ASSOCIATE GENERAL  
COUNSEL

1 IT IS SO STIPULATED:

2 DATED:

PLAINTIFF

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By: \_\_\_\_\_  
ROBERT MENDEZ

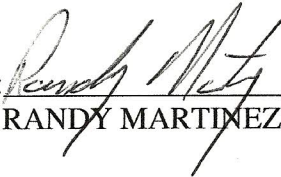
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6 DATED: 12-8-13

PLAINTIFF

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By:   
RANDY MARTINEZ

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DATED:

DEFENDANT

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By: \_\_\_\_\_  
R+L CARRIERS SHARED SERVICES,  
LLC  
TITLE: ASSOCIATE GENERAL  
COUNSEL

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DATED:

DEFENDANT

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By: \_\_\_\_\_  
R+L CARRIERS, INC.  
TITLE: ASSOCIATE GENERAL  
COUNSEL

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IT IS SO STIPULATED:

DATED:

PLAINTIFF

By: \_\_\_\_\_  
ROBERT MENDEZ

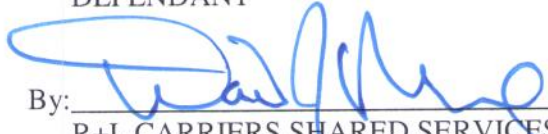
DATED:

PLAINTIFF

By: \_\_\_\_\_  
RANDY MARTINEZ

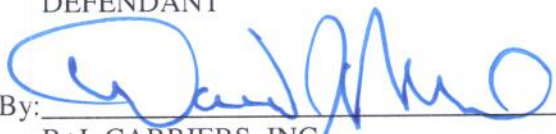
DATED: 12-5-13

DEFENDANT

By:  \_\_\_\_\_  
R+L CARRIERS SHARED SERVICES,  
LLC  
TITLE: ASSOCIATE GENERAL  
COUNSEL

DATED: 12-5-13

DEFENDANT

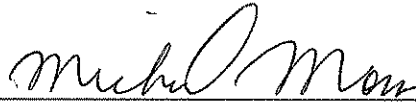
By:  \_\_\_\_\_  
R+L CARRIERS, INC  
TITLE: ASSOCIATE GENERAL  
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DATED: *December 5, 2013*

LAW OFFICES OF THOMAS W. FALVEY  
ALEXANDER KRAKOW + GLICK LLP

By: 

Thomas W. Falvey  
Marvin E. Krakow  
Michael Morrison  
J.D. Henderson  
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Class Counsel

DATED:

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EDELMAN & DICKER LLP

By: \_\_\_\_\_

David S. Eisen  
Diana M. Estrada  
Attorneys for Defendants  
R+L CARRIERS SHARED SERVICES,  
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DATED:

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By: \_\_\_\_\_

Thomas W. Falvey  
Marvin E. Krakow  
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Michael H. Boyamian  
Class Counsel

DATED: 12/5/2013

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