

1 Joshua D. Carlon, Esq. (SBN 307199)
2 **LEWIS BRISBOIS BISGAARD & SMITH LLP**
3 633 W 5th Street, Suite 4000
4 Los Angeles, California 90071
5 Telephone: (213) 281-5235
6 Facsimile: (213) 250-7900

7 Attorneys for Defendants
8 **KEYSTONE FREIGHT CORP. and**
9 **NATIONAL RETAIL TRANSPORTATION, INC.**

10 David Mara, Esq., (SBN 230498)
11 Matthew Crawford, Esq., (SBN 310230)
12 **MARA LAW FIRM, PC**
13 2650 Camino Del Rio North
14 San Diego, CA 92108
15 Telephone: 619.234.2833
16 Facsimile: 619.234.4048

17 Attorneys for Plaintiffs EDDIE ESCAMILLA,
18 GUSTAVO ESCAMILLA, and ARTURO
19 ESCAMILLA, on behalf of themselves, all others
20 similarly situated and on behalf of the general public.

21 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
22 **FOR THE COUNTY OF SAN BERNARDINO**

23 Plaintiffs EDDIE ESCAMILLA and
24 GUSTAVO ESCAMILLA, on behalf of
25 themselves, all others similarly situated, and
26 on behalf of the general public.

27 Plaintiffs,

28 vs.

KEYSTONE FREIGHT CORP.;
NATIONAL RETAIL
TRANSPORTATION, INC.; and DOES 2
through 100,

Defendants.

Case No.: CIVDS1931366

[Assigned to Hon. David Cohn, Dept. S-26]

**JOINT STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT AND RELEASE**

Complaint Filed: October 18, 2019

Trial Date: Not Set Yet

1 IT IS HEREBY STIPULATED AND AGREED by and between Plaintiffs EDDIE
2 ESCAMILLA, GUSTAVO ESCAMILLA, and ARTURO ESCAMILLA (“Plaintiffs”), on behalf of
3 themselves and all others similarly situated to them and as defined below, and NATIONAL RETAIL
4 TRANSPORTATION, INC. and KEYSTONE FREIGHT CORP. (collectively referred to as
5 “Defendant”), as set forth below:

6 **I. The Conditional Nature of This Stipulation**

7 Defendant and Class Representatives enter into this Joint Stipulation of Class Action and
8 PAGA Settlement and Release (“Stipulation,” “Settlement,” or “Settlement Agreement”), including
9 all associated exhibits or attachments, in compromise of disputed claims for the sole purpose of
10 resolving the matter entitled *Eddie Escamilla et. al v. Keystone Freight Corp. et. al*, San Bernardino
11 County Superior Court Case No. CIVDS1931366 (“Action” or “Litigation”). The Settlement is
12 subject to approval by the court. In the event that the Court does not execute and file the Final
13 Approval Order and Judgment, or in the event that the associated Judgment does not become final for
14 any reason, this Stipulation will be deemed null and void, it will be of no force or effect whatsoever,
15 it will not be referred to or used for any purpose whatsoever, and the negotiation, terms and entry of
16 it shall remain subject to the provisions of California Evidence Code §§ 1119 and 1152.

17 Defendant denies all of the claims and allegations asserted in the Litigation (as defined
18 herein). Defendant has agreed to resolve this Litigation via this Stipulation, but to the extent this
19 Stipulation is deemed void or does not take effect, Defendant does not waive, but rather expressly
20 reserves, all rights to challenge all such claims and allegations in the Litigation upon all procedural
21 and factual grounds, including without limitation the ability to challenge suitability for class treatment
22 or representative adjudication on any grounds or to assert any and all defenses or privileges. The
23 Class Representatives and their counsel agree that Defendant retains and reserves these rights. In
24 particular, the Class Representatives and their counsel waive and agree not to argue or to present any
25 argument that Defendant would be estopped from contesting class certification because it has entered
26 into this Stipulation.

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II. The Parties to this Stipulation

This Stipulation (with the associated exhibits) is made and entered into by and among Plaintiffs (on behalf of themselves and each of the members of the Class) and Defendant (Plaintiffs and Defendant shall be referred to collectively as “Parties”). This Stipulation is intended by the Parties to result in a Judgment and to fully, finally, and forever resolve, discharge and settle the Released Claims (defined below) upon and subject to the terms and conditions thereof.

III. Procedural Posture

On filed on October 18, 2019, Plaintiffs filed a class action complaint against Defendant Keystone Freight Corp. pleading causes of action for 1) unpaid wages; 2) meal and rest period penalties; and 3) unreimbursed business expenses. On October 2, 2020, the Complaint was amended to add National Retail Transportation, Inc. as an additional defendant.

As part of the motion for preliminary approval, Plaintiffs will request the Court deem filed an amended complaint adding in additional causes of action for unlawful wage statements, untimely payment of wages, and representative claims under PAGA.

On August 18, 2021, the Parties participated in mediation before Jeff Ross. The mediation did not end with a resolution, however the parties continued to work with Mr. Ross over the following months and on January 7, 2022, resolved this matter through a mediators’ proposal accepted by both parties.

IV. Defendant’s Denial of Wrongdoing or Liability

Defendant denies all of the claims and contentions alleged by the Plaintiffs in the Litigation, and has asserted multiple defenses to liability, class certification, and damages. Defendant does not, by this Settlement Agreement or otherwise, admit any liability of wrongdoing of any kind. Nonetheless, Defendant has taken into account the uncertainty and risks inherent in any litigation, particularly class action litigation, and concluded that to continue the Litigation would be protracted and expensive and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation.

The Parties understand and acknowledge that this Settlement Agreement constitutes a

1 compromise and settlement of disputed claims. No action taken by the Parties whether previously or
2 in connection with the negotiations or proceedings connected with the Settlement or this Agreement
3 shall be deemed or construed to be an admission of the truth or falsity of any allegations, claims, or
4 defenses heretofore made, or an acknowledgment or admission by any party of any fact, fault,
5 liability, or wrongdoing of any kind whatsoever.

6 Neither the Settlement, nor any act performed or document executed pursuant to or in
7 furtherance of the Settlement: (a) is or may be deemed to be, or may be used as, an admission of, or
8 evidence of, the validity of any claim made by the Plaintiffs or Class Members, or of any wrongdoing
9 or liability of the Released Parties (as defined below); or (b) is or may be deemed to be, or may be
10 used as, an admission of, or evidence of, any fault or omission of any of the Released Parties, in the
11 Litigation or in any proceeding in any court, administrative agency or other tribunal; or construed as
12 an admission by Plaintiffs regarding the validity of any allegation or claim asserted in this Action or
13 that Plaintiffs have waived any allegation or claim asserted in the Action.

14 In addition to any other defenses Defendant may have at law, in equity, or otherwise, to the
15 extent permitted by law, this Settlement Agreement may be pleaded as a full and complete defense
16 to, and may be used as the basis for an injunction against, any action, suit or other proceeding that
17 may be instituted, prosecuted or attempted in breach of this Settlement Agreement or the releases
18 contained herein.

19 In light of the above, Defendant has determined that it is desirable and beneficial to it that the
20 Litigation be settled in the manner and upon the terms and conditions set forth in this Stipulation.

21 **V. Claims of the Class Representatives and Benefits of Settlement**

22 The Class Representatives believe that the claims asserted in the Litigation have merit. The
23 Class Representatives and Class Counsel recognize and acknowledge, however, the expense and time
24 associated with continued litigation against Defendant through class certification, trial, and/or
25 appeals. The Class Representatives and Class Counsel have also taken into account the uncertain
26 outcome and risks of any litigation, and in particular putative class actions such as this Litigation, as
27 well as the difficulties and delays inherent in such litigation. The Class Representatives and Class
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1 Counsel are also mindful of the inherent problems of proof in establishing and overcoming potential
2 defenses to the claims asserted in the Litigation. In light of these considerations, the Class
3 Representatives and Class Counsel believe that the Settlement set forth in the Stipulation confers
4 substantial benefits and is in the best interests of the Class.

5 **VI. Terms of Stipulation and Agreement of Settlement**

6 **1. Definitions**

7 As used in all parts of this Stipulation (including the exhibits which are incorporated as part
8 of the Stipulation), the following terms have the meanings specified below:

9 1.1 “Settlement Class” or “Class Members” means any and all persons that performed
10 work for Defendant in California pursuant to owner-operator agreements (“Direct Contractors”)
11 and/or pursuant to being hired by Direct Contractors to perform the work under the owner-operator
12 agreements without being a party to the agreements (“Secondaries”) during the time period of October
13 18, 2015, through April 11, 2022.

14 1.2 “Class Counsel” means David Mara and Matthew Crawford of MARA LAW FIRM,
15 PC, 2650 Camino Del Rio North, San Diego, CA 92108.

16 1.3 “Class Period” means the time period from October 18, 2015 to April 11, 2022.

17 1.4 “Class Workweeks” means the following: six times the number of Workweeks
18 Participating Class Members who were Direct Contractors worked for Defendant during the Class
19 Period plus the number of Workweeks Participating Class Members who were Secondaries worked
20 for Defendant during the Class Period.

21 1.5 “Court” means the Superior Court of the State of California, for the County of San
22 Bernardino.

23 1.6 “Effective Date” means the later of: (a) if no objections to the Settlement are
24 submitted, the date on which the Court issues the Final Approval Order and Judgment; (b) if any
25 objections to the Settlement are submitted, the date which is forty-five (45) calendar days after notice
26 of entry of the Final Approval Order and Judgment if no notice is filed within that time seeking appeal
27 of the Final Approval Order and Judgment and if no motion for extension to appeal is filed; or (c) if

1 a notice of appeal is filed, the date upon which all appellate and/or other proceedings resulting from
2 the notice of appeal have been terminated in such a manner as to permit the Final Approval Order
3 and Judgment to take effect in substantially the form described herein

4 1.7 “Employer Taxes” means Defendant’s share of payroll taxes (e.g. UI, ETT, Social
5 Security, and Medicare taxes) with respect to the wages portion of Individual Settlement Amounts,
6 which will be paid by Defendant separately and in addition to the Maximum Settlement Amount.

7 1.8 “Skip Tracing” means the utilization of Accurint or Experian, after the Reasonable
8 Address Verification, to review the accuracy of and, if possible, to update a mailing address for a
9 Class Member in the event that his or her Class Notice is returned to the Settlement Administrator as
10 undeliverable without a forwarding address.

11 1.9 “Maximum Settlement Amount” is the amount of One Million Five Hundred and
12 Thousand Dollars and Zero Cents (\$1,500,000.00), which is the maximum amount to be paid by
13 Defendant pursuant to the Settlement Agreement, which will include: Attorneys’ Fees and Costs,
14 Settlement Administration Costs, Service Payments, PAGA Penalties, and the Net Settlement
15 Amount.

16 1.10 “Individual Class Settlement Amount” means an individual Participating Class
17 Member’s share of the Net Settlement Amount, which will be allocated as 25% wages and 75%
18 interest and penalties.

19 1.11 “Individual Class Settlement Payment” means the net payment of a Participating Class
20 Member’s Individual Settlement Amount, after reduction for the applicable taxes.

21 1.12 “Individual Class Workweeks” means the following: for Direct Contractors, this term
22 means six times the number of workweeks that the Direct Contractor worked for Defendant during
23 the Class Period; for Class Members that were Secondaries, this term means the number of
24 Workweeks Secondaries worked for Defendant during the Class Period.

25 1.13 “Individual PAGA Settlement Payment” means the net payment of a PAGA
26 Employee’s share of the \$18,750 (25% of the \$75,000 to be paid in settlement of the PAGA claims
27 in the Litigation), which will be allocated as 100% penalties.

1 1.14 “Individual PAGA Workweeks” means the following: for Direct Contractors, this
2 term means six times the number of Workweeks PAGA Employees that were Direct Contractors
3 worked for Defendant during the PAGA Period; for PAGA Employees that were Secondaries, this
4 term means the number of Workweeks Secondaries worked for Defendant during the PAGA Period.

5 1.15 “Last Known Address” means the most recently recorded mailing address for a Class
6 Member, as such information is contained in employment, payroll, or personnel records maintained
7 by Defendant.

8 1.16 “Net Settlement Amount” means the Maximum Settlement Amount, less the amount
9 that will be available for payment to all Participating Class Members (subject to the occurrence of the
10 Effective Date), and is calculated by subtracting all of the following from the Maximum Settlement
11 Amount: (1) attorneys’ fees in the amount of up to \$500,000.00 and reimbursement of litigation costs
12 and expenses in the amount of up to \$20,000.00 to Class Counsel (“Attorneys’ Fees and Costs”); (2)
13 service awards to Plaintiffs Eddie Escamilla and Gustavo Escamilla of \$10,000 each and Plaintiff
14 Arturo Escamilla of \$5,000; (3) fees and expenses of administration of the Settlement to the
15 Settlement Administrator in an amount not to exceed \$15,000 (“Settlement Administration Costs”);
16 and (4) the \$75,000 in PAGA Penalties. The Net Settlement Amount is currently estimated to be
17 approximately \$865,000, and this figure may change depending on the actual amounts awarded by
18 the Court for the Settlement Administration Costs, Attorneys’ Fees and Costs, and Service Payments,
19 and approved by the Court for PAGA Penalties.

20 1.17 “Notice of Class Action Settlement” or “Class Notice(s)” means a notice titled “Notice
21 of Class Action Settlement” to be approved by the Court, substantially in the form attached hereto as
22 “**Exhibit 1.**” The Notice of Class Action Settlement will constitute the class notice pursuant to
23 California Rule of Court, Rule 3.769(f).

24 1.18 “Opt Out” means a Class Member’s act of excluding him or herself from the
25 Settlement, by way of submitting a timely and valid Request for Exclusion to the Settlement
26 Administrator, in conformity with the requirements set forth herein and in the Class Notice. PAGA
27 Employees will release their Released PAGA Claims and receive an Individual PAGA Settlement

1 Payment regardless of whether they request exclusion from the Settlement.

2 1.19 “Final Approval Order and Judgment” means the judgment and order to be entered
3 by the Court, substantially in the form that the parties mutually agree to and lodge with the Court,
4 which will be a judgment for purposes of California Rule of Court, Rule 3.771(a) (“Judgment”) and
5 constitute approval pursuant to California Rule of Court, Rule 3.769(a). The Final Approval Order
6 and Judgment will be posted on the Settlement Administrator’s website for a period of sixty (60)
7 calendar days in compliance with California Rule of Court, Rule 3.771(b).

8 1.20 “PAGA Employees” means all Class Members who worked for Defendant at any time
9 from October 18, 2018 through April 11, 2022.

10 1.21 “PAGA Penalties” means the penalties pursuant to California Labor Code §§ 2698, *et*
11 *seq.*, the Private Attorneys General Act of 2004 (“PAGA”) in the amount of \$75,000.00 to be paid in
12 settlement of the PAGA claims in the Litigation. PAGA Penalties are to be approved by the Court
13 pursuant to California Labor Code § 2699 and are to be distributed as follows: seventy-five percent
14 (75%) to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) that will be distributed
15 to PAGA Employees.

16 1.22 “PAGA Period” means the time period from October 18, 2018 to April 11, 2022.

17 1.23 “PAGA Workweeks” means the following: six times the number of Workweeks
18 PAGA Employees that were Direct Contractors worked for Defendant during the PAGA Period plus
19 the number of Workweeks Secondaries worked for Defendant during the PAGA Period.

20 1.24 “Participating Class Members” or “Settlement Class” means all Class Members who
21 do not Opt Out pursuant to Paragraph 3.3.4 and, thus, become bound by the Judgment.

22 1.25 “Person” means a natural person, corporation, company, partnership, firm,
23 association, or society.

24 1.26 “Preliminary Approval Date” means the date on which the Court grants preliminary
25 approval of the Settlement.

26 1.27 “Preliminary Approval Order” means an order to be executed and filed by the Court,
27 substantially in the form that the parties mutually agree to and lodge with the Court, which will

1 constitute an order certifying a provisional class for settlement purposes only pursuant to California
2 Rule of Court, Rule 3.769(d) and an order setting a Final Approval Hearing pursuant to California
3 Rule of Court, Rule 3.769(e).

4 1.28 “Reasonable Address Verification” means the utilization of the National Change of
5 Address Database maintained by the United States Postal Service to review the accuracy of and, if
6 possible, update a mailing address.

7 1.29 “Released Class Claims” means all claims, demands, rights, liabilities and causes of
8 action of every nature and description whatsoever including without limitation statutory,
9 constitutional, contractual or common law claims, against the Released Parties (as defined below),
10 and any of them, for relief and penalties, that accrued during the Class Period, and as a result of Class
11 Members’ employment by Defendant in California, that arise under any state or local law or state
12 administrative order that was or could have been pled based on the facts alleged in the Operative
13 Complaint, including claims of failure to pay minimum wages, failure to pay overtime wages, failure
14 to provide compliant meal periods and/or associated premiums, failure to provide wage statements,
15 failure to provide compliant rest periods and/or associated premiums, failure to pay wages timely at
16 termination, failure to reimburse for business expenses, unfair competition, and violations of
17 California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197,
18 1197.1, 1198, 2800, 2802 the applicable Wage Order of the Industrial Wage Commission, and
19 California Business & Professions Code §§ 17200 to 17208, including without limitation all related
20 claims for restitution and other equitable relief arising from California Business and Professions Code
21 §§ 17200, *et seq.*, interest on unpaid wages, unpaid wages, attorneys’ fees or litigation costs, and any
22 other related claims and/or penalties. The release does not extend to any claims not alleged in the
23 operative Class Action Complaint and specifically excludes claims for workers’ compensation,
24 personal injuries, unemployment insurance, state disability compensation, claims under the
25 Employment Retirement Income Security Act of 1974, previously vested benefits under any employer
26 sponsored benefits plan, wrongful termination, discrimination, retaliation, and harassment including
27 but not limited to those arising under the Age Discrimination In Employment Act, the California Fair

1 Employment and Housing Act, Title VII of the Federal Civil Rights Act of 1964, and/or Federal Civil
2 Rights Act of 1991, or any similar state or federal laws, the California Family Rights Act, the Federal
3 Family Medical Leave Act, the California Pregnancy Leave Law, or similar state or federal laws, the
4 Federal Equal Pay Act of 1963, violations of the Americans with Disabilities Act of 1990 or violations
5 of any other state or federal law, rule or regulation concerning discrimination, retaliation and/or
6 harassment. This release does not include any of the claims encompassed within the Released PAGA
7 Claims (as defined below).

8 1.30 “Released PAGA Claims” means all claims, demands, rights, liabilities and causes of
9 action of every nature and description whatsoever including without limitation statutory,
10 constitutional, contractual or common law claims, against the Released Parties (as defined below),
11 and any of them, for civil penalties pursuant to PAGA, that accrued during the PAGA Period, and as
12 a result of PAGA employees’ employment by Defendant in California, that arise under any state or
13 local law or state administrative order that was or could have been pled based on the facts alleged in
14 the Operative Complaint and the forthcoming notice to the LWDA, including claims of failure to pay
15 minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and/or
16 associated premiums, failure to provide wage statements, failure to provide compliant rest periods
17 and/or associated premiums, failure to pay wages timely at termination, failure to reimburse for
18 business expenses, and violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7,
19 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the applicable Wage Order of the
20 Industrial Wage Commission. The release does not extend to any claims not alleged in the operative
21 Class Action Complaint and the forthcoming notice to the LWDA.

22 1.31 “Released Parties” means Defendants National Retail Transportation, Inc. and
23 Keystone Freight Corp. and each of their parent companies, subsidiaries, affiliates, current and former
24 management companies, shareholders, members, agents (including any investment bankers,
25 accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and
26 employees) predecessors, successors, and assigns.

27 1.32 “Response Deadline” means the date that is sixty (60) calendar days after the date on
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1 which the Settlement Administrator initially mails the Class Notice to the Class Members, which will
2 be the deadline for a Class Member to Opt Out, dispute the number of Workweeks credited to him or
3 her, and/or object to the Settlement, and which will be indicated on the Class Notice that is mailed to
4 the Class Members.

5 1.33 “Request for Exclusion” means a written request to be excluded from the Settlement,
6 which must be made in writing submitted to the Settlement Administrator by mail, postmarked on or
7 before the Response Deadline, and which must contain the case name (*Eddie Escamilla et. al v.*
8 *Keystone Freight Corp. et. al*, San Bernardino County Superior Court Case No. CIVDS1931366), as
9 well as the Class Member’s full name, address, telephone number, last four (4) digits of his or her
10 Social Security number, and signature, and a clear statement indicating that he or she seeks to exclude
11 him or herself from the Settlement.

12 1.34 “Settlement Administrator” means the third-party settlement administration firm,
13 Phoenix Class Action Administration Solutions.

14 1.35 “Final Approval Hearing” means a hearing set by the Court for the purpose of
15 determining the fairness, adequacy and reasonableness of the Settlement pursuant to class action
16 procedures and requirements and entering Judgment, and required under California Rule of Court,
17 Rule 3.769(a).

18 1.36 “Unknown Claims” means any Released Claims which the Class Representatives do
19 not know or suspect to exist in their favor at the time of the entry of the Judgment, and which if known
20 might have affected the settlement with and release of Defendant.

21 1.37 “Updated Address” means a mailing address that was updated via a Reasonable
22 Address Verification, via an updated mailing address provided by the United States Postal Service or
23 a Class Member, via Skip Tracing, or via a Locator Service.

24 1.38 “Workweeks” means the numbers of workweeks worked by the Class Members for
25 Defendant during the Class Period.

1 (c) The Parties agree that the above-described formulas and distribution methods
2 are reasonable and fair in light of the Parties' investigation of the claims of the Class, and the relative
3 degree of uncertainty, risk of outcome of further litigation, and difficulties and delays inherent in such
4 litigation of these claims.

5 2.7 Defendant, through the Claims Administrator, will report each payment made on the
6 Maximum Settlement Amount to government authorities including the Internal Revenue Service as
7 required by law, and it shall make all required deductions and/or withholdings. Defendant, through
8 the Claims Administrator, shall report payments for penalties and interest to the Internal Revenue
9 Service (and other relevant governmental agencies) as non-wage income in the year of payment on
10 a Form 1099, or similar form issued to the Participating Class Members and PAGA Employees in
11 question.

12 2.8 To the extent that there are excess funds from uncashed checks for Class Members
13 and PAGA Employees who cannot be located, the parties agree that such funds shall be submitted to
14 the State Controller Unclaimed Property Fund in the name of the Class Member and/or PAGA
15 Employee for whom the funds are designated, 180 days after the checks have been mailed to the Class
16 Members and PAGA Employees.

17 **3. Procedure for Approval and Implementation of Settlement**

18 **3.1 Preliminary Approval**

19 3.1.1 The Class Representatives, through their counsel of record, will file an
20 unopposed motion for preliminary approval of Settlement, seeking an order approving the Settlement
21 pursuant to the California Rule of Court, Rule 3.769(e), and this Stipulation will be filed with the
22 Court contemporaneously and/or as part of the motion. By way of the motion, the Class
23 Representatives will request that the Court enter a Preliminary Approval Order, approving the
24 distribution of the Class Notice and scheduling the Final Approval Hearing (pursuant to California
25 Rule of Court, Rule 3.769(e)) for the purposes of determining whether to grant final approval of the
26 Settlement and enter Judgment in conformity with California Rule of Court, Rule 3.769(h). The
27 motion for preliminary approval of Settlement will be filed with the Court no later than thirty (30)

1 calendar days after receipt of the fully executed Stipulation by Class Counsel.

2 3.1.2 The Settlement will be void if the Court categorically refuses to enter the
3 Preliminary Approval Order in its entirety or in a substantially similar form; however, the Parties are
4 to take all reasonable steps to cure any non-material issues so as to avoid the Settlement being void.

5 **3.2 Notice to Class Members**

6 3.2.1 No later than twenty (20) calendar days after the Preliminary Approval Date,
7 the Settlement Administrator will mail the Court-approved Class Notice to all Class Members. The
8 Class Notice will be mailed via first class mail through the United States Postal Service. The envelope
9 containing the Class Notice will bear the following phrase in bold type, ¼ inch below the return
10 address or ¼ inch above the addressee’s address: RETURN SERVICE REQUESTED. The envelope
11 will also bear the following phrase in the bottom left hand corner: IMPORTANT – NATIONAL
12 RETAIL TRANSPORTATION, INC. CLASS ACTION SETTLEMENT INFORMATION.
13 PLEASE OPEN IMMEDIATELY. The Class Notice and its envelope or covering will be marked to
14 denote the return address of the Settlement Administrator as set forth in the Class Notice.

15 3.2.2 Defendant will prepare a list, in an electronically usable format for the
16 Settlement Administrator, containing for each Class Member, to the extent Defendant has such
17 information, the following: the full name, Last Known Address, social security number, and dates of
18 employment as a non-exempt or hourly-paid employee of Defendant during the Class Period (“Class
19 List”). By granting preliminary approval of the Settlement, the Court will be deemed to have
20 authorized Defendant to provide the Settlement Administrator with the Class List. Defendant will
21 provide the Class List to the Settlement Administrator and Class Counsel within fourteen (14)
22 calendar days following the Preliminary Approval Date.

23 3.2.3 For Class Members who were employees of Defendant as of the Preliminary
24 Approval Date the Settlement Administrator will mail the Class Notice to the Last Known Address
25 provided by Defendant. No Reasonable Address Verification will be conducted for Class Members
26 who were employed by Defendant as of the Preliminary Approval Date.

27 3.2.4 For Class Members who were not employed by Defendant as of the
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1 Preliminary Approval Date prior to mailing the Class Notice, the Settlement Administrator will
2 undertake a Reasonable Address Verification to ascertain the accuracy of the Last Known Address of
3 the Class Member. To the extent this process yields an Updated Address, that Updated Address will
4 be treated as the Last Known Address for purposes of this Stipulation and for Class Notice mailing.

5 3.2.5 If a Class Member is known to be deceased, the Class Notice for that deceased
6 Class Member will be mailed to the Last Known Address (or Updated Address, if applicable) of the
7 legal representative of the deceased Class Member's estate, to the extent known; otherwise, it will be
8 mailed to the Last Known Address (or Updated Address, if applicable) of the deceased Class Member.

9 3.2.6 Unless the Settlement Administrator receives a Class Notice returned from the
10 United States Postal Service for reasons discussed below in this paragraph, on or before the Response
11 Deadline, that Class Notice will be deemed to have been mailed and received by the Class Member
12 to whom it was sent five (5) calendar days after the mailing. In the event that subsequent to the first
13 mailing of a Class Notice and on or before the Response Deadline, the Class Notice is returned to the
14 Settlement Administrator by the United States Postal Service without a forwarding address, the
15 Settlement Administrator will undertake a Skip Tracing on the Class Member to attempt to ascertain
16 the current address of the Class Member, and if such an address is ascertained, the Settlement
17 Administrator will undertake a single re-mailing of the Class Notice to any Updated Address that is
18 located for the Class Member, within three (3) business days of receipt of the returned Class Notice,
19 and the Class Notice will be deemed mailed and received at that point. In the event that subsequent
20 to the initial mailing of a Class Notice and on or before the Response Deadline, the Class Notice is
21 returned to the Settlement Administrator by the United States Postal Service with a forwarding
22 address for the Class Member, the forwarding address will be deemed the Updated Address for the
23 Class Member, the Settlement Administrator will undertake a single re-mailing of the Class Notice
24 to the Updated Address within three (3) business days of receipt of the returned Class Notice, and the
25 Class Notice will be deemed mailed and received at that point. The Settlement Administrator will
26 include a cover letter with any re-mailing to inform the Class Member that the Class Notice was re-
27 mailed and that he or she has the later of the Response Deadline or ten (10) calendar days from the

1 date on which the Class Notice was re-mailed (which shall be the date the re-mailing of the Class
2 Notice is postmarked) to Opt Out, object to the Settlement, and/or dispute the number of Workweeks
3 credited to him or her. Compliance with the procedures described in this paragraph will constitute
4 due and sufficient notice to Class Members of this Settlement and of the Final Approval Hearing, and
5 will satisfy the requirements of due process. Nothing else will be required of or done by the Parties,
6 Class Counsel, counsel for Defendant, or the Settlement Administrator to provide notice of the
7 Settlement and the Final Approval Hearing.

8 3.2.7 No later than seven (7) calendar days after the Response Deadline, the
9 Settlement Administrator will provide Class Counsel and counsel for Defendant with a declaration
10 attesting to completion of the notice process, including any attempts to obtain Updated Addresses for,
11 and the re-sending of, any returned Class Notices, to be filed with the Court by Class Counsel.

12 3.3 Responses to the Notice of Class Action Settlement

13 3.3.1 Disputing Workweeks: If a Class Member disagrees with the number of
14 Workweeks credited to him or her as set forth in his or her Class Notice, he or she must submit a
15 written dispute along with documentation that supports his or her belief that he or she should be
16 credited with a different number of Workweeks. The dispute must be submitted to the Settlement
17 Administrator by mail, postmarked on or before the Response Deadline. The dispute must contain
18 the case name and number of the Action (*Eddie Escamilla et. al v. Keystone Freight Corp. et. al*, San
19 Bernardino County Superior Court Case No. CIVDS1931366), as well as the Class Member's name,
20 address, telephone number, last four (4) digits of his or her Social Security number, and signature.
21 The dispute must also contain a clear statement indicating that the Class Member disputes the number
22 of Workweeks credited to him or her. The Settlement Administrator will review the Workweeks
23 dispute and supporting documentation and make a determination based upon the submitted
24 documentation as to the validity of the Class Member's claim. If the Settlement Administrator needs
25 further information from Defendant concerning the Class Member's claim, the Settlement
26 Administrator will notify Defendant and Class Counsel and request the needed information.
27 Defendant's records will be presumed determinative if there is a dispute over the dates of employment

1 that the Class Member worked as a non-exempt or hourly-paid employee in California, unless the
2 Class Member has submitted valid and compelling documentation to support his or her claim to a
3 different number of Workweeks than the number shown on the Class Notice. The Settlement
4 Administrator will resolve all disputes by applying the above standard, and the decision of the
5 Settlement Administrator on any such disputes will be final.

6 3.3.2 Entry of Appearance at Class Members' Own Expense: Pursuant to California
7 Rule of Court, Rule 3.766(d)(5), any Class Member who does not Opt Out may, if the Class Member
8 so desires, enter an appearance through counsel at his or her own expense, and will be advised of this
9 by way of the Class Notice. Class Members who choose to enter such an appearance are responsible
10 for any attorneys' fees or costs incurred as a result thereof.

11 3.3.3 Objections to Settlement: Class Members who do not Opt Out may object to
12 the Settlement by submitting a written objection to the Settlement Administrator, postmarked no later
13 than the Response Deadline. A written objection to the Settlement must be signed by the Class
14 Member and dated, and additionally state the Class Member's name, last four (4) digits of his or her
15 Social Security number, dates of employment as a non-exempt or hourly-paid employee of Defendant
16 in California, the case name and number of the Action (*Eddie Escamilla et. al v. Keystone Freight*
17 *Corp. et. al*, San Bernardino County Superior Court Case No. CIVDS1931366), all legal and factual
18 bases for objection to the Settlement, whether the Class Member intends to appear at the Final
19 Approval Hearing, and whether the Class Member is represented by legal counsel (and if so,
20 identifying the legal counsel and providing said legal counsel's mailing address). Alternatively, Class
21 Members may choose to voice their objections at the Final Approval Hearing. A Class Member who
22 objects to the Settlement will still be considered a Participating Class Member who is subject to the
23 Settlement.

24 3.3.4 Opting Out of Settlement: Class Members may elect to Opt Out of the
25 Settlement and, thus, exclude themselves from the Settlement. Class Members who wish to exercise
26 this option must submit a timely and valid Request for Exclusion to the Settlement Administrator.
27 The written request for exclusion must: (a) state the Class Member's name, address, telephone

1 number, and the last four digits of the Class Member's social security number or employee
2 identification number; (b) state the Class Member's intention to exclude themselves from or opt-out
3 of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class
4 Member or his or her lawful representative; and (e) be postmarked no later than the Response
5 Deadline, in accordance with Paragraph 3.2.6. If a valid Request for Exclusion is not received by the
6 Settlement Administrator from a Class Member on or before the Response Deadline, then that Class
7 Member will be deemed to have forever waived his or her right to Opt Out. The Class Notice will
8 advise Class Members of their option to Opt Out and will contain instructions on how to do so. Class
9 Members who do not Opt Out by submitting valid and timely Requests for Exclusion will be deemed
10 to be Participating Class Members, will be bound by the Settlement and the Judgment entered based
11 thereon. Class Members who Opt Out by submitting valid and timely Requests for Exclusion will not
12 be bound by the Settlement, will not be entitled to any benefits thereunder, or to make any objection
13 to the Settlement. PAGA Employees will release their Released PAGA Claims and receive an
14 Individual PAGA Settlement Payment regardless of whether they request exclusion from the
15 Settlement.

16 3.3.5 If a Class Member submits both a Request for Exclusion and an objection to
17 the Settlement, the Request for Exclusion will be accepted and the objection will be disregarded.

18 3.3.6 The Parties agree that the Response Deadline will not be extended, and no
19 untimely submissions will be honored, under any circumstances, unless mutually agreeable by the
20 Parties and/or except to the extent permitted under Paragraph 3.2.6.

21 **3.4 Final Approval Hearing.**

22 3.4.1 After the Response Deadline, a Final Approval Hearing will be held before the
23 Court in order to: (1) determine whether the Court should grant final approval of the Settlement; (2)
24 consider objections to the Settlement; and (3) consider Class Representatives' application for an
25 award of Attorneys' Fees and Costs to Class Counsel and the Service Payment to the Class
26 Representatives. At the Final Approval Hearing, the Parties will request that the Court grant final
27 approval of the Settlement and enter the Final Approval Order and Judgment. The Parties will take

1 all reasonable efforts to secure entry of the Final Approval Order and Judgment. If the Court rejects
2 the Stipulation, fails to enter the Final Approval Order and Judgment, this Stipulation will be void,
3 and Defendant will have no obligation to make any payments under the Settlement, other than the
4 Settlement Administration Costs; however, the Parties and their counsel agree to make all reasonable
5 efforts to fix any issues that the Court cites for its non-approval as set forth in Paragraph 3.1.2.

6 **3.5 Releases**

7 3.5.1 Release by Participating Class Members. Upon the Effective Date, each of the
8 Participating Class Members (including the Class Representatives) will be deemed to have, and by
9 operation of the Judgment will have fully, finally, and forever released, relinquished and discharged
10 Defendant and the Released Parties from any and all Released Class Claims.

11 3.5.2 Release by PAGA Employees. Upon the Effective Date, each of the PAGA
12 Employees will be deemed to have, and by operation of the Judgment will have fully, finally, and
13 forever released, relinquished and discharged Defendant and the Released Parties from any and all
14 Released PAGA Claims.

15 3.5.3 Class Representatives' General Release of Claims

16 i. In addition to those releases set forth in Paragraph 3.5.1 hereof, with
17 respect to any and all Released Class Claims, upon the Effective Date, the Class Representatives will
18 expressly and will be deemed to have, and by operation of the Judgment will have, waived the
19 provisions, rights and benefits of California Civil Code § 1542 with respect to the Released Claims,
20 which provides as follows:

21 **A general release does not extend to claims that the creditor or**
22 **releasing party does not know or suspect to exist in his or her**
23 **favor at the time of executing the release and that, if known by**
24 **him or her, would have materially affected his or her settlement**
25 **with the debtor or released party.**

26 ii. In consideration for the Service Payments and as an inducement for
27 Defendant to enter into this Stipulation, with respect to the Class Representatives only, the Released
28 Claims will additionally include any and all claims including Unknown Claims against Defendant

1 in this Litigation or in any other proceeding for any purpose, and any Judgment or order entered by
2 the Court in accordance with the terms of the Stipulation will be treated as vacated. Notwithstanding
3 any other provision of this Stipulation, if the Court should fail to award attorneys' fees to Class
4 Counsel in the full amount provided for in this Stipulation, no order of the Court or modification of
5 any order of the Court concerning the amount of any attorneys' fees to be paid by Defendant to Class
6 Counsel pursuant to this Settlement will constitute grounds for cancellation or termination of the
7 Stipulation or grounds for limiting any other provision of the Judgment. It is agreed that no order of
8 the Court, including any order concerning attorneys' fees, may alter or otherwise increase the
9 Maximum Settlement Amount.

10 3.7.3 The Parties (a) acknowledge that it is their intent to consummate this
11 agreement; (b) agree to cooperate to effectuate and implement all terms and conditions of the
12 Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the
13 Stipulation; (c) agree to seek and to attempt to obtain preliminary and final approval by Court of the
14 Settlement; and (d) agree to reasonably work together to seek and attempt to obtain preliminary and
15 final approval of the Stipulation should the Court not grant approval upon the first presentation.

16 3.7.4 The Parties and attorneys agree to keep the Settlement confidential until the
17 motion for preliminary approval of the Settlement is filed. Thereafter, the Parties will agree to make
18 no comments to the media or otherwise publicize the terms of the Settlement.

19 3.7.5 The Parties agree that they will not engage in making or publishing written
20 statements which are disparaging to the reputation of the other or their corporate parents and affiliates.

21 3.7.6 The Stipulation compromises claims which were contested and the subject of
22 a good faith dispute, and it will not be deemed an admission by any of the Parties as to the merits of
23 any claim or defense. The Parties agree that the amounts paid in settlement of the Litigation and the
24 other terms of the Settlement were negotiated at arms-length and in good faith with sufficient
25 information by the Parties and reflect a settlement that was reached voluntarily after consultation with
26 competent legal counsel.

27 3.7.7 All of the exhibits to the Stipulation and material and integral parts hereof and
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DATED: 3/17/2022 | 7:39:27 PM PDT, 2022

DocuSigned by:
By: Eddie Escamilla
Plaintiff Eddie Escamilla

DATED: 3/18/2022 | 2:37:54 PM PDT, 2022

DocuSigned by:
By: GK
Plaintiff Gustavo Escamilla


DATED: 3/18/2022 | 2:55:13 PM PDT, 2022

DocuSigned by:
By: AE
Plaintiff Arturo Escamilla

DATED: _____, 2022

By: _____
on behalf of Defendant

DATED: March 18, 2022

By: 
David Mara
Matthew Crawford
Mara Law Firm, PC
Attorneys for Plaintiffs

DATED: _____, 2022

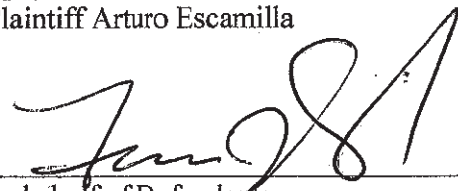
By: _____
Joshua Carlon
Lewis Brisbois Bisgaard & Smith LLP
Attorneys for Defendant

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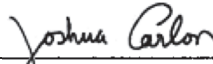
DATED: _____, 2022 By: _____
Plaintiff Eddie Escamilla

DATED: _____, 2021 By: _____
Plaintiff Gustavo Escamilla

DATED: _____, 2022 By: _____
Plaintiff Arturo Escamilla

DATED: 3/18, 2022 By: 
on behalf of Defendants

DATED: _____, 2022 By: _____
David Mara
Matthew Crawford
Mara Law Firm, PC
Attorneys for Plaintiffs

DATED: March 18, 2022 By: 
Joshua Carlon
Lewis Brisbois Bisgaard & Smith LLP
Attorneys for Defendant