

## AMENDED CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Class Action Settlement Agreement and Release of Claims (“Settlement Agreement,” “Settlement” or “Agreement”), is entered into by and between Scott Han, Mee Yeon Kang, Minho Han, Eun Su Jang, Moon Seok Choi, and Dong Jin Kim (“Plaintiffs”), and Into Logistics, Inc., Scott Han and Eun Su Jang (“Cross-Defendants”), on the one hand, and New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., New Connect Freight, Inc., Man Youn, and Seo Kyoung Choi (“Defendants”) and New Connect Logistics, Inc. (“Cross-Complainant”), on the other hand (together, the “Parties”). This Agreement is intended to fully, finally and forever resolve, discharge and settle the Released Claims, as defined in Sections XII.A., XII.D., and XII.E., upon and subject to the terms and conditions of this Agreement.

### I. RECITALS

A. On January 23, 2019, counsel for Plaintiff Eun Su Jang sent a letter to the California Labor and Workforce Development Agency (“LWDA”) and Defendants alleging that violations of the Labor Code occurred during Jang’s employment with Defendants. The letter purports to give notice of the alleged Labor Code violations pursuant to the Private Attorneys General Act (“PAGA”) (Cal. Lab. Code § 2698, et seq.) (the “LWDA Letter”).

B. On January 30, 2019, Plaintiffs filed a putative class and putative representative action lawsuit entitled *Scott Han v. New Connect Logistics, Inc.*, Case No. 19STCV02681 (the “Class Action”), in the Superior Court of Los Angeles County, Central District against Defendants. In this Class Action, Plaintiffs raised claims under the California Labor Code and California Business and Professions Code, including claims for unpaid minimum wage and overtime, failure to provide meal and rest periods, failure to timely pay final wages, failure to reimburse employee expenses, improper or incomplete wage statements, and disgorgement of profits.

C. On April 9, 2019, Eun Su Jang filed a putative representative action against Defendants entitled *Eun Su Jang v. New Connect Logistics, Inc.*, Case No. 19LBCV00234 (the “Jang action”), in the Superior Court of Los Angeles County, South District against Defendants. In this PAGA Action, Eun Su Jang asserted causes of action under PAGA against Defendants based on the same facts as the causes of action Plaintiffs asserted against Defendants in the Class Action.

D. On June 26, 2019, an amended complaint was filed in the Class Action adding Eun Su Jang as a plaintiff and putative class member, and adding causes of action under PAGA, so that the PAGA causes of action could be resolved with Plaintiffs’ other causes of action in the Class Action. Pursuant to the Parties’ stipulation, the *Jang* action was subsequently dismissed without prejudice.

E. On August 16, 2019, a Cross-Complaint was filed by New Connect Logistics against Into Logistics, Inc., Scott Han, and Eun Su Jang for breach of loyalty; aiding and

abetting-breach of loyalty; statutory misappropriation of trade secrets; conspiracy; aiding and abetting; unlawful business practice; intentional interference with prospective business relationship, and unjust enrichment.

F. Defendants filed an answer in the Class Action containing a general denial. Defendants deny any and all allegations raised in the Class Action.

G. Cross-Defendants filed an answer contending a general denial.

H. This Settlement Agreement is made in compromise of disputed claims.

I. This Settlement Agreement is made for the sole purpose of settling the above-captioned Class Action on a class-wide and representative basis. In the event that the Court does not enter the Final Approval Order, or a Judgment is not entered in this lawsuit, or the conditions precedent are not met for any reason, this Settlement Agreement shall be deemed null and void *ab initio*, it shall be of no force or effect whatsoever, it shall not be referred to or utilized for any purpose whatsoever, and the negotiations, terms and entry of the Agreement shall remain subject to the provisions of California Evidence Code sections 1119 and 1152 and any other analogous rules of evidence that might apply.

Based on the foregoing, the Parties agree as follows:

## **II. DEFINITIONS**

A. “Settlement Class” or “Settlement Class Members” refers to the Sixty-Five (65) non-exempt salaried employees of New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., and/or New Connect Freight, Inc., who worked at any time during the Class Period defined in Section II.B. below, whose names and respective pay periods worked during the Class Period are reflected on the attached Exhibit 2.

B. “Class Period” refers to the period from January 30, 2015 through and including March 31, 2020.

C. “PAGA Members” refers to all Settlement Class Members (defined in Section II.A. above) who worked during the PAGA Period (defined in Section II.D. below).

D. “PAGA Period” refers to the period between April 9, 2018 through and including March 31, 2020.

E. “Gross Settlement Amount” shall be the amount which Defendants are obligated to pay under this Agreement, which is Five Hundred Forty-Nine Thousand Seven Hundred Fifty-One Dollars and Eighty-Four Cents (\$549,751.84).

F. “Class Action” refers to the class action, California PAGA representative action identified in the Recitals above (Sections I.B., I.C., and I.D.).

G. “Class Action Complaint” refers to the operative First Amended Complaint filed by Plaintiffs in the Class Action on or about June 26, 2019.

H. “Class Claims” refers to the First through Sixth Causes of Action (and corresponding requests for relief) asserted by Plaintiffs on behalf of themselves and the Class in the Class Action Complaint.

I. “PAGA Claims” refers to the Seventh through Twelfth Causes of Action (and corresponding requests for relief) asserted by Plaintiffs on behalf of themselves and the PAGA Members in the Class Action Complaint.

J. “Court” refers to the Los Angeles County Superior Court, Complex Division.

K. “Preliminary Approval Order” refers to the order of the Court granting preliminary approval of the Settlement set forth herein.

L. “Date of Preliminary Approval” refers to the date on which the Court, as defined above, enters an order granting preliminary approval of the Parties’ Settlement.

M. “Final Settlement Class Members” refers to Settlement Class Members who do not timely and validly exclude themselves from the Settlement Class in compliance with the exclusion procedures set forth in this Agreement and the Class Notice.

N. “Class Counsel” refers to Jonathan Ricasa of Law Office of Jonathan Ricasa and Briana M. Kim of Briana Kim, PC.

O. “Defense Counsel” refers to Stella K. Park and Yalan Zheng of Law Offices of Park & Zheng.

P. “Class Notice” refers to the Notice (substantially in the form attached hereto as Exhibit 1) as it may hereafter be modified by agreement of the Parties or order of the Court.

Q. “Settlement Administrator” refers to Phoenix Settlement Administrators or such other entity upon whom the Parties mutually agree, and which will handle the administration of the Settlement set forth in this Agreement.

R. “Response Deadline” or “Response Period” means the date forty-five (45) calendar days after the Settlement Administrator mails Class Notice to Settlement Class Members and the last date on which Settlement Class Members may submit a request for exclusion and/or objection to the Settlement. If a second mailing to any Settlement Class Member is required as a result of the initial mailing being returned as undeliverable, the Response Period for those Settlement Class Members only, who shall be sent a second mailing, will be extended by fifteen (15) calendar days (i.e., 60 calendar days from first mailing) irrespective of when the first mailing was returned as undeliverable.

S. “Final Approval Order” refers to the order of the Court granting final approval of this Settlement and entering a judgment approving this Settlement on substantially the terms provided herein or as the same may be modified by subsequent agreement of the Parties.

T. “Judgment” refers to the judgment entered by the Court in conjunction with the Final Approval Order.

U. “Effective Date” means date on which the Court’s final approval order becomes final. For purposes of this Section, the Court’s final approval order “becomes final” upon the last to occur of the following: (a) the date of final affirmance on appeal of the Judgment; (b) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding to review the Judgment; or (c) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the Court’s Judgment.

V. “Individual Settlement Payment” refers to the share of the Net Settlement Amount to which a Final Settlement Class Member and/or PAGA Member is entitled to receive pursuant to this Settlement.

W. “LWDA Payment” refers to the payment of \$7,500.00 allocated to the California Labor and Workforce Development Agency’s 75% share (“LWDA Payment”) of the total \$10,000.00 allocated to the PAGA Claims (the “PAGA Amount”).

X. “Net Settlement Amount” refers to the Gross Settlement Amount, less (1) attorneys’ fees and litigation costs of Class Counsel as approved by the Court, (2) incentive awards to Plaintiffs as approved by the Court, (3) the LWDA Payment defined above; and (4) the costs and fees of the Settlement Administrator as approved by the Court. To the extent the Court does not approve the full requested amount of attorneys’ fees or litigation costs, the incentive awards, the LWDA Amount, and/or costs and fees of the Settlement Administrator, the Net Settlement Amount will increase accordingly.

Y. “Released Parties” refers to Man Youn, Seo Kyoung Choi, New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., and New Connect Freight, Inc. and all of their parent, subsidiary, affiliated and related companies and entities, as well as its/their officers, directors, investors, owners, shareholders, employees, partners, agents, and attorneys, and any entities or partnerships with which they are affiliated.

### **III. CONFIRMATORY DISCOVERY**

Defendants provided Class Counsel with the Employee Earnings Record reports for the Settlement Class with respect to the entire Class Period, and/or similar pay history reports that show the workweeks. This information was used by the Plaintiffs and Defendants to verify the number of workweeks and pay periods worked by the Settlement Class.

### **IV. APPLICATION FOR COURT APPROVAL OF SETTLEMENT, CLASS CERTIFICATION FOR SETTLEMENT PURPOSES ONLY, CLASS NOTICE, AND FINAL APPROVAL HEARING**

The Parties stipulate, for settlement purposes only, to the certification by the Court of a class action, with a Settlement Class as defined in Sections II.A. and II.B. above, with respect to Class Claims. Within twenty-five (25) calendar days of full execution of this Agreement, Plaintiffs shall apply to the Court for approval of the Settlement, including a Preliminary Approval Order preliminarily approving the Settlement Agreement under the legal standards relating to the approval of class action settlements under California Law; certifying the Settlement Class for settlement purposes only; approving the Class Notice; and setting a final approval hearing and briefing schedule. Defendants shall have the right to review and comment upon the motion for preliminary approval and any motion for final approval of the settlement. The Parties will agree on the form of any proposed orders or notices to the Settlement Class, and shall work in good faith reasonably and promptly to present the settlement to the Court for preliminary approval. Should this Settlement not become effective for any reason, the fact that the Parties stipulated to certification of a Settlement Class in this Agreement shall have no bearing on and shall not be admissible on the question of whether a class should be certified in a non-settlement context. Plaintiffs understand that the Defendants deny all claims as to liability, damages, penalties, interest, fees, restitution, injunctive relief and all other forms of relief as well as the class allegations asserted in the Class Action. Defendants have agreed to resolve the Class Action through this Settlement, but to the extent this Settlement is deemed void, Defendants do not waive, but rather expressly reserve, all rights to challenge all such claims and allegations in the Class Action upon all procedural and factual grounds, including without limitation the ability to challenge class and representative action treatment on any grounds, as well as asserting any and all other potential defenses or privileges. Plaintiffs and Class Counsel agree that the Defendants retain and reserve these rights. Specifically, Plaintiffs and Class Counsel agree not to argue or present any argument that, in the event this Settlement is not approved in full, and to the extent it may be based upon any conditional agreements resulting from mediation and this Agreement, Defendants could not file a later motion for de-certification, contest any class action certification on any grounds, or assert any and all other potential defenses and privileges if the Class Action were to proceed. Plaintiffs and Class Counsel hereby waive such arguments and agree they will not take a position contrary to this provision.

**V. CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT**

The Parties enter into this Agreement and the Settlement on a conditional basis. This Agreement and Settlement will become final and effective only upon the occurrence of all of the following events:

- i) The Court certifies the class action for settlement purposes only;
- ii) The Court enters an order granting preliminary approval of the Settlement;
- iii) The Court enters a Final Approval Order;
- iv) The Court approves the settlement of the Class Claims and PAGA Claims;  
and

- v) The Effective Date occurs, and any challenge to the Settlement, whether by objection or appeal, is resolved in favor of enforcement of the Settlement.

## **VI. SETTLEMENT ADMINISTRATION**

A. Duties of Settlement Administrator: The Settlement Administrator shall be solely responsible for:

- i) Preparing, printing and disseminating to Settlement Class Members the Class Notice;
- ii) Promptly furnishing to Class Counsel and Defense Counsel copies of any requests for exclusion, objections or other written or electronic communications from Settlement Class Members which the Settlement Administrator receives;
- iii) Determining and distributing the Individual Settlement Payment to each Final Settlement Class Member and/or PAGA Member;
- iv) Keeping track of requests for exclusion;
- v) Preparing and mailing, in accordance with this Agreement and Preliminary Approval Order of the Court, Class Counsel's attorneys' fees and costs, the Plaintiffs' incentive awards, Individual Settlement Payments to Final Settlement Class Members and/or PAGA Members, and the LWDA Payment;
- vi) Ascertaining current address and addressee information for each Class Notice returned as undeliverable and re-mailing the Class Notice where appropriate and, as necessary, utilizing the National Change of Address Database maintained by the U.S. Postal Service and undertaking customary skip-tracing measures to confirm and/or determine proper addresses;
- vii) Performing all tax reporting duties required by federal, state, and/or local law pertaining to the Settlement Administrator's duties (e.g., 1099s, etc.);
- viii) Apprising Class Counsel and Defense Counsel of the activities of the Settlement Administrator;
- ix) Maintaining adequate records of its activities, including the dates of each mailing of Class Notices, returned mail and other communications and attempted written or electronic communications with Settlement Class Members;

- x) Confirming with Class Counsel and Defense Counsel, in writing, its completion of the administration of the Settlement;
- xi) Preparing a final report summarizing the number of requests for exclusion returned during the Response Period, as well as any objections received by the Settlement Administrator;
- xii) Resolving disputes during the settlement administration process in the manner provided under Section VI.B. below; and
- xiii) Such other tasks as the Parties mutually agree.

B. Dispute Resolution: The Settlement Administrator will have the initial responsibility for resolving all disputes that arise during the settlement administration process, including, without limitation, disputes regarding whether an individual is entitled to an Individual Settlement Payment and, if so, to what extent. In resolving such disputes, Defendants' employment records shall be presumed to be accurate and correct, and shall be final and binding, unless the information submitted by the Settlement Class Member (e.g., time records, pay records, employment records, termination notice, final pay information, etc.) proves otherwise. In the event the Settlement Administrator cannot resolve a dispute based on a review of the available information, the Settlement Administrator will request a conference call between the Settlement Administrator, Class Counsel, and Defense Counsel to discuss and resolve the dispute. After such call, the Settlement Administrator will resolve the dispute and such resolution shall be final and binding on the Settlement Class Member.

## VII. CLASS NOTICE

A. Initial Identification of Settlement Class Members: Within ten (10) calendar days after the Date of Preliminary Approval, Defendants will provide the Settlement Administrator and Class Counsel with a confidential list containing the following for each Settlement Class member, to the extent Defendants have such information: (1) name; (2) last known address; (3) telephone number; (4) e-mail address; (5) social security number; (6) the number of pay periods worked during the Class Period; and (7) the number of pay periods worked during the PAGA Period. The Parties agree that all information referenced in this Section shall be treated and maintained as confidential.

B. Mailing of Class Notice: Promptly upon receipt of the Settlement Class Member information from Defendants, the Settlement Administrator shall obtain updated forwarding addresses from the U.S. Postal Service. Within ten (10) calendar days after receipt of the Settlement Class Member information identified in Section VII.A., the Settlement Administrator shall mail the Class Notice, in English only, to all Settlement Class Members via first-class mail using the updated address information. With respect to each Class Notice which is returned as undeliverable before the Response Deadline, the Settlement Administrator shall promptly attempt to determine a correct address by conducting a skip-trace to locate the Settlement Class Members and shall re-send the Class Notice via first-class mail to any new address thereby determined.

C. Participation in the Settlement. Settlement Class Members are not required to file claims to be eligible to receive an Individual Settlement Payment. Individual Settlement Payment amounts shall be determined by the Settlement Administrator as follows:

The Net Settlement Amount, minus \$2,500, shall be referred to as the “Class Pool.” The balance of the \$2,500 of the Net Settlement Amount shall be referred to as the “PAGA Pool.”

A Final Settlement Class Member (as defined in Section II.M. above) who is not a PAGA Member (as defined in Section II.C. above) will only receive an Individual Settlement Payment paid out from the Class Pool. A PAGA Member will receive an Individual Settlement Payment paid out from both the Class Pool and PAGA Pool.

The Individual Settlement Payments paid out of the Class Pool will be proportionally based on the number of pay periods worked during the Class Period, as determined from Final Settlement Class Members’ respective dates of employment (less any leaves of absence). The respective pay periods worked during the Class Period by each Final Settlement Class Member will be divided by the total pay periods worked during the Class Period for all Final Settlement Class Members, resulting in a payment paid out of the Class Pool for each Final Settlement Class Member. Each Final Settlement Class Member’s payment ratio is then multiplied by the Class Pool to determine the proportionate allocation.

For a PAGA Member, in addition to receiving a proportionate allocation of the Class Pool, his or her Individual Settlement Payment that will include a proportionate allocation of the PAGA Pool. The portion of the Individual Settlement Payment that will be paid out of the PAGA Pool will be proportionally based on the number of pay periods worked during the PAGA Period, as determined from the respective dates of employment (less any leaves of absence) of PAGA Members. The respective pay periods worked during the PAGA Period by each PAGA Member will be divided by the total pay periods worked during the PAGA Period for all PAGA Members, resulting in a payment for each PAGA Member. The payment ratio of each PAGA Member is then multiplied by the PAGA Pool to determine the proportionate allocation.

Each portion of the Individual Settlement Payment paid out of the Class Pool will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.) for each Final Settlement Class Member.

Each portion of the Individual Settlement Payment paid out of the PAGA Pool is intended to settle claims for PAGA civil penalties. Accordingly, each portion of the Individual Settlement Payment paid out of the PAGA Pool will not be reduced by payroll tax withholding and deductions; instead, the Settlement Administrator will issue to the PAGA Members IRS Form 1099s and their state and local equivalents with respect to the payments.

A Final Settlement Class Member shall be paid his or her portion of the Individual Settlement Payment paid out of the Class Pool unless he or she timely requests exclusion from the Settlement Class pursuant to the procedures set forth herein; however, he or she shall be paid his or her portion of the Individual Settlement Payment paid out of the PAGA Pool regardless of

whether he or she timely requests exclusion from the Settlement Class pursuant to the procedures set forth herein.

Final Settlement Class Members are not eligible to receive any compensation other than the Individual Settlement Payment from this Settlement.

D. Challenges to Calculations and Inclusion in the Settlement Class. A Settlement Class Member may dispute the amount of his or her Individual Settlement Payment, and the data used to calculate the Individual Settlement Payment, by timely sending a written notice to the Settlement Administrator informing the Settlement Administrator of the nature of the dispute and providing any records or documentation supporting the Settlement Class Member's position. In response to such a dispute, Defendants will first verify the information contained in Defendants' records. Class Counsel and Defense Counsel will then make a good faith effort to resolve the dispute informally. If counsel for the Parties cannot agree, the dispute shall be resolved pursuant to Section VI.B., above. A dispute regarding the Individual Settlement Payment or the underlying data used to calculate the Individual Settlement Payment shall be considered timely if received by the Settlement Administrator postmarked by the Response Deadline.

If, before the Response Deadline, an individual not previously identified as a member of the Settlement Class provides to the Settlement Administrator (a "Non-Disclosed Potential Settlement Class Member") asserts his/her right to membership in the Settlement Class and seeks recovery under the Settlement, the Settlement Administrator shall provide all counsel with the evidence provided by the Non-Disclosed Potential Settlement Class Member. To be eligible for recovery under this Settlement, each Non-Disclosed Potential Settlement Class Member must provide acceptable proof (documentation or declaration(s)) to the Settlement Administrator supporting his/her request for inclusion in the Settlement Class, including specific evidence establishing that he/she qualifies as a Settlement Class Member, as defined in this Agreement.

## **VIII. BINDING EFFECT; EXCLUSION AND OBJECTION RIGHTS**

A. Right of Settlement Class Members to Be Excluded: Any Settlement Class Member, other than Plaintiffs, may elect to be excluded from the Settlement Class at any time before the Response Deadline. To be effective, the Settlement Class Member must submit a valid request for exclusion (in compliance with the exclusion procedures set forth in the Class Notice) to the Settlement Administrator and postmarked on or before the end of the Response Deadline. The date of the postmark on the mailing envelope shall be the exclusive means to determine whether a request for exclusion is timely. If a Settlement Class Member submits a timely exclusion that is rejected by the Settlement Administrator as deficient in some material respect (for example, the Settlement Class Member failed to sign it), the Settlement Administrator will notify the Settlement Class Member in writing of the basis for the deficiency and give the Settlement Class Member an opportunity to cure the deficiency as set forth below. Notification to the Settlement Class Member may include a follow-up telephone call, if necessary. The Settlement Administrator will also provide the Settlement Class Member with Class Counsel's contact information in case the Settlement Class Member wishes to seek Class Counsel's assistance. Settlement Class Members shall have fifteen (15) calendar days from notification of the deficiency to cure the deficiency, or until the end of the Response Period,

whichever comes later. Any Settlement Class Member who timely requests exclusion in compliance with these requirements: (i) shall not have any rights under this Agreement; (ii) shall not be entitled to receive an Individual Settlement Payment; and (iii) shall not be bound by this Agreement, the Final Approval Order, or the Judgment.

If a Settlement Class Member completes and submits both a request for exclusion and a dispute regarding whether an employee is entitled to an Individual Settlement Payment or the amount thereof, the later-submitted document(s) shall govern (i.e., if a the request for exclusion is postmarked later, it shall govern).

B. No Right for PAGA Member to Opt Out: The Parties agree that there is no statutory right for any PAGA Member to opt out or otherwise exclude himself or herself from the settlement of the PAGA Claims. A Settlement Class Member who is a PAGA Member and who opts out will still release the PAGA Claims and receive a check for PAGA penalties.

C. Binding Effect on Final Settlement Class Members: Except for those Settlement Class Members who exclude themselves in compliance with the procedures set forth above, all Settlement Class Members will be deemed to be Final Settlement Class Members for all purposes under this Agreement; will be bound by the terms and conditions of this Agreement, the Final Approval Order, the Judgment, and the releases provided herein; and, except as provided in Section VIII.D., below, will be deemed to have waived all objections and opposition to the fairness, reasonableness, and adequacy of the settlement.

D. Right to Object: Any Settlement Class Member, other than Plaintiffs, may object to this Settlement, by sending any objection by mail to the Settlement Administrator or by appearing at the final approval hearing and stating any objections to the proposed Settlement. Objections made in writing and mailed to the Settlement Administrator must be postmarked no later than the last day of the Response Deadline. Such objection shall include the name and address of the objector, dates of employment, and the basis for any objection, and if the objector is represented by counsel, the name and address of the objector's counsel. Written objections are not required for an objector to appear at the hearing and raise an objection.

E. Communication Between Counsel Regarding Objections and Exclusions: Upon receipt, counsel for the Parties shall promptly exchange with one another copies of all requests for exclusion and/or objections to the Settlement or to any part thereof. Class Counsel and Defense Counsel shall file any responses to any written objections submitted to the Settlement Administrator in accordance with this Settlement Agreement at least five (5) business days before the final approval hearing.

## **IX. FINAL SETTLEMENT APPROVAL**

A hearing shall be held for the purpose of obtaining the Final Approval Order and entry of Judgment approving this Settlement Agreement and releasing the claims of the Final Settlement Class Members. The date of the hearing shall be set by the Court and notice of such shall be provided to Settlement Class Members in the Class Notice, although such hearing may be continued by the Court without further notice to Settlement Class Members.

On the date set forth for the final approval hearing in the Preliminary Approval Order, which shall be approximately seventy-five (75) calendar days, subject to the Court's calendar, after the Response Deadline, a final approval hearing shall be held before the Court in order to consider and determine whether (i) the Court should give final approval to this Settlement; (ii) Plaintiffs' application for incentive awards should be granted; (iii) Class Counsel's application for attorneys' fees and litigation costs should be granted; (iv) the Settlement Administrator's costs are appropriate; and (v) any timely objections made have any merit and to consider all responses by Class Counsel and Defense Counsel.

Upon final approval of the Settlement by the Court, the Parties request that the Court enter a Final Approval Order as follows:

1. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
2. Approving Class Counsel's application for an award of attorneys' fees and costs;
3. Approving Settlement Administrator's costs;
4. Approving the incentive awards to the Plaintiffs; and
5. Approving the LWDA Payment.

The Parties shall submit a Proposed Judgment containing the following: (a) the class definition; (b) the full release language; (c) a statement that no Settlement Class Member has opted-out of the settlement—i.e., requested to be excluded, or a statement listing the names of the Settlement Class Members who timely opted-out of the settlement; and (d) a provision for the retention of the Court's jurisdiction over the Parties to enforce the terms of the judgment. The Proposed Judgment shall not include a dismissal or any findings not contained in the Final Approval Order.

Notice of final Judgment shall be posted on the Settlement Administrator's website. Class Counsel shall give timely notice of the judgment to the LWDA under Labor Code section 2699(1)(3).

## **X. SETTLEMENT TERMINATION**

A. Grounds for Settlement Termination: In accordance with the procedures specified herein, this Agreement may be terminated on the following grounds:

1. Any Party may terminate the Agreement if the Court declines to enter the Preliminary Approval Order (incidental or minor changes to the Class Notice ordered by the Court are not grounds for termination), Final Approval Order or Judgment in substantially the form submitted by the Parties, or the Settlement as agreed does not become final for any other

reason. The terminating Party shall give written notice to the other Party no later than ten (10) calendar days after the Court acts.

The recovery of attorneys' fees and costs by Class Counsel and the incentive awards to the Plaintiffs are terms of this Agreement, but the allowance or disallowance by the Court of an award of attorneys' fees and/or costs and/or the incentive awards to the Plaintiffs shall not be grounds for terminating this Settlement.

2. If Ten percent (10%) or more of the Settlement Class makes a valid request to be excluded from the Settlement Class, Defendants will have the right, but not the obligation, to void the Agreement. If Defendants exercise that right to void the Agreement, then the Parties will have no further obligations under the Agreement, including any obligation by Defendants to pay the Gross Settlement Amount, or any amounts that otherwise would have been owed under this Agreement, except that Defendants will pay the Settlement Administrator's reasonable fees and expenses incurred as of the date that Defendants exercise their right to void the Agreement. Defendants will notify Class Counsel, in writing via USPS and email, and the Court whether they are exercising their right to void the Agreement no later than seven (7) calendar days after the Settlement Administrator notifies the Parties of the total number of opt outs. If Defendants exercise their right to void the Agreement, then Defendants will pay the cost of the settlement administration as stated herein.

B. Effect of Termination: Valid termination shall have the following effects:

1. The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms, except as otherwise provided herein;

2. The Preliminary Approval Order, Final Approval Order and Judgment, including any order of class certification, if any, shall be vacated;

3. The Settlement Agreement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Class Action prior to the Settlement; and

4. Neither this Settlement Agreement, nor filings in furtherance of the Settlement shall be admissible or offered into evidence in the Class Action or any other action for any purpose whatsoever.

5. Defendants shall have no obligation to pay any amounts set forth in this Agreement, except as provided in Section X.A.2, above. The Settlement Administrator shall refund to Defendants the Gross Settlement Amount deposited (plus any accrued interest) within fifteen (15) calendar days of written notice by counsel for Defendants, as provided in Section XI.A., below.

## **XI. SETTLEMENT PAYMENTS**

This shall be an all-in Settlement without a reversion. Settlement Class Members who do not timely request exclusion from the Settlement using the procedures specified herein will be automatically paid without submitting any claim form.

A. Defendants' Settlement Payment Obligations: The Gross Settlement Amount shall be paid in three (3) semiannual installments and one (1) final payment. The four (4) semiannual installments shall be in the amount of One Hundred Thirty-Seven Thousand Four Hundred Thirty-Seven Dollars and Ninety-Six Cents (\$137,437.96) each. The first installment payment shall be made within seven (7) calendar days after the Settlement Administrator notifies Defendants of the funding and account information for forwarding the Gross Settlement Amount to the Settlement Administrator. The subsequent payments shall be made on or before February 1, 2022 and on or before August 1, 2022, with the final payment of the remaining balance made on or before February 1, 2023, until the total amount has been paid in full. In the event that the settlement does not receive final approval by the Court, the Settlement Administrator shall refund to Defendants the amounts deposited (plus any accrued interest) within fifteen (15) calendar days of written notice by counsel for Defendants.

1. Reasonable attorneys' fees and litigation costs: Class Counsel will request that the Court award them reasonable attorneys' fees in an aggregate amount up to and including Forty percent (40%) (\$219,900.74) of the Gross Settlement Amount. Class Counsel will also ask the Court to award them reasonable litigation costs incurred in an amount up to Thirty-Five Thousand Dollars (\$35,000.00). Defendants have agreed not to oppose such requests provided that Class Counsel provides the itemized list of the reasonable litigation costs to the Court for review. However, if the Court awards a lesser amount of attorneys' fees and/or litigation costs, it shall not affect the terms of the Parties' settlement, and any portion of the requested attorneys' fees and/or litigation costs not approved shall become part of the Net Settlement Amount. Any award of attorneys' fees and costs shall include and satisfy all past and future fees and costs incurred to prosecute, settle, and administer the Class Action and this Settlement Agreement, including obtaining the Final Approval Order and Judgment. The Settlement Administrator shall issue Class Counsel an IRS Form 1099 for their award of attorneys' fees.

2. Reasonable expenses of the Settlement Administrator: All costs of administering the Settlement, including, but not limited to, the duties provided in Section VI.A. above ("Settlement Administration Costs"), shall be paid to the Settlement Administrator out of the Gross Settlement Amount as provided in this Agreement. Settlement Administration Costs shall not exceed Eight Thousand Five Hundred Dollars (\$8,500.00). Defendants' total obligation under this Settlement shall not exceed the Gross Settlement Amount, including the Settlement Administrator's fees.

3. Reasonable incentive awards to Plaintiffs: Class Counsel will request that the Court award reasonable incentive awards in the amount of Five Thousand Dollars (\$5,000.00) each to Plaintiffs Scott Han, Mee Yeon Kang, Minh Han, Eun Su Jang, Moon Seok Choi, and Dong Jin Kim, to be paid out of the Gross Settlement Amount, and Defendants have agreed not to oppose this request. However, any portion of the requested incentive awards that is not approved by the Court shall become part of the Net Settlement Amount. These incentive awards are in addition to the Plaintiffs' Individual Settlement Payments to which Plaintiffs may

be entitled as Final Settlement Class Members. Class Counsel will provide the Settlement Administrator with a W-9 for the payment prior to the date on which the payment is due. Plaintiffs shall be responsible for properly declaring such income to the appropriate taxing authorities, and for paying any taxes due on such amounts. In exchange for these incentive awards, Plaintiffs will enter into a binding release of all claims as set forth below.

4. LWDA Payment: The LWDA Payment, in the amount of Seven Thousand Five Hundred Dollars (\$7,500.00), shall be paid by the Settlement Administrator from the Gross Settlement Amount, which represents the LWDA's 75% share of the total \$10,000.00 allocated to the PAGA Claims. The PAGA Members' remaining 25% share of the PAGA Amount, \$2,500.00, shall be included within the Net Settlement Amount and paid to PAGA Members as part of their Individual Settlement Payments.

5. Allocations to Final Settlement Class Members: The Net Settlement Amount shall be used to fund all Individual Settlement Payments due to any Final Settlement Class Members as provided herein. All interest earned on the account opened by the Settlement Administrator shall inure to the benefit of the Final Settlement Class Members.

6. Allocations of settlement payments and taxes: All Individual Settlement Payments paid to the Final Settlement Class Members under this Settlement shall be issued in a single check, if possible. An Individual Settlement Payment paid out from the Class Pool shall be allocated as follows: (a) twenty percent (20%) shall be allocated as wages; and (b) eighty percent (80%) shall be allocated as penalties and interest. Any amounts paid for wages shall be subject to standard withholdings and deductions and reported on a Form W-2. Any amounts paid for penalties and interest shall not be subject to tax withholding and shall be reported on a Form 1099. Defendants shall not make as part of this Agreement, nor be required to make any deductions, nor pay any monthly contributions for any insurance, retirement, 401(k), or profit sharing plans related to monies paid as a result of this Settlement Agreement.

7. Employer's portion of payroll taxes: The employer's portion of FICA, FUTA, and all other state and federal payroll taxes shall not be paid out of the Gross Settlement Amount. Defendants shall remit their share of the employer's portion of payroll taxes in addition to the Gross Settlement Amount.

8. Timing of payment: Payments shall be made in accordance with the following subsections:

a. Within ten (10) calendar days after entry of the Final Approval Order, the Settlement Administrator shall provide to the Parties a written statement of how the Gross Settlement Amount will be allocated. The allocation shall include attorneys' fees and litigation costs of Class Counsel as awarded by the Court, the incentive awards to the Plaintiffs as awarded by the Court, Settlement Administration Costs, the LWDA Payment, and the total of all payments to be paid to all eligible Final Settlement Class Members, and all parties' and class members' required payroll taxes (including FICA and FUTA).

b. Within ten (10) calendar days after entry of the Final Approval Order, the Settlement Administrator shall advise Defendants of the employer's share of any required payroll taxes; thereafter, Defendants shall have an additional fifteen (15) calendar days to remit all employer-side payroll taxes to the Settlement Administrator.

c. Payments of the amounts set forth in Sections XI.A.1. through XI.A.5. above shall be made in two rounds. In each round, the payments of the amounts set forth in Sections XI.A.1. through XI.A.5. above will be roughly equal. The first round of payments will be made within twenty (20) calendar days of the Effective Date or within ten (10) calendar days after Defendants provide the Settlement Administrator both first two (2) semiannual installments, whichever is later. The second round of payments will be made within twenty (20) calendar days of the Effective Date or within ten (10) calendar days after Defendants provide the Settlement Administrator both the third semiannual installment and the final payment of the remaining balance, whichever is later.

d. The Settlement Administrator shall issue to each qualifying Final Settlement Class Member a check in the amount of his or her Individual Settlement Payment (less applicable taxes) via first-class mail. Checks not negotiated within one hundred eighty (180) calendar days from their issue are void, but this Agreement and the release herein will nonetheless be binding as if they had cashed the checks. Any unclaimed funds in the Settlement Administrator's account as a result of the failure to timely cash Individual Settlement Payment checks, plus any interest that has accrued thereon, will be distributed to the California State Controller's Unclaimed Property Fund in the name of the Final Settlement Class Member.

e. Class Counsel will advise Defense Counsel and the Settlement Administrator as to the amount of attorneys' fees and litigation costs payments awarded by the Court. Class Counsel shall also advise Defense Counsel and the Settlement Administrator as to how the incentive awards shall be paid to the Plaintiffs, whether by check sent directly to the Plaintiffs or provided to Class Counsel.

B. Taxes: Upon receipt of the Gross Settlement Amount from Defendants, the Settlement Administrator shall promptly (but no later than three calendar days later) deposit the funds into an interest-bearing bank account, held in escrow for the purpose of effectuating this Settlement. The Parties agree to treat this account as a "Qualified Settlement Fund" ("QSF") pursuant to section 468(13) of the Internal Revenue Code of 1986, as amended, and the Settlement Administrator shall treat the QSF as the "employer" for purposes of federal and state income and employment tax withholding and reporting with respect to the Individual Settlement Payments.

The Settlement Administrator shall be responsible for ensuring that all taxes associated with the Agreement are timely paid to the appropriate authorities. The Settlement Administrator's responsibilities include the following: Performing all tax reporting duties required by federal, state or local law pertaining to the Settlement Administrator's duties as set forth in Section VI.A., above. In addition, the Settlement Administrator shall timely make such elections as necessary or advisable to carry out the provisions of this Section. Such elections shall be made in compliance with the procedures and requirements contained in the QSF

regulations. It shall be the responsibility of the Settlement Administrator to timely and properly prepare and deliver all necessary documentation for signature as may be required, and thereafter to cause the appropriate filing of such documentation to occur. To the extent that, for any period of time, the QSF is not treated as a “Qualified Settlement Fund” within the meaning of the U.S. Treasury Regulations 1.468B-1 and 1.468B-5, the Settlement Administrator shall promptly notify Class Counsel and Defense Counsel of that fact.

Each Party to this Agreement (for purposes of this section, the “Acknowledging Party;” and each Party to this Agreement other than the Acknowledging Party, an “Other Party”) acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure be constituted or be construed or be relied upon as, tax advice within the meaning of the United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the Acknowledging Party (a) has relied exclusively upon his, her, or its own, independent legal and tax advisors for advice (including tax advice) in connection with this Agreement; (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party; and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and (3) no attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorneys’ or advisor’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement. Final Settlement Class Members shall hold harmless Defendants from any and all actions, claims or demands brought by any tax or other authority based upon Final Settlement Class Members’ tax obligations arising from the payment to be made pursuant to this Settlement, and shall reimburse Defendants for any taxes, interest, and penalties paid by Defendants as a result of any such actions, claims or demands. However, Final Settlement Class Members do not indemnify Defendants should any government taxing authority determine that Defendants are responsible for employer payroll taxes in connection with the Settlement payments.

C. No Additional Contribution by Defendants: Defendants’ monetary obligation under this Agreement is limited to the Gross Settlement Amount, which Defendants have already funded. Defendants may not be called upon or required to contribute additional monies above the Gross Settlement Amount. If this Agreement is cancelled, rescinded, terminated, voided, or nullified, or the Settlement of the Class Action is barred by operation of law, or invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendants will cease to have any obligation to pay any portion of the Gross Settlement Amount to anyone under the terms of this Agreement and all previous disbursements from the Gross Settlement Amount will be immediately paid back to Defendants by the person or entity who received such disbursement, except for the Settlement Administration Costs.

## **XII. RELEASE OF CLAIMS; WAIVER; ASSIGNMENT OF RIGHTS**

A. Settlement Class Members' Release of Claims: All Settlement Class Members who do not opt-out of the settlement shall release all claims pled or that could have been pled in the Class Action Complaint deriving from and/or based on the facts alleged, arising out of or related to services to or work performed for Defendants during the Class Period, including claims for wages, penalties, interest, attorneys' fees and/or costs. The release shall encompass all claims, causes of action or liability relating to alleged violations of sections 201-203, 204, 226, 226.7, 510, 512, 1174, 1182.12, 1194, 1198, 2802, 2698 *et seq.* of the California Labor Code and section 17200 *et seq.* of the California Business and Professions Code. The release shall include the "Released Parties" defined in Section II.Y. above. The release will take effect only upon Defendants fully funding the Gross Settlement Amount by depositing the Gross Settlement Amount into the account established by the Settlement Administrator.

B. PAGA Members' Release of Claims: All PAGA Members, regardless of whether they opt-out of the settlement, shall release claims for penalties under PAGA as disclosed in the LWDA Letter and that could have been premised on the facts alleged in the Class Action Complaint. The release shall include the "Released Parties" defined in Section II.Y. above. The release will take effect only upon Defendants fully funding the Gross Settlement Amount by depositing the Gross Settlement Amount into the account established by the Settlement Administrator.

C. Assignment: Plaintiffs, for themselves and on behalf of the other Final Settlement Class Members, represent and warrant that nothing which would otherwise be released herein has been assigned, transferred, or hypothecated or purportedly assigned, transferred, or hypothecated.

D. Waiver of Appeal: Any Final Settlement Class Member who does not timely submit an objection to the Settlement hereby waives any and all rights to appeal from the Final Approval Order and Judgment, including all rights to any post-judgment proceeding and appellate proceeding such as a motion to vacate judgment, motion for new trial, and extraordinary writs. This waiver does not include a waiver of the right to oppose any appeals, appellate proceedings or post judgment proceedings, if any.

E. Plaintiffs' General Releases: As a material inducement to Defendants to enter into this agreement, Plaintiffs each hereby, for themselves and their spouses, heirs, successors, and assigns, forever release the Defendants and any other Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including back wages, penalties, liquidated damages, and attorneys' fees and costs actually incurred) of any nature whatsoever, from the beginning of time through the date of final court approval of the settlement, known or unknown, suspected or unsuspected, including but not limited to all claims arising out of, based upon, or reasonably relating to their hiring by, employment with, separation of employment with, or otherwise reasonably relating to Defendants. Plaintiffs' released claims include, but are not limited to, all claims asserted or that could have been asserted in the Class Action, as well as claims arising from or dependent on the California Labor Code (including section 2698 *et seq.*) and California Business and Professions Code section 17200; the Fair Labor Standards Act; the California Fair Employment and Housing Act, California Government

Code section 12900; the California Civil Code and Code of Civil Procedure, the California common law of contract and tort; Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act, 42 U.S.C. § 12101; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001; the Fair Labor Standards Act, 29 U.S.C. § 201; and the Portal to Portal Act, 29 U.S.C. § 251.

Plaintiffs agree that there is a risk that each and every injury that they may have each suffered by reason of the Released Parties' relationship with them might not now be known, and there is further risk that said injuries, whether known or unknown at the date of this agreement, might possibly become progressively worse, and that as a result thereof further damages may be sustained by them. Nevertheless, Plaintiffs desire to forever and fully release and discharge the Released Parties and understand that by the execution of this agreement no further claims for any such injuries that existed at the time of the execution of this agreement may ever be asserted by them. Plaintiffs expressly waive and relinquish all rights and benefits afforded by section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the significance of such specific waiver of section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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

Subject to and in accordance with this agreement, even if Plaintiffs may hereafter discover facts in addition to or different from those which they now know or believe to be true, they shall be deemed to have fully, finally, and forever settled and released any and all claims against the Released Parties which were alleged or could have been alleged in the Class Action, as well as any other claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, upon any theory of law or equity, including without limitation, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs' released claims do not, however, include claims that cannot be waived or released as a matter of law.

This general release shall become effective upon the Court's order granting final approval of the settlement.

F. Defendants' General Releases: As a material inducement to Plaintiffs and Cross-Defendant to enter into this agreement, Defendants each hereby, forever release Plaintiffs and Cross-Defendant from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses of any nature whatsoever, from the beginning of time through the date of final court approval of the settlement, known or unknown, suspected or unsuspected. The

Defendants' released claims include, but are not limited to, all claims asserted or that could have been asserted in the cross-complaint referenced in Section XIII. below.

Defendants agree that there is a risk that each and every injury that they may have each suffered by reason of their relationship with them might not now be known, and there is further risk that said injuries, whether known or unknown at the date of this agreement, might possibly become progressively worse, and that as a result thereof further damages may be sustained by them. Nevertheless, Defendants desire to forever and fully release and discharge Plaintiffs and Cross-Defendants and understand that by the execution of this agreement no further claims for any such injuries that existed at the time of the execution of this agreement may ever be asserted by them. Defendants expressly waive and relinquish all rights and benefits afforded by section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the significance of such specific waiver of section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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

Subject to and in accordance with this agreement, even if Defendants may hereafter discover facts in addition to or different from those which they now know or believe to be true, they shall be deemed to have fully, finally, and forever settled and released any and all claims against the Plaintiffs and Cross-Defendant which were alleged or could have been alleged in the cross-complaint referenced in Section XIII. below, as well as any other claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, upon any theory of law or equity, including without limitation, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts. Defendants' released claims do not, however, include claims that cannot be waived or released as a matter of law.

This general release shall become effective upon the Court's order granting final approval of the settlement.

### **XIII. DISMISSAL WITH PREJUDICE OF CROSS-COMPLAINT**

Upon the Court's final approval of the settlement, New Connect Logistics, Inc. will dismiss with prejudice the cross-complaint filed on or about August 16, 2019 and all causes of action contained therein asserted against Eun Su Jang, Scott Seungwoo Han, and Into Logistics, Inc.

### **XIV. INADMISSIBILITY OF SETTLEMENT AGREEMENT/DENIAL OF LIABILITY**

This Settlement Agreement is the result of a good-faith compromise of disputed claims, and neither it nor any statement or conduct in furtherance of the Settlement shall be offered or construed to be an admission or concession of any kind by any Party. In particular, but without limiting the generality of the foregoing, nothing about this Settlement shall be offered or construed as an admission of liability, wrongdoing, impropriety, responsibility, or fault whatsoever by Plaintiffs, Cross-Defendant, and Defendants, who expressly deny any liability, wrongdoing, impropriety, responsibility, or fault whatsoever. In addition, and also without limiting the generality of the foregoing, nothing about this Settlement shall be offered or construed as an admission or evidence of the propriety or feasibility of certifying a class in the Class Action or any other action for adversarial, rather than Settlement purposes. The Parties further agree that if, for any reason, the Settlement is not approved, the certification will have no force or effect and will be immediately revoked.

**XV. PUBLICITY**

Class Counsel shall do nothing to publicize this settlement or use it for marketing purposes, including on websites or on the Internet in any form of press whatsoever. Nothing in the prior sentence, however, shall prevent Plaintiffs or Class Counsel from taking any step necessary to obtain approval of the settlement.

**XVI. INTERIM STAY OF PROCEEDINGS**

Pending completion of the settlement process, the Parties agree to a stay of all proceedings in the Class Action except such as are necessary to implement the Settlement itself.

**XVII. NOTICES**

All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing and, except as provided elsewhere in this Agreement or in any communication to the Settlement Class, shall be delivered personally or via postage prepaid first-class mail as follows:

- A. If to Plaintiffs or Class Counsel, then to:

Jonathan Ricasa  
Law Office of Jonathan Ricasa  
15760 Ventura Boulevard, Suite 700  
Encino, California 91436  
Telephone: (818) 650-8077  
Facsimile: (818) 301-5151

Briana M. Kim  
Briana Kim, PC  
249 East Ocean Boulevard, Suite 814  
Long Beach, California 90802  
Telephone: (714) 482-6301

Facsimile: (714) 482-6302

B. If to Defendants or Defense Counsel, then to:

Stella K. Park  
Yalan Zheng  
Law Offices of Park & Zheng  
6 Venture, Suite 270  
Irvine, California 92618  
Telephone: (949) 679-3372  
Facsimile: (949) 258-9808

#### **XVIII. RETENTION OF JURISDICTION BY THE COURT**

Following entry of the Final Approval Order and Judgment pursuant to this Settlement Agreement, the Court shall retain jurisdiction for the purpose of addressing any issues which may arise with respect to settlement administration or the enforcement of the terms of this Settlement Agreement.

#### **XIX. JOINT AND SEVERAL LIABILITY**

Each Defendant shall be jointly and severally liable for the full portion of contribution of the Defendants to the Gross Settlement Amount. If any Defendant violates or breaches any term of this settlement, each of the Defendants shall be jointly and severally liable for that violation or breach.

#### **XX. GUARANTEE**

Man Youn unconditionally and irrevocably guarantees all obligations of the other Defendants in funding the Gross Settlement Amount, and waive forever any right whatsoever to require Plaintiffs to first proceed against the other Defendants before making demand upon Man Youn for payment in full. Man Youn shall promptly and fully pay all obligations of the other Defendants upon receipt of written demand for payment from Plaintiffs. Man Youn understands that Plaintiffs have refused to enter into this agreement unless Man Youn guarantees all obligations of the other Defendants to Plaintiffs. Plaintiffs rely on this unconditional guarantee.

#### **XXI. ENTIRE AGREEMENT**

This Settlement Agreement and its associated Exhibits set forth the entire agreement of the Parties with respect to their subject matter and supersede any and all other prior agreements and all negotiations leading up to the execution of this Settlement Agreement, whether oral or written, regarding the subjects covered herein. The Parties acknowledge that no representations, inducements, promises or statements relating to the subjects covered herein, oral or otherwise, have been made by any of the Parties or by anyone acting on behalf of the Parties which are not embodied or incorporated by reference herein, and further agree that no other agreement,

covenant, representation, inducement, promise or statement relating to the subjects covered herein not set forth in writing in this Settlement Agreement have been made.

**XXII. MODIFICATION OR AMENDMENT**

This Settlement Agreement may not be modified, amended or altered except in a writing signed by each Party whose rights or obligations hereunder would be affected thereby or by that Party's authorized legal representative, or as ordered by the Court.

**XXIII. CHOICE OF LAW**

This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

**XXIV. CONSTRUCTION**

This Settlement Agreement is entered into freely and voluntarily without duress or undue pressure or influence of any kind or nature whatsoever and neither Plaintiffs, nor the Final Settlement Class Members, nor Defendants have relied on any promises, representations or warranties regarding the subject matter hereof other than as set forth in this Agreement. Each Party has been represented by counsel in the settlement negotiations leading up to, and in connection with the preparation and execution of, this Settlement Agreement.

The Parties acknowledge and agree that all Parties had an equal hand in drafting this Settlement Agreement so that it shall not be deemed to have been prepared or drafted by one Party or another. All Parties waive the provisions of California Civil Code section 1654, which provides, in pertinent part, that "the language of a contract should be interpreted most strongly against the Party who caused the uncertainty to exist."

**XXV. EXECUTION IN COUNTERPARTS**

This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Any signature to this Agreement transmitted by facsimile and any copies of any signatures are valid and binding.

**XXVI. AUTHORITY**

The individuals signing this Settlement Agreement on behalf of Defendants represent and warrant that they are duly authorized to do so. The Parties likewise represent and warrant that they have the authority to execute this Settlement Agreement and to take all appropriate action required and permitted to be taken by this Settlement Agreement, except such action that is the prerogative of the Court.

**XXVII. REASONABLE COOPERATION**

The Parties shall support the settlement and its approval by the Court. The Parties shall provide reasonable cooperation with one another and the Settlement Administrator in implementing this Settlement, including but not limited to providing information and executing documents necessary to effectuating its purpose. No Party, nor any of its attorneys or agents, shall solicit or directly or indirectly encourage any Settlement Class Members to exclude themselves from the Settlement or object to the Settlement.

**XXVIII. BINDING EFFECT**

This Settlement shall be enforceable, binding upon and inure to the benefit of the respective parties hereto, their respective legal successors, heirs, administrators, executors, assigns and each of them.

**XXIV. NO PRIOR ASSIGNMENT**

The parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

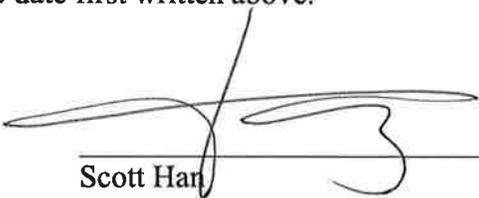
**XXX. MISCELLANEOUS**

A. Headings: The headings in this Agreement are included for convenience only and shall not be given weight in its construction.

B. Signatures: Facsimile transmissions of the signatures or digital signatures of the Parties or their representatives shall be binding on the Parties.

**IN WITNESS WHEREOF**, this Settlement Agreement, consisting of 25 pages, has been duly executed by and on behalf of the Parties as of the date first written above.

Dated: 3-31, 2022

  
\_\_\_\_\_  
Scott Har

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Mee Yeon Kang

The Parties shall support the settlement and its approval by the Court. The Parties shall provide reasonable cooperation with one another and the Settlement Administrator in implementing this Settlement, including but not limited to providing information and executing documents necessary to effectuating its purpose. No Party, nor any of its attorneys or agents, shall solicit or directly or indirectly encourage any Settlement Class Members to exclude themselves from the Settlement or object to the Settlement.

**XXVIII. BINDING EFFECT**

This Settlement shall be enforceable, binding upon and inure to the benefit of the respective parties hereto, their respective legal successors, heirs, administrators, executors, assigns and each of them.

**XXIV. NO PRIOR ASSIGNMENT**

The parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

**XXX. MISCELLANEOUS**

A. Headings: The headings in this Agreement are included for convenience only and shall not be given weight in its construction.

B. Signatures: Facsimile transmissions of the signatures or digital signatures of the Parties or their representatives shall be binding on the Parties.

**IN WITNESS WHEREOF**, this Settlement Agreement, consisting of 25 pages, has been duly executed by and on behalf of the Parties as of the date first written above.

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Scott Han

Dated: 03/31, 2022

  
\_\_\_\_\_  
Mee Yeon Kang

Dated: 03/31/2022, 2022



\_\_\_\_\_  
Minho Han

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Eun Su Jang

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Moon Seok Choi

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Dong Jin Kim

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
On behalf of Into Logistics, Inc.

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
On behalf of New Connect Logistics,  
Inc.

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
On behalf of GD Trans, Inc.

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Minho Han

Dated: 4/1, 2022



\_\_\_\_\_  
Eun Su Jang

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Moon Seok Choi

Dated: 4/1, 2022



\_\_\_\_\_  
Dong Jin Kim

Dated: \_\_\_\_\_, 2022

By: 

Name: Eun Su Jang

Title: President

On behalf of Into Logistics, Inc.

Dated: \_\_\_\_\_, 2022

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

On behalf of New Connect Logistics,  
Inc.

Dated: \_\_\_\_\_, 2022

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

On behalf of GD Trans, Inc.

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Minho Han

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Eun Su Jang

Dated: 03/31/2022, 2022

  
\_\_\_\_\_  
Moon Seok Choi

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Dong Jin Kim

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
On behalf of Into Logistics, Inc.

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
On behalf of New Connect Logistics,  
Inc.

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
On behalf of GD Trans, Inc.

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Minho Han

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Eun Su Jang

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Moon Seok Choi

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
Dong Jin Kim

Dated: \_\_\_\_\_, 2022

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
On behalf of Into Logistics, Inc.

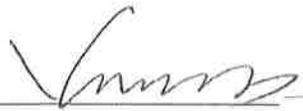
Dated: March 30, 2022

By:   
Name: Man Youn  
Title: President  
On behalf of New Connect Logistics, Inc.

Dated: March 30, 2022

By:   
Name: Man Youn  
Title: President  
On behalf of GD Trans, Inc.

Dated: March 30, 2022

By:   
Name: Man Youn  
Title: President  
On behalf of New Connect  
Transportation, Inc.

Dated: March 30, 2022

By:   
Name: Man Youn  
Title: President  
On behalf of New Connect Freight,  
Inc.

Dated: March 30, 2022

  
\_\_\_\_\_  
Man Youn

Dated: March 30, 2022

  
\_\_\_\_\_  
Seo Kyoung Choi

# **EXHIBIT 1**

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL**

*Han v. New Connect Logistics, Inc.*, Los Angeles Superior Court Case No. 19STCV02681

**If you were employed by New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., and/or New Connect Freight, Inc. in California as a non-exempt salaried employee at any time(s) between January 30, 2015 to March 31, 2020, a class action settlement may affect your rights.**

ID: << ID>>  
<<EmployeeName>>  
<<Address1>>  
<<Address2>>  
<< City>>, <<State>> <<Zip>>

*A court authorized this notice. This is not a solicitation from a lawyer. This is not a lawsuit against you. You are not being sued. However, your legal rights are affected by whether you act or do not act.*

- A proposed Settlement of the action *Han v. New Connect Logistics, Inc.*, Los Angeles Superior Court Case No. 19STCV02681 (“*Han Action*”), has been reached by the Parties and has been granted Preliminary Approval by the Court supervising the lawsuit.
- The proposed Settlement will resolve all claims in this lawsuit. The Court has ordered that this Notice be sent to you because you may be a member of the Settlement Class.
- The purpose of this Notice is to inform you of the Settlement of the *Han Action* and your legal rights and options under the Settlement:

<b>Your Legal Rights and Options in this Settlement</b>	
<b>DO NOTHING</b>	<b>Receive an Individual Settlement Payment.</b>  If you received this notice and do not exclude yourself from the Settlement (pursuant to the procedures set forth Question 14 below), you will receive an Individual Settlement Payment automatically without the need to return a claim form, after final judicial approval of the Settlement Agreement, and will release and lose the right to assert all released claims against Defendants or other Released Parties as described below (see Question 7).
<b>MAIL-IN A WRITTEN EXCLUSION REQUEST</b>	<b>Exclude yourself from the Settlement and get no payment.</b>  If you do not want to participate as a Settlement Class Member, you may “opt-out” of the Settlement and the Settlement Class by submitting a signed written exclusion request (pursuant to the procedures set forth Question 14 below) to the Settlement Administrator that is postmarked no later than <b>insert</b> . Opt-out requests that do not include all required information, or that are not submitted timely, will be disregarded. If you submit a valid and timely opt-out request and the Court grants final approval of the Settlement, you will not receive any payment from the Settlement, and will not give up your right to sue Defendants or other Released Parties for the released claims (see Question

	7 below). PAGA Members are not able to opt-out of the PAGA portion of the Settlement. A Settlement Class Member who is a PAGA Member and who opts out will still release the PAGA Claims and receive a check for PAGA penalties.
<b>OBJECT</b>	<p><b>Object to the Settlement; Receive an Individual Settlement Payment.</b></p> <p>If you participate in the Settlement, you may also object to the Settlement if you wish. To object, you must submit a written objection and supporting papers by mail to the Settlement Administrator no later than <b>insert</b>, or appear at the hearing (see Question 19) and state any objections to the proposed Settlement. You may appear at the hearing telephonically. Written objections that do not include all required information, or that are not submitted timely, will be disregarded. The Court does not require written objections for an objector to appear at the hearing and raise an objection. If the Court overrules your objections, you will be part of the Settlement and will receive an Individual Settlement Payment, and you will release and lose the right to assert all released claims against Defendants or other Released Parties as described below (see Question 7). If you wish to object, you must not exclude yourself from the Settlement.</p>

The procedures for opting-out and objecting are set forth in detail below in the Section entitled, “Your Rights and Options.”

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## BASIC INFORMATION

### 1. Why did I get this notice?

You have received this notice because Defendants' records indicate that you were employed by New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., and/or New Connect Freight, Inc. in California as a non-exempt salaried employee at some point between January 30, 2015 and March 31, 2020 (the "Class Period"). This notice is designed to advise you of how you can participate in this Settlement or how you can exclude yourself from or object to this Settlement.

### 2. What is this lawsuit about?

In this lawsuit (the "*Han* Action"), Plaintiffs Scott Han, Mee Yeon Kang, Minho Han, Eun Su Jang, Moon Seok Choi, and Dong Jin Kim ("Plaintiffs") claim that Defendants New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., New Connect Freight, Inc., Man Youn, and Seo Kyoung Choi (collectively, "Defendants") violated the California Labor Code by failing to pay minimum and overtime wages for all hours worked; failing to provide meal and/or rest periods; failing to timely pay resigning or terminating employees their final wages; failing to reimburse employee expenses; and failing to provide proper itemized wage statements. Based on the same set of facts, Plaintiffs further claim that Defendants violated California's Unfair Competition Law (Bus. & Prof. Code § 17200, et seq.). Plaintiffs also assert claims for penalties under the Private Attorneys General Act of 2004 ("PAGA"), Labor Code section 2698, et seq., for the above alleged Labor Code violations.

At all times, Defendants have denied Plaintiffs' legal claims and maintain that they paid all current and former employees in accordance with the law. Defendants believe that they have strong legal and factual defenses to Plaintiffs' claims and deny any wrongdoing. Defendants further contend that the *Han* Action is not appropriate for class treatment for any purpose other than settlement.

Despite their disagreement concerning the merits of Plaintiffs' allegations, with the assistance of a professional mediator, Plaintiffs and Defendants agreed to a settlement to be paid on the terms set forth below. Plaintiffs and their counsel believe that the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the members of the Settlement Class.

### 3. What is a class action and who is involved?

In a class action, one or more people sue on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." The persons who sued are called the Plaintiffs. The parties being sued (in this case, New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., New Connect Freight, Inc., Man Youn, and Seo Kyoung Choi) are called the Defendants. One court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class. On **insert**, Judge David S. Cunningham of the Los Angeles Superior Court, the judge assigned to oversee this lawsuit, issued an order preliminarily certifying the Settlement Class and directed that you receive this Notice.

**4. Has the Court decided who is right?**

The Court has not decided who should win this case. Instead, the Court has determined only that certification of the Settlement Class for settlement purposes is appropriate under California law. Both sides agreed to resolve this lawsuit with no decision or admission of who is right or wrong.

## **THE SETTLEMENT**

**5. Why is there a settlement?**

Both sides agreed to the Settlement to avoid the risk and expense of further litigation. The Settlement does not mean that any law was broken. Defendants deny all of the claims in the lawsuit. Plaintiffs and their lawyers think the Settlement is in the best interests of all Settlement Class Members.

**6. How much can I expect to receive from the settlement?**

Under the terms of the Settlement, Defendants have agreed to pay a gross total settlement amount of \$549,751.84 (the “Settlement Amount”). Deducted from this amount will be sums approved by the Court for (1) attorneys’ fees in the lawsuit not to exceed \$219,900.74 (40% of the gross Settlement Amount), (2) reasonable costs incurred by Class Counsel in the lawsuit in the amount of up to \$35,000, (3) enhancement payments to the Plaintiffs for their services as the Class Representatives and general releases by the six Plaintiffs of all claims not to exceed \$5,000 each, (4) fees and expenses of the Settlement Administrator in the amount of up to \$8,500, and (5) a payment of \$7,500 to the State of California Labor & Workforce Development Agency. The entire remaining amount left after the above amounts have been deducted from the Settlement Amount (the “Remainder,” which is estimated to be \$248,851.10), less applicable taxes and withholdings, will be used to pay Settlement Class Members who do not opt-out of the Settlement and PAGA Members regardless of whether they opt-out of the Settlement.

“Settlement Class” or “Settlement Class Members” means all non-exempt salaried employees of New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., and/or New Connect Freight, Inc., who worked at any time during the period from January 30, 2015 to March 31, 2020 (the “Class Period”). “PAGA Members” refers to the Settlement Class Members who worked during the period April 9, 2018 to March 31, 2020 (the “PAGA Period”).

The Remainder, minus \$2,500, shall be referred to as the “Class Pool.” The balance of the \$2,500 of the Remainder shall be referred to as the “PAGA Pool.” A Settlement Class Member who is not a PAGA Member will only receive an Individual Settlement Payment paid out from the Class Pool. A PAGA Member will receive an Individual Settlement Payment paid out from both the Class Pool and PAGA Pool.

The Individual Settlement Payments paid out of the Class Pool will be proportionally based on the number of pay periods worked during the Class Period, as determined from participating Settlement Class Members’ respective dates of employment (less any leaves of absence). The respective pay periods worked during the Class Period by each participating Settlement Class Member will be divided by the total pay periods worked during the Class Period for all

participating Settlement Class Members, resulting in a payment paid out of the Class Pool for each participating Settlement Class Member. Each participating Settlement Class Member's payment ratio is then multiplied by the Class Pool to determine the proportionate allocation.

For a PAGA Member, in addition to receiving a proportionate allocation of the Class Pool, his or her Individual Settlement Payment that will include a proportionate allocation of the PAGA Pool. The portion of the Individual Settlement Payment that will be paid out of the PAGA Pool will be proportionally based on the number of pay periods worked during the PAGA Period, as determined from the respective dates of employment (less any leaves of absence) of PAGA Members. The respective pay periods worked during the PAGA Period by each PAGA Member will be divided by the total pay periods worked during the PAGA Period for all PAGA Members, resulting in a payment for each PAGA Member. The payment ratio of each PAGA Member is then multiplied by the PAGA Pool to determine the proportionate allocation.

Each portion of the Individual Settlement Payment paid out of the Class Pool will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.) for each participating Settlement Class Member.

Each portion of the Individual Settlement Payment paid out of the PAGA Pool is intended to settle claims for PAGA civil penalties. Accordingly, each portion of the Individual Settlement Payment paid out of the PAGA Pool will not be reduced by payroll tax withholding and deductions; instead, the Settlement Administrator will issue to the PAGA Members IRS Form 1099s and their state and local equivalents with respect to the payments.

A participating Settlement Class Member shall be paid his or her portion of the Individual Settlement Payment paid out of the Class Pool unless he or she timely requests exclusion from the Settlement Class pursuant to the procedures set forth herein; however, he or she shall be paid his or her portion of the Individual Settlement Payment paid out of the PAGA Pool regardless of whether he or she timely requests exclusion from the Settlement Class pursuant to the procedures set forth herein.

Your Individual Settlement Payment will depend on the number of valid exclusion requests submitted, and may be larger or smaller depending on how many valid opt-out requests are submitted. PAGA Members are not able to opt-out of the PAGA portion of the Settlement. A Settlement Class Member who is a PAGA Member and who opts out will still release the PAGA Claims and receive a check for PAGA penalties.

**Defendant's records indicate that you are a member of the Settlement Class and you are/are not a PAGA Member.**

**Defendants' records indicate that the number of pay periods that you worked was: insert**

**Based on the foregoing formula, your proportionate share of the Settlement is approximately: \$insert**

Individual Settlement Payments shall be made in two rounds. In each round, the payments of the amounts will be roughly equal.

If you disagree with the information reflected on this notice, you may state the basis of your disagreement and submit documentation supporting your position by no later than **insert**, to the Settlement Administrator at the following address: New Connect Logistics, Inc. Settlement, C/o Phoenix Settlement Administrators, **insert**. Please be advised that the information listed above is presumed to be correct unless the documents you submit prove otherwise. Any decision by the Settlement Administrator with regard to the disputes as to the number of pay periods you worked shall be final.

Each portion of the Individual Settlement Payment paid out from the Class Pool shall be allocated 20% as wages and two-thirds 80% as non-wage income (which constitutes interest and penalties). Each portion of the Individual Settlement Payment paid out of the PAGA Pool shall be allocated 100% as non-wage income.

Settlement Class Members shall hold harmless Defendants from any and all actions, claims or demands brought by any tax or other authority based upon Settlement Class Members' tax obligations arising from the payment to be made pursuant to this Settlement, and shall reimburse Defendants for any taxes, interest, and penalties paid by Defendants as a result of any such actions, claims or demands. However, Settlement Class Members shall not indemnify Defendants should any government taxing authority determine that Defendants are responsible for employer payroll taxes in connection with the Settlement payments. Each Settlement Class Member is advised to consult with their own tax advisors concerning the tax consequences of the payments they receive. Nothing in this Notice or the Settlement is intended to be tax advice.

Depending on rulings from the Court that might affect the net Remainder, as well as the number of Settlement Class Members who opt out of the settlement, the actual amount you will receive if the Court grants Final Approval of the settlement may vary from the above estimated amount.

#### **7. What am I giving up in exchange for the settlement benefits?**

If approved by the Court, the proposed Settlement Agreement will be binding on all Settlement Class Members who do not timely opt out of the Settlement. If you do not timely opt out of the Settlement and the Settlement is given final approval, you will fully release and discharge Man Youn, Seo Kyoung Choi, New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., and New Connect Freight, Inc. and all of their parent, subsidiary, affiliated and related companies and entities, as well as its/their officers, directors, investors, owners, shareholders, employees, partners, agents, and attorneys, and any entities or partnerships with which they are affiliated ("Released Parties") for and from the released claims stated below. PAGA Members are not able to opt-out of the PAGA portion of the Settlement. A Settlement Class Member who is a PAGA Member and who opts out will still release the PAGA Claims and receive a check for PAGA penalties.

**Settlement Class Members' Release of Claims:** All Settlement Class Members who do not opt-out of the settlement shall release all claims pled or that could have been pled in the Class Action Complaint deriving from and/or based on the facts alleged, arising out of or related to services to

or work performed for Defendants during the Class Period, including claims for wages, penalties, interest, attorneys' fees and/or costs. The release shall encompass all claims, causes of action or liability relating to alleged violations of sections 201-203, 204, 226, 226.7, 510, 512, 1174, 1182.12, 1194, 1198, 2802, 2698 *et seq.* of the California Labor Code and section 17200 *et seq.* of the California Business and Professions Code. The release shall include the "Released Parties" defined above. The release will take effect only upon Defendants fully funding the Gross Settlement Amount by depositing the Gross Settlement Amount into the account established by the Settlement Administrator.

**PAGA Members' Release of Claims:** All PAGA Members, regardless of whether they opt-out of the settlement, shall release claims for penalties under PAGA as disclosed in the letter Plaintiffs sent to the California Labor and Workforce Development Agency and claims for penalties under PAGA that could have been premised on the facts alleged in the Class Action Complaint. The release shall include the "Released Parties" defined above. The release will take effect only upon Defendants fully funding the Gross Settlement Amount by depositing the Gross Settlement Amount into the account established by the Settlement Administrator.

Whether or not you cash the settlement check, the Settlement will be binding. If you do not cash your check within 180 days of the date on the check, your check will be void and the funds will be directed to the State Controller's Office under the Unclaimed Property Statutes. Additionally, even if you do not cash your check, you will be deemed to have waived irrevocably any right in or claim to your settlement share and will be bound by the terms of the Settlement and the release.

You can talk to Class Counsel (listed in Question 18) for free or you can talk to your own lawyer if you have questions about the released claims and what they mean.

#### **8. How do I get a payment?**

If you received this notice by mail, you will receive an Individual Settlement Payment automatically if you do not exclude yourself from the Settlement. PAGA Members are not able to opt-out of the PAGA portion of the Settlement. A Settlement Class Member who is a PAGA Member and who opts out will still release the PAGA Claims and receive a check for PAGA penalties.

#### **9. When will I get my payment?**

Individual Settlement Payments will be mailed to Settlement Class Members who are eligible to receive benefits under the Settlement, after the Court approves the Settlement, and after time for appeals has ended and any appeals have been resolved. After the Court approves the Settlement, there may be appeals. If there are any appeals, resolving them could take some time, so please be patient. Individual Settlement Payments shall be made in two rounds. In each round, the payments of the amounts will be roughly equal.

#### **10. When is the effective date of the Settlement Agreement?**

The Settlement Agreement becomes effective upon the Court's Final Approval Order becoming

final. The Court's Final Approval Order "becomes final" upon the last to occur of the following: (a) the date of final affirmance on appeal of the Judgment; (b) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding to review the Judgment; or (c) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the Court's Judgment.

## WHO IS IN THE SETTLEMENT CLASS

### 11. Am I part of this Settlement Class?

The Settlement Class Members include all individuals who were employed by New Connect Logistics, Inc., GD Trans, Inc., New Connect Transportation, Inc., and/or New Connect Freight, Inc. in California as non-exempt salaried employees at any time(s) during the period between January 30, 2015 and March 31, 2020.

### 12. I'm still not sure if I am included.

If you are still not sure whether you are included, you can get free help by calling or writing to the Settlement Administrator or Class Counsel, at the phone number or address listed in Question 18.

## YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Settlement Class or opt-out of the Settlement Class by **insert**. Each option has specific consequences, which you should understand before making your decision. Your rights regarding each option and the steps you must take to select each option, are summarized above and explained in more detail here.

### 13. What happens if I do nothing at all?

You don't have to do anything now if you want to receive a share of the money from this Settlement between Defendants and Plaintiffs. By doing nothing you are staying in the Settlement Class and you keep the possibility of getting money that may come from this Settlement. But, you will be bound by the Final Judgment and you will give up any rights to sue the Released Parties about the Released Claims (as those terms are defined above).

### 14. How do I ask the Court to exclude me from the Settlement Class?

Settlement Class Members may exclude themselves ("opt-out") from the Settlement Class by submitting a signed written exclusion request to the Settlement Administrator by mail to New Connect Logistics, Inc. Settlement, C/o Phoenix Settlement Administrators, **insert**, on or before **insert**. To opt-out, your written statement must include your name (and former names, if any), current address, telephone number, and the last four digits of your social security number. Opt-out requests that do not include all required information, or that are not submitted timely, will be disregarded. Persons who submit valid and timely opt-out requests will not participate in the Settlement and will not be bound by either the Settlement or the Final Judgment. PAGA Members are not able to opt-out of the PAGA portion of the Settlement. A Settlement Class

Member who is a PAGA Member and who opts out will still release the PAGA Claims and receive a check for PAGA penalties.

**15. What happens if I exclude myself from the Settlement?**

If you timely exclude yourself from the Settlement pursuant to the procedures above, you will not get anything from the Settlement. If you ask to be excluded, you will not get an Individual Settlement Payment, and you cannot object to the Settlement. But you may sue, continue to sue, or be part of a different lawsuit against Defendants in the future, subject to any defenses that Defendants may assert. PAGA Members are not able to opt-out of the PAGA portion of the Settlement. A Settlement Class Member who is a PAGA Member and who opts out will still release the PAGA Claims and receive a check for PAGA penalties.

**16. What if I want to object to the Settlement?**

If you are a Settlement Class Member and believe that the Settlement should not be finally approved by the Court for any reason, and want the Court to consider your objection, you must send your objection by mail to the Settlement Administrator or appear at the hearing (see Question 19) and state any objections to the proposed Settlement. You may appear at the hearing telephonically. Any written objections must be mailed to the Settlement Administrator at the following address: New Connect Logistics, Inc. Settlement, c/o Phoenix Settlement Administrators, **insert**, on or before **[insert date]**. Such objection shall include the name and number of the case, *Han v. New Connect Logistics, Inc.*, Case No. 19STCV02681, your name (and former names, if any), address, and telephone number, your dates of employment, the basis for any objection, your signature, and, if you are represented by counsel, the name and address of your counsel.

You cannot object to the Settlement if you exclude yourself from the Settlement. DO NOT submit both an opt-out statement and an objection. If you submit both, the objection will be disregarded. All objections or other correspondence must state the name and number of the case, *Han v. New Connect Logistics, Inc.*, Case No. 19STCV02681. The Court does not require written objections for an objector to appear at the hearing and raise an objection.

**17. What's the difference between objecting and asking to be excluded?**

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. If your objection is overruled, you will be part of the Settlement, will release your claims, and will receive an Individual Settlement Payment.

Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you will have no basis to object because the Settlement will no longer affect you.

## **THE LAWYERS REPRESENTING THE PARTIES**

**18. Who are the lawyers representing the Parties?**

The attorneys representing the Class (“Class Counsel”) are:

Jonathan Ricasa  
Law Office of Jonathan Ricasa  
15760 Ventura Boulevard, Suite 700  
Encino, California 91436  
Telephone: (818) 650-8077  
Facsimile: (818) 301-5151

Briana M. Kim  
Briana Kim, PC  
249 East Ocean Boulevard, Suite 814  
Long Beach, California 90802  
Telephone: (714) 482-6301  
Facsimile: (714) 482-6302

The attorneys representing Defendants are:

Stella K. Park  
Yalan Zheng  
LAW OFFICES OF PARK & ZHENG  
6 Venture, Suite 265  
Irvine, CA 92618

## THE FAIRNESS HEARING

The judge will hold a hearing to decide whether to finally approve the Settlement. If you have filed an objection on time you may attend and you may ask to speak, but you don’t have to.

### **19. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a hearing to determine whether to finally approve the Settlement in Department 11 at the Spring Street Courthouse, located at 312 North Spring Street, Los Angeles, California 90012; the hearing is currently scheduled to occur on **insert**, at **insert**. The hearing may be moved to a different date and/or time without additional notice.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are any objections, the judge will consider them. The Court will only listen to people who are authorized to speak at the hearing. At this hearing, the Court will also decide how much to pay Class Counsel and how much to pay Plaintiffs in enhancement payments. You may appear at the hearing telephonically. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take. If the Settlement is approved by the Court, notice of final judgment will be posted on the following website: **insert**.

### **20. Do I have to come to the hearing?**

No. Class Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you don’t have to come to talk about it. As long as you mailed your written objection by the deadline, the Court will consider it. You may also appear at the hearing and state any objections to the proposed Settlement. You may also pay another lawyer to attend, but it is not required.

### **21. Address Change**

If you move before settlement payments are made, or if the address on this notice is incorrect in

any way, you must notify the Settlement Administrator of your updated address to ensure your receipt of your share of the settlement funds.

## **GETTING MORE INFORMATION**

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file at the Civil Clerk's Office of the Los Angeles County Superior Court, located at 111 North Hill Street, Los Angeles, California 90012. Please note that a mandatory face mask order remains in effect. Face masks must be worn over the nose and mouth at all times in all public courthouse spaces. Appointments are strongly encouraged for the Clerk's Office. You may also review the Settlement Agreement and other documents on-line at **insert** or you may contact the Settlement Administrator as follows:

Phoenix Settlement Administrators  
Telephone: (800) 523-5773 Facsimile: (949) 209-2503  
Email: [notice@phoenixclassaction.com](mailto:notice@phoenixclassaction.com)  
Website: **insert**

You may also contact Class Counsel at the address and telephone number provided in Question 18 above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

**PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE.**

# **EXHIBIT 2**

**EXHIBIT 2**

<b>Ref #</b>	<b>First Name</b>	<b>Last Name</b>	<b>Pay Periods</b>
1	REDAC	REDACTED	7
2	TFD REDACTE	REDA	108
3	D REDACTED	CTFD REDACTED	3
4	REDACTED	REDA	5
5	REDACT	CTFD REDA	90
6	FD REDACTED	CTFD REDA	58
7	REDACTED	CTFD RE	6
8	REDACTED	DA REDA	53
9	REDACTED	CTFD RED	21
10	REDACT	ACTF REDA	8
11	FD REDACTE	CTFD REDA	36
12	D REDACTE	CTFD RED	26
13	D REDACTED	ACT REDA	41
14	REDACTED	CTFD RED	92
15	REDAC	ACTF RED	41
16	TFD REDACTED	ACT RED	45
17	REDACTE	ACTF REDA	12
18	D REDACTED	CTFD REDACT	1
19	REDACT	FD RED	41
20	FD REDACTED	ACTF REDAC	3
21	REDACTED	TFD REDACT	1
22	REDACT	FD RED	54
23	FD REDAC	ACT RED	92
24	TFD REDACTED	ACT REDACT	40
25	RED	FD RED	4
26	ACT REDACT	ACT RED	12
27	FD REDA	ACT REDA	33
28	CTFD REDA	CTFD RED	31
29	CTFD REDACTED	ACTF RED	38
30	REDAC	ACT RED	10
31	TFD REDACTED	ACT RE	5
32	REDA	DA REDA	31
33	CTFD REDAC	CTFD REDA	45
34	TFD REDACT	CTFD RED	32
35	FD REDACTED	ACTF REDA	5
36	REDACTE	CTFD REDACTED	64
37	D REDACTED	REDA	60
38	REDACTE	CTFD REDACTED	57
39	D REDACTE	REDACT	5
40	D REDA CTED	FD RED ACTE	4

41	REDAC	REDACT	1
	TFD	FD	
42	RED	RED	1
	ACT	ACTF	
43	REDACT	RED	13
	FD	ACTF	
44	REDACTED	REDA	49
	REDACTED	CTFD	
45	REDACTED	REDA	6
	REDACTED	CTFD	
46	REDACTED	RED	20
	REDA	ACTF	
47	REDA	REDA	13
	CTFD	CTFD	
48	REDACTE	REDA	44
	D	CTFD	
49	REDACT	REDA	43
	FD	CTFD	
50	REDACT	RED	4
	FD	ACTF	
51	REDACTED	RED	2
	REDACT	ACTF	
52	REDACT	REDACTE	22
	FD	D	
53	REDACTED	RE	16
	REDACT	DA	
54	REDACT	REDACTED	38
	FD	REDACTED	
55	REDA	REDACTED	38
	CTFD	REDACT	
56	REDACTED	REDACT	36
	REDACTED	FD	
57	REDACTED	REDA	35
	REDACTE	CTFD	
58	REDACTE	RED	28
	D	ACT	
59	REDACT	REDAC	8
	FD	TFD	
60	REDACTE	RED	26
	D	ACTF	
61	REDA	REDA	21
	CTFD	CTFD	
62	REDA	RED	12
	CTFD	ACTF	
63	REDACTE	REDAC	17
	D	TFD	
64	REDACTED	RE	7
	REDA	DA	
65	REDA	REDACTE	5
	CTED	D	