

NOTICE OF CLASS ACTION SETTLEMENT

Bermudez v. Shannon Bros. Co. et al.
Superior Court of the State of California
County of Tulare, Case No. VCU301866

You are not being sued. This is a Court-approved notice that affects your rights. Please read it carefully.

The purpose of this notice is to let you know of a proposed settlement (the “Settlement”) that has been reached in a class and representative action that is pending in the Superior Court for the County of Tulare. The lawsuit was filed by Alejandro Bermudez (“Plaintiff”) against Shannon Bros. Co. and SBC Logistics, Inc. (“Defendants”) (collectively, Plaintiff and Defendant are referred to as the “Parties”), entitled *Bermudez v. Shannon Bros. Co., et al.*, Tulare County Superior Court Case No. VCU301866 (the “Lawsuit”).

In the Lawsuit, Plaintiff seek to represent: (1) all current and former non-exempt employees of Defendants in California employed during the period from January 22, 2022, through June 28, 2025 (“Class Members”); and, with respect to representative claims asserted under the California Private Attorneys General Act (“PAGA”), (2) all current and former non-exempt employees of Defendants in California from January 22, 2022, through January 9, 2026 (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a “Class Settlement” requiring Defendants to fund Individual Class Payments, and (2) a “PAGA Settlement” requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

The Court granted preliminary approval of the Parties’ settlement on January 29, 2026, and has scheduled a hearing on September 24, 2026, at 8:30 a.m. (the “Final Approval Hearing”) to determine whether or not to grant final approval of the Settlement. **Your legal rights may be affected, and you have a choice to make now.**

1. WHAT ARE MY OPTIONS?	
DO NOTHING	Receive an Individual Class Payment and an Individual PAGA Payment (if eligible). By doing nothing, you will receive an Individual Class Payment, and, if eligible, an Individual PAGA Payment. However, you will release the right to assert all of the Released Class Claims (see Section 8 below) against Defendant and the other Released Parties.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	Exclude Yourself from the Class Settlement and Receive No Individual Class Payment. If eligible, you will still receive an Individual PAGA Payment because you cannot exclude yourself from the PAGA Settlement. You may opt-out of the Class Settlement by submitting a signed Request for Exclusion (see Section 9(B) below) that must be postmarked no later than May 15, 2026. If you submit a valid and timely Request for Exclusion, you will not receive any payment from the Class Settlement and you will not be bound by the release of class claims provided under the Settlement. You cannot opt-out of the PAGA Settlement. Defendant must pay Individual PAGA Payments to all PAGA Employees and who must give up their rights to pursue Released PAGA Claims (see Section 8 below).
OBJECT TO THE CLASS SETTLEMENT	Object to the Class Settlement. You cannot object to the PAGA Settlement. If you choose to participate in the Class Settlement, you may submit an objection to the Class Settlement. To object, you can submit an objection (see Section 9(C) below) to the Settlement Administrator no later than May 15, 2026, or you can appear at the Final Approval Hearing and state any objections to the Class Settlement. If the Court overrules your objection, you will receive an Individual Class Payment, and you will release the right to assert all of the Released Class Claims (see Section 8 below) against Defendant and the other Released Parties.
CHALLENGE THE CALCULATION OF YOUR CLASS WORKWEEKS	You may Challenge the Calculation of Your Class Workweeks or PAGA Pay Periods. The amount of your Individual Class Payment and Individual PAGA Payment (if any) depends on how many Class Workweeks and/or PAGA Pay Periods you worked during the Class Period and the PAGA Period, respectively. The number of Class Workweeks and/or PAGA Pay Periods that you worked during the Class Period and the PAGA Period, according to Defendants’ records, is stated in Section 6. If you wish to dispute the Class Workweeks

and/or PAGA Pay Periods credited to you in this notice, you must submit a challenge to the Settlement Administrator no later than 60 days from the date of mailing of this notice as described in Section 6.

2. WHY DID I GET THIS NOTICE?

Defendants' records show that you were employed as a non-exempt employee by Defendants, or either of them, in California at some point during the period from January 22, 2022, to June 28, 2025 (the "Class Period"), and/or during the period from January 22, 2022 to January 9, 2026 ("PAGA Period"). The Court has authorized this notice because you have the right to know about the Settlement and your options before the Court decides whether to approve it. This notice explains what the Lawsuit is about, the terms of the Settlement, and your rights.

3. WHAT IS THIS LAWSUIT ABOUT?

On October 23, 2022, Plaintiff filed a Class Action Complaint for Damages in the Superior Court for the County of Alameda. Subsequently, the case was transferred to Tulare County. On both October 21, 2022, and March 27, 2023, respectively, Plaintiff provided written notice to the LWDA and Defendants of the specific provisions of the California Labor Code and other applicable laws that he contends were violated (collectively, "PAGA Notice"). Plaintiff also filed a First Amended Complaint on or about March 27, 2023 (the "Operative Complaint"), asserting additional claims, including a claim under the California Private Attorneys General Act, California Labor Code §2698 et seq. ("PAGA").

In the Operative Complaint, Plaintiff alleged that Defendants failed to pay all wages due, including overtime wages, meal period premiums, rest period premiums, and minimum wages; failed to timely pay wages during employment and upon termination; failed to issue compliant wage statements; failed to maintain accurate payroll records; failed to reimburse all necessary business expenses; violated applicable meal and rest period rules; unlawfully deducted wages; engaged in unfair business practices; and owed penalties pursuant to PAGA, among other alleged violations of law more fully stated in the Operative Complaint and related PAGA Notice. In the Operative Complaint, Plaintiff sought to represent a class of all current and former non-exempt employees who worked for Defendants in the State of California at any time during the Class Period and PAGA Period.

Defendants deny all of the material allegations in the Operative Complaint, including any and all allegations of wrongdoing, and asserted numerous affirmative defenses.

4. WHY IS THERE A SETTLEMENT?

The Court has not made any decision about the merits of Plaintiff's Lawsuit. There has been no trial. However, to avoid additional expense and the risks of continued litigation, Plaintiff and Defendants have concluded that it is in their respective best interests and the interest of the Class Members and Aggrieved Employees to settle the Lawsuit on the terms summarized in this notice.

The Settlement was reached after an exchange of extensive information about the facts and legal arguments in support of, and against, all of the claims raised in the Lawsuit. Plaintiff, Class Counsel, and Defendants all support this Settlement due to, among other things, Defendants' potential defenses to liability, the inherent risk associated with a trial on the merits, the delays and uncertainties associated with litigation, and the benefits provided to Class Members and Aggrieved Employees under the Settlement.

5. SUMMARY OF THE SETTLEMENT

Defendant has agreed to pay a settlement amount of Two Hundred and Seventy Five Thousand Dollars and Zero Cents (\$275,000.00) (the "Gross Settlement Amount"). The portion of the Gross Settlement Amount that is available for payment to the Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) a Class Representative Service Award in an amount not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff, (2) PAGA penalties in an amount not to exceed Twenty Thousand Dollars (\$20,000.00), payable 75-percent to the LWDA ("LWDA PAGA Payment") and 25-percent on a pro rata basis to Aggrieved Employees ("Individual PAGA Payment"), (3) Attorneys' Fees in an amount not to exceed one-third of the Gross Settlement Amount (i.e., \$90,750.00), (4) Litigation Costs in an amount not to exceed Fifteen Thousand Dollars and Zero Cents (\$15,000.00), and (5) Settlement Administration Costs in an amount not to exceed Seven Thousand Nine Hundred and Fifty Dollars and Zero Cents (\$7,950.00).

Class Members are eligible to receive payment of their pro rata share of the Net Settlement Amount ("Individual Class Payment") based on the number of "Class Workweeks" credited to the Class Member. A "Class Workweek" means any week during the Class

Period in which a Class Member (a) was directly employed by either of the Defendants in California, (b) worked as a non-exempt employee for either of the Defendants, and (c) earned wages for hours worked during the week.

To determine the sum payable to each Class Member, the Settlement Administrator will divide the Net Settlement Amount by the Class Workweeks of all Class Members to yield the Class Workweek value, then multiply each Class Member's individual Class Workweeks by the Class Workweek value to yield his or her estimated Individual Class Payment that he or she may be eligible to receive under the Settlement. If the Court grants final approval of the Settlement, the Settlement Administrator shall divide the final Net Settlement Amount by the Class Workweeks of all Class Members who did not submit a valid and timely Request for Exclusion ("Participating Class Members") to yield his or her Individual Class Payment, which shall be paid from the Net Settlement Amount, less applicable employee-side tax withholdings.

Each Individual Class Payment will be allocated five percent (5%) to wages, which will be reported on an IRS Form W2, and ninety percent (95%) to non-wages, which will be reported on an IRS Form 1099 (if applicable). The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wage portion of the Individual Class Payments, and issue checks to Participating Class Members for their Individual Class Payments (i.e., payment of their Individual Class Payment net of these taxes and withholdings). The employer's share of taxes on the wage portion of Individual Class Payment will be paid by Defendants separately and in addition to the Gross Settlement Amount. The Individual PAGA Payments are characterized as non-wages for tax purposes. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

6. YOUR CLASS WORKWEEKS BASED ON DEFENDANT'S RECORDS

According to Defendants' records, during the Class Period, you worked <<MERGED_ClassWW>> Class Workweeks.

According to Defendants' records, during the PAGA Period, you worked <<MERGED_PAGAPP>> PAGA Pay Periods.

If you wish to dispute the Class Workweeks and/or PAGA Pay Periods credited to you in this notice, you must submit a written, signed challenge ("Class Workweeks Dispute") to the Settlement Administrator. A Class Workweeks Dispute must be in writing and signed by you; include your full name, address, and the last four digits of your social security number; and, postmarked or otherwise provably submitted to the Settlement Administrator by fax, email, or mail no later than May 15, 2026. You should submit, to the extent available, all documents you believe support any Class Workweeks Dispute you submit. The Administrator's information is listed below:

ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781
Telephone: (888) 250-6810
Fax: (888) 845-6185
Email: info@ilymgroup.com

7. WHAT IS MY ESTIMATED INDIVIDUAL SETTLEMENT SHARE?

As explained above, your estimated Individual Class Payment and Individual PAGA Payment (if eligible) is based on the number of Class Workweeks and PAGA Pay Periods credited to you.

Under the terms of the Settlement, your Individual Class Payment is estimated to be \$<<MERGED_ClassAward>>. The Individual Class Payment is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Class Payment.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$<<MERGED_PAGAAward>>.

Your Individual Class Payment and Individual PAGA Payment (if applicable) reflected in this notice is only an estimate. Your actual Individual Class Payment and Individual PAGA Payment (if applicable) may be higher or lower.

The settlement approval process may take multiple months. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

8. WHAT RIGHTS AM I RELEASING IF I PARTICIPATE IN THE SETTLEMENT?

If the Court approves the Settlement, the Court will enter a judgment and the Settlement will bind all Participating Class Members (i.e., Class Members who have not submitted a timely and valid Request for Exclusion) as well as all Aggrieved Employees. This will bar all Participating Class Members and PAGA Employees from bringing certain claims against Defendants.

Upon the Effective Date, Plaintiff and all Participating Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendants and other Released Parties of and from all Released Class Claims. "Released Class Claims" means all claims (whether arising under state, federal, or local law) not assertable under PAGA and that were alleged, or could have been alleged, based on the facts pled in the Operative Complaint in the Action and which arose or existed during the Class Period. Without limiting the foregoing, Released Class Claims includes:

- All claims relating to unpaid wages (including claims for failure to pay minimum wages, straight time wages, overtime and double-time compensation); all claims related to the timeliness of wage payments (whether regular or final wages); all claims related to the calculation of the regular rate of pay, including claims for unpaid overtime wages, paid sick leave, or other pay as a result of the improper calculation of the regular rate of pay; all claims relating to the failure to provide compliant meal, rest, and recovery periods; all claims relating to the failure to pay premiums for violations of meal, rest, and recovery period laws (including the failure to make premium payments at all, or failure to make premium payments at the correct rate of pay); all claims relating to the provision of wage statements, including the accuracy or substance thereof; all claims relating to the failure to maintain accurate employment records; all claims relating to the failure to reimburse of necessary business expenses; all claims relating to the deduction of wages; and all claims relating to unfair business practices resulting from any of the foregoing.
- All claims arising under California Labor Code §§201, 202, 203, 204, 208, 210, 218.5, 218.6, 221, 225.5, 226, 226.3, 226.7, 246, 248, 248.2, 248.5, 248.6, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, 2802; 8 C.C.R. §11090, Sections 3, 4, 7, 9, 11, 12, 18, or otherwise applicable, similar provisions of other IWC Wage Orders; 8 C.C.R. §3395; California Business and Professions Code §§17200-17208; California Civil Code §§3287 and 3289; California Code of Civil Procedure §1021.5; and related claims under the applicable provisions of the Fair Labor Standards Act (29 U.S.C. §§201, et seq.).
- And, all remedies associated with any of the claims described herein, including but not limited to compensatory, consequential, incidental, liquidated, and punitive damages; penalties; restitution; interest; costs; attorneys' fees; and, injunctive or other equitable relief.

Upon the Effective Date, Plaintiff, the State of California, and Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendants and other Released Parties of and from all Released PAGA Claims. "Released PAGA Claims" means all claims assertable under PAGA and that were alleged, or could have been alleged, based on the facts pled in the Operative Complaint or the underlying PAGA Notice in the Action and which arose or existed during the PAGA Period. Without limiting the foregoing, Released PAGA Claims includes:

- All claims for civil penalties recoverable under PAGA relating to: unpaid wages (including claims for failure to pay minimum wages, straight time wages, overtime and double-time compensation); the timeliness of wage payments (whether regular or final wages); the calculation of the regular rate of pay, including claims for unpaid overtime wages, paid sick leave, or other pay as a result of the improper calculation of the regular rate of pay; the failure to provide compliant meal, rest, and recovery periods; all claims relating to the failure to pay premiums for violations of meal, rest, and recovery period laws (including the failure to make premium payments at all, or failure to make premium payments at the correct rate of pay); the provision of wage statements, including the accuracy or substance thereof; the failure to maintain accurate employment records; the failure to reimburse necessary business expenses; and, the deduction of wages.
- All claims for civil penalties for violations of, or recoverable under, California Labor Code §§201, 202, 203, 204, 208, 210, 218.5, 218.6, 221, 226, 226.7, 246, 248, 248.2, 248.5, 248.6, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802; 8 C.C.R. §11090, Sections 3, 4, 7, 9, 11, 12, 18, or otherwise applicable, similar provisions of other IWC Wage Orders; 8 C.C.R. §3395; and, all civil penalties provided for in, but not limited to, California Labor Code §§203, 210, 225.5, 226, 226.3, 248.5, 558, 1174.5, 1197.1, 8 C.C.R. §11090, Sec. 20, and other default civil penalties for the Released PAGA Claims available under California Labor Code §2699.
- And, all remedies associated with any of the claims described herein, including but not limited to civil penalties; costs; attorneys' fees; and, injunctive or other equitable relief.

1“Released Parties” means Defendants together with their present and former parents, subsidiaries, affiliated entities, commonly owned or controlled entities, present and former owners, board members, officers, directors, trustees, employees, agents, insurers, attorneys, successors and assigns, and/or any individual or entity to whom liability for claims released by Plaintiff, or the Released Class Claims and Released PAGA Claims, could be assigned, including but not limited to liability established pursuant to Labor Code §558.1, or on a joint-employer, alter-ego, or other similar theory of liability.

The information provided in this notice is only a summary. The terms of the Settlement Agreement are the binding terms of this settlement, and all of these terms, including the releases that will bind you as a Class Member if you do not submit a Request for Exclusion, and Aggrieved Employee, are set forth fully in the Settlement Agreement that is on file with the Court and which can also be found at <https://ilymgroup.com/ShannonBros>. If the Court does not approve the Settlement, or the Settlement does not become final for some other reason, the litigation against Defendants will continue.

9. WHAT ARE MY RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. PARTICIPATE IN THE SETTLEMENT

If you wish to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and will be issued your Individual Class Payment and Individual PAGA Payment (if eligible). If you participate in the Settlement, you will be bound by its terms and any judgment that may be entered by the Court based thereon, and you will release all of the claims described in Section 8 above. As a Settlement Class Member, you will not be separately responsible for the payment of attorneys’ fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorneys’ fees and expenses.

B. EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT

If you wish to exclude yourself from the Class Settlement you must submit a signed Request for Exclusion to the Settlement Administrator asking to exclude yourself from the Settlement. A Request for Exclusion must be in writing and signed by you; include your full name, address, and the last four digits of your social security number; and, postmarked or otherwise provably submitted to the Settlement Administrator by fax, email, or mail no later than May 15, 2026. The Administrator’s information is stated in Section 6 of this notice.

Requests for Exclusion that are postmarked after May 15, 2026. Requests for Exclusion that do not include all of the required information will be deemed null, void, and ineffective.

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section 8 above), and will not have any right to object to, appeal, or comment on the Settlement. Any Class Members who do not submit a valid and timely request for exclusion will be deemed Participating Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section 8 above, as well as any judgment that may be entered by the Court based thereon.

Aggrieved Employees will receive their share of the PAGA payment, regardless of whether they opt out of being a Class Member.

C. OBJECT TO THE CLASS SETTLEMENT

If you do not think the Class Settlement is fair, you can object to the Class Settlement and tell the Court you do not agree with the Class Settlement or some part of it if you have not submitted a Request for Exclusion from the Class Settlement. The Court will consider your views. To object, you must submit a written objection to the Settlement Administrator or appear at the final settlement hearing to explain your objection. A written objection must be in writing and signed by you; include your full name, address, and the last four digits of your social security number; and, postmarked or otherwise provably submitted to the Settlement Administrator by fax, email, or mail no later than 60 days from the date of mailing of this notice. The Administrator’s information is stated in Section 6 of this notice.

10. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold a Final Approval Hearing on September 24, 2026, at 8:30 a.m. in Department 1 of the Tulare County Superior Court, located at 221 S. Mooney Blvd., Visalia, CA 93291, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve and award Attorneys’ Fees and Litigation Costs to Class Counsel and the Class Representative Service Award. The hearing may be postponed without further notice to Class Members, so be sure to

check the Court's website if you plan to appear at the hearing. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

11. WHAT IF I HAVE QUESTIONS?

A complete copy of the Settlement Agreement and this notice are available at <https://ilymgroup.com/ShannonBros>. This website may be updated periodically to update the Class Members on any developments in the case.

You may also view the Settlement Agreement and documents filed in the Action for a fee by visiting the civil clerk's office, located at 221 S. Mooney Blvd., Visalia, CA 93291.

For further information about this case, you may contact the Administrator, Defense Counsel, or Class Counsel.

The Administrator's information is listed in Section 6 of this notice, as well as below:

ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781
Telephone: (888) 250-6810
Fax: (888) 845-6185
Email: info@ilymgroup.com

Defense Counsel's contact information is as follows:

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DO NOT CONTACT THE COURT ABOUT THIS NOTICE.