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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

MAR 07 2025

DAVID H. YAMASAKI, Clerk of the Court

BY: _____ DEPUTY

**BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP**

Norman B. Blumenthal (State Bar #068687)

Kyle R. Nordrehaug (State Bar #205975)

Aparajit Bhowmik (State Bar #248066)

2255 Calle Clara

La Jolla, CA 92037

Telephone: (858) 551-1223

Facsimile: (858) 551-1232

Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

MANUEL FRANCO and ALFONSO
GUZMAN, on behalf of themselves, on behalf
of all persons similarly situated, and on behalf
of the State of California as a private attorney
general,

Plaintiffs,

vs.

STATES LOGISTICS SERVICES, INC., a
California Corporation, and DOES 1 through
50, inclusive,

Defendants.

CASE NO. 30-2022-01239095-CU-OE-CXC

~~REFUSED PROPOSED~~ ORDER
GRANTING MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT

Hearing Date: March 7, 2024

Hearing Time: 1:30 p.m.

Judge: Hon. Layne H. Melzer

Dept.: CX102

Action Filed: July 6, 2021

Trial Date: Not Set

PRELIMINARY APPROVAL ORDER

1 This matter, having come before the Honorable Layne H. Melzer of the Superior Court of
2 the State of California, in and for the County Orange, on March 7, 2024, for the motion by
3 Plaintiffs Manuel Franco and Alfonso Guzman ("Plaintiffs") for preliminary approval of the class
4 action and PAGA settlement with Defendant States Logistics Services, Inc. ("Defendant"). The
5 Court, having considered the briefs, argument of counsel and all matters presented to the Court
6 and good cause appearing, hereby GRANTS Plaintiffs' Motion for Preliminary Approval of Class
7 Action Settlement.

8 **IT IS HEREBY ORDERED:**

9 1. The First Amended Class Action and PAGA Settlement Agreement ("Agreement"
10 or "Settlement") is preliminarily approved as to the terms of the Agreement fall within the range
11 of approval as fair, adequate and reasonable. The Gross Settlement Amount is One Million One
12 Hundred Forty-Nine Thousand Five Hundred Dollars (\$1,149,500.00) and provides for the
13 following disbursements subject to Court approval: (1) Class Counsel Fees Payment not exceed
14 one-third of the Gross Settlement Amount which would presently be \$383,166.67; (2) Class
15 Counsel Litigation Expenses Payment not to exceed \$45,000; (3) Administration Expenses
16 Payment not to exceed \$16,000; (4) the Class Representative Service Payment to each plaintiff in
17 an amount not to exceed \$10,000 each (\$20,000 total); and (5) the PAGA Penalties payment of
18 \$25,000 to be allocated 75% to the California Labor and Workforce Development Agency
19 ("LWDA") and 25% to the Aggrieved Employees. The amount remaining in the Gross Settlement
20 Amount after the deduction of Court-approved amounts for Individual PAGA Payments, the
21 LWDA PAGA Payment, the Class Representative Service Payment, the Class Counsel Fees
22 Payment, the Class Counsel Litigation Expenses Payment, and the Administration Expenses
23 Payment (called the "Net Settlement Amount") shall be allocated to Class Members as their
24 Individual Class Payments.

25 2. Based on a review of the papers submitted by Plaintiffs, the Court finds that the
26 Settlement is the result of arm's-length negotiations conducted after Plaintiffs and their counsel
27 adequately investigated the claims and became familiar with the strengths and weaknesses of those
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PRELIMINARY APPROVAL ORDER

1 claims. The assistant of an experienced mediator, Hon. William C. Pate (Ret.), in the Settlement
2 process supports the Court's conclusion that the Settlement is non-collusive and reasonable. The
3 Settlement is presumptively valid, subject only to any objections that may be raised at the Final
4 Approval Hearing and Final Approval by this Court.

5 3. This Order incorporates by reference all defined terms set forth in the Agreement,
6 which is attached as Exhibit #1 to the Supplemental Declaration of Kyle Nordrehaug in Support of
7 Plaintiffs' Motion for Preliminary Approval of Class Action Settlement ("Nordrehaug
8 Declaration") filed on February 21, 2025 [ROA #149].

9 4. The following persons are provisionally certified as the "Class" for Settlement
10 purposes only: "all individuals who were employed by Defendant in the State of California and
11 classified as a non-exempt employee at any time during the Class Period." The Class Period
12 means the period of time from May 2, 2020 to July 20, 2024.

13 5. The proposed Class satisfies the requirements for certification under California
14 Code of Civil Procedure Section 382 because the Class is readily ascertainable, and a well-defined
15 community of interest exists in the questions of law and fact affecting the Parties.

16 6. Plaintiffs Manuel Franco and Alfonso Guzman are appointed as the Class
17 Representatives. Norman B. Blumenthal, Kyle R. Nordrehaug, Aparajit Bhowmik, Jeffrey S.
18 Herman, Sergio J. Puche, Trevor G Moran of Blumenthal Nordrehaug Bhowmik De Blouw LLP,
19 Nazo Koulloukian of Koul Law Firm, and Sahag Majarian, II of Law Offices of Sahag Majarian,
20 II are appointed as Class Counsel.

21 7. The Parties' proposed notice plan is constitutionally sound and hereby approved as
22 the best notice practicable under the circumstances. The Court Approved Notice of Class Action
23 Settlement and Hearing Date for Final Court Approval ("Class Notice"), in the form attached
24 hereto as Exhibit #1, is sufficient to inform the Class of the terms of the Agreement, their rights to
25 receive monetary payments under the Agreement and the date and location of the Final Approval
26 Hearing. In addition, the Class Notice fairly, plainly, accurately, and reasonable informs the Class
27 of: (1) the nature of the Action, the definition of the Class, the identity of Class Counsel, and
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PRELIMINARY APPROVAL ORDER

1 essential terms of the Agreement; (2) Plaintiffs' and Class Counsel's applications for the Class
2 Representative Service Payment, and Class Counsel's request for Class Counsel Fees Payment and
3 Class Counsel Litigation Expenses Payment; (3) a formula used to determine each Class
4 Member's estimated payment; (4) Class Members' rights to appear through counsel if they desire;
5 (5) how to object to the Settlement or submit a Request for Exclusion from the Settlement if a
6 Class Member wishes to do so; and (6) how to obtain additional information regarding the Action
7 and the Settlement (California Rule of Court 3.766.) The Court further finds that the notice
8 requirements of California Rule of Court 3.769, subd. (f) are satisfied, and that the Class Notice
9 adequately advises the Class of their rights under the Settlement. Counsel for the Parties are
10 authorized to correct any typographical errors in the Class Notice and make clarifications, to the
11 extent the same are found or needed, so long as such corrections do not substantially or materially
12 alter the substance of the Class Notice and other notice documents. The font of the Class Notice
13 shall not be smaller than what was provided to the Court.

14 8. Class Members may exclude themselves from the Settlement (except for the
15 Released PAGA Claims) by submitting the Request for Exclusion Form attached hereto as Exhibit
16 #2, the form of which is approved by the Court. Class Members who wish to exclude themselves
17 (opt-out of) the Settlement must send the Administrator a signed written Request for Exclusion
18 form. All Requests for Exclusion must be postmarked by no later than sixty (60) days after the
19 date of the mailing of the Class Notice. If a Class Notice Packet is re-mailed, the response date for
20 Request for Exclusions will be extended to the date that is forty-five (45) days after the remailing..
21 The Administrator shall send copies of any Requests for Exclusion to Class Counsel and
22 Defendant's Counsel and shall file a declaration concurrently with the filing of Plaintiffs' Motion
23 for Final Approval, authenticating a copy of every Request for Exclusion Form received by the
24 Administrator.

25 9. Class Members who opt-out of the Settlement will still be bound by the released of
26 the Released PAGA Claims, as defined in the Agreement, if they were an Aggrieved Employee
27 employed by Defendant during the PAGA Period.

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PRELIMINARY APPROVAL ORDER

1 10. Only Class Members who do not request exclusion from the Settlement may submit
2 a dispute as to their workweeks. Class Members who wish to dispute their workweeks must send
3 the Administrator a signed Dispute Form attached hereto as Exhibit #3, the form of which is
4 approved by the Court. All Dispute Forms must be postmarked no later than sixty (60) days after
5 the date of the mailing of the Class Notice. If a Class Notice Packet is re-mailed, the response
6 date for Dispute Forms will be extended to the date that is forty-five (45) days after the remailing..
7 The Administrator shall send copies of any Dispute Forms to Class Counsel and Defendant's
8 Counsel and shall file a declaration concurrently with the filing of Plaintiff's Motion for Final
9 Approval, authenticating a copy of every Dispute Form received by the Administrator.

10 11. Only Class Members who do not request exclusion from the Settlement may object
11 to the class action components of the Settlement, including contesting the fairness of the
12 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel
13 Litigation Payment and/or Class Representative Service Payment. Class Members may send
14 written objections to the Administrator by fax, email, or mail. Alternatively, or in addition to a
15 written objection, Class Members may appear in Court (or hire an attorney to appear in Court) to
16 present verbal objections at the Final Approval Hearing. A Class Member who elects to send a
17 written objection to the Administrator must do so no later than sixty (60) days after the date of the
18 mailing of the Class Notice. If a Class Notice Packet is re-mailed, the response date for any
19 written objections will be extended to the date that is forty-five (45) days after the remailing..
20 Alternatively, Class Members may appear at the final approval hearing, and may present evidence
21 and file briefs or other papers that may be proper and relevant to the issues to be heard and
22 determined by the Court as provided in the Notice.

23 12. The Court finds that a copy of the Agreement was provided to the LWDA pursuant
24 to California Labor Code § 2699(1)(2).

25 13. ILYM Group, Inc. is appointed to act as Administrator, pursuant to the terms set for
26 in the Settlement. The Administrator is ordered to carry out the Settlement according to its terms
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PRELIMINARY APPROVAL ORDER

1 and in conformity with this Order, including disseminating the Class Notice according to the
2 notice plan described in the Agreement.

3 14. Neither the Agreement, nor any exhibit, document, or instrument delivered
4 thereunder shall be construed as a concession or admission by Defendant in any way that the
5 claims asserted have any merit or that this Action was properly brought as a class or representative
6 action, and shall not be used as evidence of, or used against Defendant as, an admission or
7 indication in any way, including with respect to any claim of any liability, wrongdoing, fault or
8 omission by Defendant or with respect to the truth of any allegation asserted by any person.
9 Whether or not the Agreement is finally approved, neither the Agreement, nor any exhibit,
10 document, statement, proceeding or conduct related to the Agreement, nor any reports or accounts
11 thereof, shall in any event be construed as, offered or admitted in evidence as, received as or
12 deemed to be evidence for any purpose adverse to the Defendant, including, but not limited to,
13 evidence of a presumption, concession, indication or admission by Defendant of any liability,
14 fault, wrongdoing, omission, concession or damage.

15 15. The Parties are ordered to carry out the Settlement according to its terms. 

16 16. A Final Approval Hearing will be held on July ²⁴~~25~~, 2025 at ^{2:00}~~1:30~~ p.m. in Department
17 CX102 of the Civil Complex Center courthouse located at 751 W. Santa Ana Blvd., Santa Ana,
18 CA 92701, to determine whether the Settlement should be granted final approval as fair,
19 reasonable and adequate as to the Class Members. The Court reserves the right to continue the
20 date of the Final Approval Hearing without further notice to the Class Members. The Court
21 retains jurisdiction to consider all further applications arising out of or in connection with the
22 Agreement.

23 17. The Motion for Final Approval of the Class Action and PAGA Settlement,
24 including requests to approve the Class Representative Service Payments and Class Counsel's
25 request for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, shall be
26 filed with the Court and served on all counsel no later than sixteen (16) court days before the Final
27 Approval Hearing.

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PRELIMINARY APPROVAL ORDER

1 18. The Court retains continuing jurisdiction to construe, interpret, implement and
2 enforce the Agreement, to hear and resolve any contested challenge to a claim for settlement
3 benefits, and to supervise and adjudicate any dispute arising from or in connection with the
4 distribution of settlement benefits.

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6 **IT IS SO ORDERED.**

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8 Dated: MAR 07 2025

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11 HON. LAYNE H. MELZER
12 JUDGE, SUPERIOR COURT OF CALIFORNIA

13 4919-5193-0909, v. 1
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PRELIMINARY APPROVAL ORDER

EXHIBIT #1

**COURT APPROVED NOTICE OF CLASS ACTION AND PAGA
SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL**

Manuel Franco, et al. vs. States Logistics Services, Inc.

Superior Court of the State of California, County of Orange, Case No. 30-2022-01239095-CU-OE-CXC

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.*

To: All individuals who were employed by Defendant States Logistics Services, Inc. in the State of California and classified as a non-exempt employee at any time during the Class Period (May 2, 2020, through July 20, 2024).

The Superior Court of the State of California, County of Orange has granted preliminary approval of a proposed settlement of the above-captioned action. Because your rights may be affected by this settlement, please read this Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Class Notice") carefully. The purpose of this Class Notice is to provide a description of the claims alleged in the action, the key terms of the settlement, and your rights and options with respect to the settlement.

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS CLASS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Do Nothing and Receive a Payment	<p>To receive a cash payment from the Settlement, you do not have to do anything.</p> <p>Your estimated Individual Class Payment is: \$<<__>>. See the explanation in Section 5 below.</p> <p>After final approval by the Court, the payment will be mailed to you at the same address as this Class Notice. In exchange for the settlement payment, you will release claims against the Defendant as detailed in Section 4 below. If your address has changed, you must notify the Administrator as explained in Section 6 below.</p>
Exclude Yourself The Response Deadline is _____.	<p>To exclude yourself, you must send a written request for exclusion to the Administrator as provided below. If you request exclusion, you will receive no money from the class action portion of the Settlement and you will not be bound by the class action portion of the Settlement. If you are an Aggrieved Employee and exclude yourself, you will still be paid your share of the PAGA Penalties and will remain subject to the release of the Released PAGA Claims regardless of whether you submit a request for exclusion.</p> <p>Instructions are set forth in Section 7 below.</p>
Object The Response Deadline is _____.	<p>Write to the Administrator about why you do not agree with the settlement or appear at the Final Approval Hearing to make an oral objection. The Court's Final Approval Hearing is scheduled to take place on _____ at 1:30 p.m., at the Orange County Superior Court, located at 751 West Santa Ana Blvd., Santa Ana, CA 92701, before Judge Layne Mezler in Department CX102.</p> <p>Directions regarding Objections are provided in Section 8 below.</p>

1. Why did I receive this Class Notice?

On May 19, 2021, Plaintiff Manuel Franco filed a lawsuit alleging class claims against States Logistics Services, Inc. ("Defendant") in the Superior Court of the State of California, County of Los Angeles (the "Franco Class Action"). The Franco Class Action asserted the following class claims against Defendant: unfair competition, failure to pay minimum wages, failure to pay overtime wages, failure to provide required meal periods, failure to provide required rest periods, failure to provide accurate itemized wage statements, failure to reimburse employees for required expenses, and failure to provide wages when due. On August 3, 2021, Plaintiff Franco filed a Request for Dismissal of the Franco Class Action, without prejudice, which the Court granted on August 6, 2021.

Separately, on July 6, 2021, Plaintiff Franco filed a separate Representative Action Complaint against Defendant in the Superior Court of the State of California, County of Los Angeles (the "Franco PAGA Action") alleging a claim under the Labor Code Private Attorneys General Act ("PAGA"), which is a claim for civil penalties under the Private Attorneys General Act set forth in Labor Code section 2699, the purpose of which is to collect civil penalties in order to deter alleged Labor Code violations. On October 20, 2021, the Court signed the Order transferring the Franco PAGA Action to the Orange County Superior Court. On October 21, 2021, Plaintiff Alfonso Guzman filed a separate Representative Action Complaint against Defendant in the Superior Court of the State of California, County of San Bernardino (the "Guzman PAGA Action") also alleging a PAGA claim.

As part of this Settlement, on July 24, 2024, Plaintiffs Manuel Franco and Alfonso Guzman ("Plaintiffs") filed a First Amended Consolidated Class and Representative Action Complaint in the Franco PAGA Action that adds class claims based on the facts of the PAGA Notices served by Franco and Guzman and named Plaintiff Franco and Plaintiff Guzman as class representatives. The First Amended Consolidated Class and Representative Action Complaint is referred to as the "Operative Complaint".

Pursuant to a court order, you are hereby notified that Plaintiffs and Defendant have reached a proposed class action and PAGA settlement (the "Settlement") of the above-captioned action pending in the Superior Court of the State of California, in and for the County of Orange (the "Court"). The Honorable Lon Hurwitz has been assigned as the judge overseeing the Settlement.

The Court held a hearing on [REDACTED]. After the hearing, the Court granted Preliminary Approval of the Settlement. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Class Notice to provide a summary of the Settlement so that you may better understand your rights and options under the Settlement. Capitalized terms in this Class Notice are defined herein and/or in the Parties' Class Action and PAGA Settlement Agreement ("Agreement").

You have received this Class Notice because you have been identified as a member of the Class and may be entitled to receive money from this Settlement.

The Class is defined as:

All individuals who were employed by Defendant in the State of California and classified as a non-exempt employee at any time during the Class Period.

The Class Period is the period of time from May 2, 2020 to July 20, 2024.

It is important that you read this Class Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

Plaintiffs are former employees of States Logistics Services, Inc. In the Operative Complaint, Plaintiffs allege the following class claims against Defendant: (1) unfair competition; (2) failure to pay minimum wages; (3) failure to pay overtime wages; (4) failure to provide meal periods; (5) failure to provide rest periods; (6) failure to provide accurate itemized statements; (7) failure to reimburse employees for required expenses; and (8) failure to provide wages when due; (9) failure to provide place of employment that is safe and healthful; (10) failure to provide safe working conditions. The Operative Complaint also alleges a representative claim under the California Private Attorneys General Act, Cal. Labor Code §§ 2698, *et seq.* ("PAGA") for civil penalties based upon the above alleged violations.

Plaintiffs are represented by the law firms Blumenthal Nordrehaug Bhowmik De Blouw LLP, the Koul Law Firm, and the Law Offices of Sahag Majarian, II.

Defendant expressly denies any wrongdoing or legal liability arising out of the claims alleged in the Operative Complaint. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged in the Operative Complaint. Defendant further denies that, for any purpose other than settling the claims, that Plaintiffs' class claims are appropriate for class treatment. Defendant has asserted numerous procedural and legal defenses to the Action and contends that the facts and applicable law do not allow for any monetary or other relief to Plaintiffs or the Class. Defendant wishes to settle these claims only to avoid costly, disruptive, and time-consuming litigation. The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that Plaintiffs' claims in the lawsuit have merit, that it has any liability to Plaintiffs or the group of individuals that Plaintiffs seeks to represent in this lawsuit, or that it engaged in any wrongdoing.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay a Gross Settlement Amount of One Million One Hundred Forty-Nine Thousand Five Hundred Dollars (\$1,149,500.00) to fund the Settlement.

Amounts to be Paid From the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount as follows, the amounts of which will be decided by the Court at the Final Approval Hearing:

- **Administration Expenses Payment.** Payment to the Administrator, estimated not to exceed \$16,000, for expenses, including notifying the Class Members of the Settlement, distributing Individual Class Payments and tax forms, and handling questions about the Settlement.
- **Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment.** Payment to Class Counsel of reasonable attorneys' fees not to exceed one-third (1/3) of the Gross Settlement Amount, which is presently \$383,166.67, and an additional amount to reimburse actual litigation costs incurred by the Plaintiff not to exceed \$45,000. The Class Counsel Fees Payment shall be apportioned among Class Counsel as follows: 50% to Blumenthal Nordrehaug Bhowmik De Blouw LLP, 25% to Koul Law Firm, and 25% to Law Offices of Sahag Majarian, II. Class Counsel has been prosecuting these claims on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money) and has been paying all litigation costs and expenses.

- *Class Representative Service Payments.* A Class Representative Service Payment in an amount not to exceed \$10,000 each to the Plaintiffs, subject to Court approval, to compensate Plaintiffs for services on behalf of the Class in initiating and prosecuting the claims, and for the risks Plaintiffs undertook.
- *PAGA Penalties.* A payment of \$25,000 relating to the claim for penalties under PAGA, 75% (\$18,750) of which will be paid to the California Labor Workforce Development Agency ("LWDA"), and 25% (\$6,250) of which shall be distributed as "Individual PAGA Payments" to the Aggrieved Employees calculated by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$6,250.00) by the total number of PAGA Period Pay Periods during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods.
 - The "PAGA Period" is July 6, 2020 to July 20, 2024.
 - "Aggrieved Employees" means all individuals who were employed by Defendant in the State of California and classified as a non-exempt employee at any time during the PAGA Period.

Calculation of Payments to Class Members ("Individual Class Payments").

The "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

The Net Settlement Amount is estimated to be at least \$ _____. The Administrator will pay an Individual Class Payment from the Net Settlement Amount to each Participating Class Member. The Individual Class Payment for each Participating Class Member will be calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

"Workweek(s)" means any week during the Class Period in which a Class Member worked for Defendant as a Class Member for at least one day.

The number of Workweeks will be based on Defendant's records, however, Class Members may challenge the number of Workweeks as explained below.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering Judgment.

4. What Do I Release Under the Settlement?

Released Class Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from the Released Class Claims. The "Released Class Claims" are all claims that were alleged, or reasonably could have been alleged, based on facts stated in the Operative Complaint which occurred during the Class Period during employment in a non-exempt position in California, which includes claims for failure to pay minimum wages, failure to pay overtime wages, failure to provide required meal periods, failure to provide required rest periods, failure to provide accurate itemized wage statements, failure to reimburse employees for required business expenses, failure to provide wages when due, unfair competition based on these claims, and derivative penalties. Except as expressly set forth in the Agreement, Participating Class Members do not release any other

claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, discrimination, unemployment insurance, disability, social security, workers' compensation, Plaintiffs' respective non-wage and hour individual claims that are subject to a separate release, or Class claims based on facts occurring outside the Class Period.

This means that, if you do not timely exclude yourself from the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against the Released Parties for the Released Class Claims resolved by this Settlement. It also means that all of the Court's orders in the Operative Complaint will apply to you and legally bind you.

Released PAGA Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Aggrieved Employees and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all Released PAGA Claims. The "Released PAGA Claims" are all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notices, which occurred during the PAGA Period during employment in a non-exempt position in California. The Released PAGA Claims do not include other PAGA claims, underlying wage and hour claims, claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, discrimination, unemployment insurance, disability, social security, worker's compensation, Plaintiffs' respective non-wage and hour individual claims that are subject to a separate release, and PAGA claims outside of the PAGA Period. The release of the Released PAGA Claims shall be effective as to all Aggrieved Employees, regardless of whether an Aggrieved Employee submitted a request for an exclusion from the Class.

"Released Parties" collectively mean: Defendant and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns and subsidiaries.

5. How much will my payment be?

Defendant's records reflect that you have <<____>> Workweeks during the Class Period (May 2, 2020 to July 20, 2024).

Although the exact share of the Net Settlement Amount cannot be precisely calculated at this time, based on this information, your estimated Individual Class Payment is <<____>>.

[if applicable - In addition, your Individual PAGA Payment is <<____>>.]

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Administrator at the address provided in this Class Notice no later than the Response Deadline, which is _____ [sixty (60) days after the mailing of the Class Notice or 45 days after the re-mailing for Class Members whose Class Notice Packet is re-mailed]. You may also fax the dispute to _____ or email the dispute to _____ by no later than the Response Deadline. Any dispute should include credible written evidence and will be resolved by the Administrator. A Dispute form is included with this Class Notice.

Tax Matters. Each Participating Class Member's Individual Class Payment will be apportioned as follows: (1) twenty percent (20%) shall be allocated to alleged wages for which an IRS Form W-2 will issue and which shall be subject to tax withholdings customarily made from an employee's wages and all other authorized and required withholdings; and (2) eighty percent (80%) shall be allocated to settlement of claims for

non-wages, expense reimbursement, interest and penalties, not subject to wage withholdings, for which an IRS Form 1099 will issue.

Neither Class Counsel nor Defendant's Counsel intend anything contained in this Class Notice to constitute advice regarding taxes or taxability. The tax issues for each Participating Class Member are unique to him/her, and each Participating Class Member may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

6. How can I get a payment?

To get money from the Settlement, **you do not have to do anything**. A check for your Individual Class Payment, and any Individual PAGA Payment (if applicable), will be mailed automatically to the same address as this Class Notice. If your address is incorrect or has changed, you must notify the Administrator. The Administrator is: ILYM Group, Inc., _____ (800) _____.

If the Court grants final approval of the Settlement and enters Judgment on the Settlement, and there are no objections or appeals, your Settlement payment will be mailed approximately three months after final approval. If there are objections or appeals the payments will be delayed because resolving them can take time, usually more than a year. Please be patient.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, which means you will retain your right to sue the Defendant as to the Released Class Claims resolved by this Settlement.** However, Aggrieved Employees who opt out will still be paid their Individual PAGA Payment and will remain bound by the release of the Released PAGA Claims regardless of their request for exclusion.

To opt out, you must mail to the Administrator, by First Class Mail, a written, signed and dated request to opt-out postmarked no later than the Response Deadline which is _____ [sixty (60) days after the mailing of the Class Notice or 45 days after the re-mailing for Class Members whose Class Notice Packet is re-mailed]. You may also fax your request to opt out to _____ or email the dispute to _____ by no later than the Response Deadline. A Request for Exclusion form is included with this Class Notice. The Request for Exclusion should state in substance: "I wish to be excluded from the Class in the *Manuel Franco, et al. vs. States Logistics Services, Inc.* lawsuit." The Request for Exclusion must state the Class Member's full name, present address, telephone number, and the name and number of the case, which is *Manuel Franco, et al. vs. States Logistics Services, Inc.*, Case No. 30-2022-01239095-CU-OE-CXC. The request to opt-out must be completed by you. No other person may opt-out for a living member of the Class.

The address for the Administrator is _____. Absent good cause found by the Court, written requests for exclusion that are faxed, emailed, or postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release(s) described above.

8. How do I tell the Court that I don't agree with the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason may object to the proposed Settlement, either in writing or in person. Objections that

are in writing must state (1) the Class Member's name, current address, telephone number, and the approximate dates of employment in California by Defendant; (2) the words "Notice of Objection" or "Formal Objection"; (3) describe why you believe the Settlement is unfair; and (4) the name and number of the case, which is *Manuel Franco, et al. vs. States Logistics Services, Inc.*, in the Superior Court of the State of California, County of Orange, Case No. 30-2022-01239095-CU-OE-CXC.

All written objections must be mailed to the Administrator at _____, no later than the Response Deadline of _____ [sixty (60) days after the mailing of the Class Notice or 45 days after the re-mailing for Class Members whose Class Notice Packet is re-mailed]. You may also fax the objection to _____ or email the objection to _____ by no later than this Response Deadline.

Alternatively, Class Members may appear at the Final Approval Hearing to make an oral objection without submitting a written objection. At this time, the Court now hears matters both in person and remotely through Zoom through the court's online check-in process. If you need assistance, you may contact Class Counsel. Please check the Court's website for current information and instructions concerning appearances and how to view Court proceedings: <https://www.occourts.org/media-relations/civil.html>.

To object to the Settlement, you must not opt out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Class Members who do not object and you will still be mailed a check for your Individual Class Payment and any Individual PAGA Payment owed. Absent good cause found by the Court, any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

9. Who are the attorneys representing the Parties?

The addresses for Parties' counsel are as follows:

Class Counsel:

Norman Blumenthal
Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel: 858-551-1223 / Fax: 858-551-1232
Email: kyle@bamlawca.com
Website: www.bamlawca.com

Counsel for Defendant:

Nicole M. Shaffer
Jackson Lewis P.C.
3390 University Ave., Suite 110
Riverside, CA 92501

Kimberley L. Litzler
Jackson Lewis P.C.
200 Spectrum Center Drive, Suite 500
Irvine, CA 92618

12. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 1:30 p.m. on _____, in Department CX102 of the Superior Court of California, County of Orange, 751 West Santa Ana Blvd., Santa Ana, CA 92701, before Judge Layne Melzer. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

13. How do I get more information about the Settlement?

You may contact the Administrator or Class Counsel for more information. The Administrator's contact information is as follows:

Administrator:

Name of Company: ILYM Group, Inc.

Email Address: _____

Mailing Address: _____

Telephone Number: _____

Fax Number: _____

Settlement Website: _____

This Class Notice summarizes the proposed Settlement. The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Final Judgment, or any other Settlement documents is to go to The Administrator's website at

<< _____ >> where they will be posted as they become available. You may also get more details by examining the Court's file via the Civil Case and Document Access for the California Superior Court for the County of Orange (<https://www.occourts.org/online-services/case-access/>) and entering the Case No. 30-2022-01239095.

PLEASE DO NOT CALL THE COURT ABOUT THIS CLASS NOTICE.

IMPORTANT:

- You must inform the Administrator of any change of address to ensure receipt of your Settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Administrator will pay all unclaimed funds to the paid to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member where the funds may be claimed at https://www.sco.ca.gov/upd_msg.html.
- If your check is lost or misplaced, you should contact the Administrator immediately to request a replacement.
-
- 4936-0664-9373, v. 1

EXHIBIT #2

REQUEST FOR EXCLUSION FORM

Manuel Franco vs. States Logistics Services, Inc.,
Superior Court of the State of California, County of Orange,
Case No. 30-2022-01239095-CU-OE-CXC

I confirm that I have received the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, which describes my rights and the options I may take in response to the parties' proposed Settlement in the above-referenced lawsuit.

By signing and returning this Request for Exclusion Form, I confirm that I wish to be removed from the proposed Class, that I do not want to participate as a Class Member, and that I do not want to be included in the proposed Class Settlement.

I understand and acknowledge that, by signing and submitting this form: (1) I will not receive any money from the proposed Settlement except my portion, if any, of the civil penalties that is allocated in settlement of the California Labor Code Private Attorney General Act of 2004 claim alleged by Plaintiffs; (2) I will not be bound by the class portion of the proposed Settlement and will only be bound by the release of the Released PAGA Claims; and (3) I will not have any right to object to the proposed Settlement.

THE EXCLUSION FORM MUST BE SIGNED, DATED, AND MAILED BY FIRST CLASS U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DATE] TO: MANUEL FRANCO, ET AL. V. STATES LOGISTICS SERVICES, INC., C/O ILYM GROUP, INC., [INSERT ADDRESS]. YOU MAY ALSO FAX THIS FORM TO: _____, OR EMAIL THE FORM TO: _____.

Name: _____

Address: _____

Telephone Number: _____

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

(Sign your name here)

Date

EXHIBIT #3

DISPUTE FORM

***Manuel Franco vs. States Logistics Services, Inc.,
Superior Court of the State of California, County of Orange,
Case No. 30-2022-01239095-CU-OE-CXC***

Indicate Name/Address Changes, if any: _____

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

XX - XX - _ _ _ _ _

If you were employed by Defendant States Logistics Services, Inc. ("Defendant") in California and classified as an hourly, non-exempt employee at any time during the Class Period (May 2, 2020, through July 20, 2024), then you may be a Class Member.

The amount of your estimated Individual Class Payment is based upon the Workweeks you worked during the Class Period based on Defendant's company records, as set forth below and in the Class Notice you received.

I. YOUR COMPENSABLE WORKWEEKS

Defendant's records show that during the Class Period, you worked as a non-exempt employee in California, which qualifies you as a Class Member, and your total number of Workweeks during the Class Period are:

<<NUMBER OF WORKWEEKS>>.

II. YOUR ESTIMATED INDIVIDUAL CLASS PAYMENT

Based upon the above numbers of Workweeks listed above, your estimated pre-tax Individual Class Payment is

<<INSERT>>.

III. CHALLENGE TO WEEKS WORKED

If you believe that the number of Workweeks stated above is correct, you do not have to do anything.

If you wish to dispute the number of Workweeks worked listed above, you must complete and postmark this Dispute Form, and provide all supporting information and/or documentation, to the Administrator by

<<RESPONSE DEADLINE>>.

Check the box below ONLY if you wish to dispute the information listed above:

☐ I wish to dispute the number of Workweeks listed above. I believe the correct amount of my Workweeks during the Class Period is _____. I have also included information and/or documentary evidence that support my dispute. I understand that, by submitting this dispute, I hereby authorize the Administrator to review Defendant's records and make a determination as to the validity of my dispute based upon Defendant's records as well as the records and information that I submit to the Administrator.

I declare under penalty of perjury under the laws of the State of California that the information I provided in this Dispute Form is true and correct.

Dated: _____

Signature: _____

Print or Type Name: _____

**THIS DISPUTE FORM MUST BE SIGNED, DATED, EITHER MAILED BY
FIRST CLASS U.S. MAIL, POSTMARKED, FAXED, OR EMAILED NO LATER
THAN [INSERT DATE], TO:]**

***Manuel Franco, et al. vs. States Logistics Services, Inc.
c/o ILYM Group, Inc.***

address

Fax: _____

Email: _____