

NOTICE OF CLASS ACTION SETTLEMENT

Robert Vega, et al. v. Marathon Petroleum Logistics Services, LLC, et al.

Superior Court of California, County of Los Angeles

Case No. 20STCV19405

To: All current and former non-exempt employees employed by Marathon Petroleum Logistics Services LLC in the State of California who, in the same pay period, worked overtime and received a “Regular Rate Adj.” payment from April 6, 2019 through July 29, 2022.

Please read this notice carefully – it provides important information about your legal rights and obligations under an agreement to settle a class/representative action lawsuit.

1. WHY IT IS IMPORTANT TO READ THIS NOTICE

Judge Maren Nelson of the Los Angeles County Superior Court (the “Court”) has preliminarily approved a class/representative action settlement (the “Settlement” or “Settlement Agreement”) of all claims that were or could have been asserted based on the facts alleged in the lawsuit titled *Robert Vega, et al. v. Marathon Petroleum Logistics Services LLC, et al.*, Los Angeles Superior Court Case No. 20STCV19405 (the “Action”).

The Settlement affects all current and former non-exempt employees employed by Marathon Petroleum Logistics Services LLC (“MPLS”) in the State of California who, in the same pay period, worked overtime and received a “Regular Rate Adj.” payment from April 6, 2019 through July 29, 2022 (the “Class Members”). The period from April 6, 2019, through July 29, 2022, is referred to in this Notice and the Settlement as the “Class Period.”

You have received this Notice of Settlement because MPLS’s records show that you are a Class Member.

This Notice of Settlement provides you with a description of the lawsuit, informs you of the key terms of the proposed Settlement, and discusses your rights and options under the Settlement. ***It is important that you read this Notice of Settlement carefully as your rights will be affected by the Settlement.*** Your options are described below:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	If you want to receive your full settlement payment, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Class Claims described below.
EXCLUDE YOURSELF	If you do not wish to participate in the settlement of the Class Claims, you may “opt-out” of the settlement of the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion from the Settlement Class by October 17, 2022 (see Section 4 below for more details on how to opt-out). If you opt-out of the settlement of the Class Claims, you will no longer be a Class Member, and you will (1) <u>not</u> receive any settlement payment for the Class Claims and will not release the Released Class Claims described in Section IV, and (2) be barred from filing an objection to the settlement. You still will receive a payment as part of the civil penalties paid pursuant to the California Private Attorneys General Act of 2004 (“PAGA”) and will release your claims for such civil penalties to the extent you are a PAGA Employee.
OBJECT	If you decide to object to the settlement you have the opportunity to do so by (1) appearing at the Final Approval Hearing and communicating your objection to the Court and/or (2) submitting a written Notice of Objection to the Settlement Administrator stating why you object to the settlement by October 17, 2022 (see Section 4 for more details on how to object).

1. WHAT THIS ACTION AND SETTLEMENT IS ABOUT

A class/representative action is a lawsuit where one or more representative plaintiffs brings claims on behalf of many people to be decided in a single court proceeding.

Plaintiff Robert Vega (“Vega” or “Plaintiff”) is a former, unionized transport driver employed by Marathon Petroleum Logistics Services, LLC (“MPLS”). Vega filed this lawsuit on May 21, 2020 against MPLS and Marathon Petroleum Company, LP (collectively “Defendants”) alleging class and Private Attorney General Act (“PAGA”) representative claims for Failure to Provide Accurate Itemized Wage Statements (Lab. Code § 226).

In support of his two causes of action, Plaintiff alleged that wage statements (i.e., pay stubs) received by Class Members did not accurately display the correct overtime rate of pay. More specifically, Plaintiff alleged that on each occasion that a Class Member earned a “Reg Rate Adj Sched” or “Reg Rate Adj.” payment and worked overtime in a workweek, the wage statements only reflected the overtime rate of 1.5 times the base hourly rate, which failed to account for and include the “Reg Rate Adj.” line-item. As a result, Plaintiff contends that Defendants violated Labor Code § 226(a)(9) on each occasion that it failed to provide wage statements that informed the employees of the accurate overtime rate of pay (i.e., the amount of overtime actually paid for each overtime hour worked).

Defendants denied and continue to deny Vega’s claims, but agreed to discuss whether the case could be resolved without ongoing litigation. After months of information exchanges and negotiations, the parties reached this Settlement.

This Settlement is not an admission of any wrongdoing by Defendants or an indication that Defendants violated any law. The Court did not decide in favor of Plaintiff or Defendants as to the merits of the case. There was no trial. Instead, both sides agreed to a resolution of the Action. The Settlement is intended to allow the Parties to avoid the costs of further litigation and a trial, while allowing Class Members and PAGA Employees (defined as current and former non-exempt employees employed by MPLS in the State of California who, in the same pay period, worked overtime and received a “Regular Rate Adj.” payment from April 6, 2019 through July 29, 2022) to receive payments from the Settlement as specified below.

Plaintiff and his attorneys, who were preliminarily appointed as representatives for the Class, believe the Settlement is in the best interests of all Class Members.

Defendants will not take any adverse action against any Class Member because of the Class Member’s participation or decision not to participate in this Settlement. If a Class Member does not participate as to the Class Claims, his/her share of the settlement of the Class Claims will be paid to those who do participate as further detailed in Section 3 below.

2. SUMMARY OF THE TERMS OF THE SETTLEMENT

I. The Total Settlement Amount

The Total Settlement Amount is One Hundred and Sixty-Five Thousand Dollars (\$165,000), which is the maximum amount Defendants will pay as part of the Settlement. The Total Settlement Amount will be distributed as follows:

Class Counsel’s Fees and Costs Award: Plaintiff’s counsel (“Class Counsel”) have been prosecuting the Action on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Settlement Amount. Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees or costs. Class Counsel will ask for fees of one-third (\$55,000) of the common fund Total Settlement Amount as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through finalization of the Settlement. Class Counsel also will ask for reimbursement of up to \$10,000 for the costs Class Counsel incurred in connection with the Action.

Service Award to Class Representative: Plaintiff Robert Vega has been appointed as the Class Representative. Class Counsel will ask the Court to award him a Service Award in the amount of \$5,000 to compensate him for service and in exchange for a general release of claims. The Class Representative also will receive his individual share of the Settlement as a Class Member.

PAGA Award: Under the Settlement, \$10,000 of the Total Settlement Amount will be allocated to Plaintiff’s PAGA Claims. Of this amount, \$7,500 will be paid to the California Labor & Workforce Development Agency (“LWDA”) in satisfaction of the claims for civil penalties under PAGA, and the remaining \$2,500 will be divided between all PAGA Employees based on the number of pay periods worked during the PAGA Period, regardless of their receipt of payments for settlement of the Class Claims. You do not have the right to opt-out or exclude yourself from receiving the civil penalties paid pursuant to PAGA. PAGA Employees includes “all current and former non-exempt employees employed by Defendant in California who, in the same pay period, worked overtime and received a “Regular Rate Adj.” payment during the PAGA Period of April 6, 2019 through July 29, 2022.” You will receive your allocated portion of this payment and will be bound by the release of all such PAGA Claims without regard to your selected option discussed in Section 4 below.

Costs of Administration: The Court has approved Phoenix Settlement Administrators (the “Settlement Administrator”) to administer this Settlement. The Court has preliminarily approved Settlement Administration Costs not to exceed \$6,000. The cost of administration will be paid from the Total Settlement Amount.

Net Distribution Fund: After deducting the amounts above from the Total Settlement Amount, the balance will form the Net Distribution Fund for distribution to Participating Class Members (who are Class Members who do not opt-out). Individual Settlement Payments to Class Members will be calculated and apportioned from the Net Distribution Fund according to the formula and calculations set forth in the section immediately below entitled “Calculation of Individual Settlement Payments.”

Tax Issues: Each Individual Settlement Payment shall be allocated as penalties and interest only. There will be no deduction taken from these payments (because the claims in the lawsuit do not include unpaid wage claims); however, all payments will be reported on IRS Form 1099 as income. The Settlement Administrator, Defendants and their counsel, and Class Counsel cannot provide tax advice and make no representations as to the tax treatment or legal effect of the Settlement Payments. Participating Class Members and PAGA Employees will be solely responsible for the payment of any taxes and penalties assessed on their Settlement Payments. Accordingly, Participating Class Members and PAGA Employees should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement if they have any questions.

Uncashed Checks: All Participating Class Members and PAGA Employees will receive an Individual Settlement Payment based on the calculations detailed below, without needing to make a claim. Checks must be cashed within 180 days. On the 181st day, checks are void and uncashed funds will be transmitted by the Settlement Administrator to the California State Controller Unclaimed Property Fund in the name of the Class Member/PAGA Employee.

II. Calculation of Individual Settlement Payments

Participating Class Members – i.e., all Class Members who do not submit a timely Request for Exclusion as explained in the “Option 2: Request Exclusion from the Settlement” section below – will receive an Individual Settlement Payment based on the calculation detailed below.

In addition, all “PAGA Employees” will receive a prorated portion of the 25% of the PAGA Award based on their prorated number of pay periods during the PAGA period using the calculation detailed below.

Pay Period Calculations - Class: MPLS will calculate the total number of pay periods that all Participating Class Members worked during the Class Period where, in the same pay period, the employees worked overtime and received a “Regular Rate Adj.” (also sometimes referenced as a “Regular Rate Adj Sched”) payment (“Total Class Pay Periods”). The value of each pay period shall be determined by the Settlement Administrator by dividing the Net Distribution Fund (less the 25% of the PAGA Award to be distributed to PAGA Employees) by the total number of pay periods worked by Participating Class Members during the Class Period where, in the same pay period, these employees worked overtime and received a “Regular Rate Adj.” payment (“Class Pay Period Value”).

PAGA Employee Calculations: For PAGA Employees, MPLS will calculate the total number of pay periods that each PAGA Employee worked during the PAGA Period where, in the same pay period, these employees worked overtime and received a “Regular Rate Adj.” payment (“Total PAGA Pay Periods”). The value of each PAGA Pay Period shall be determined by the Settlement Administrator by dividing the 25% of the PAGA Award allocated for PAGA Employees by the Total PAGA Pay Periods for all PAGA Employees (“PAGA Pay Period Value”). A Class Member who is also a PAGA Employee will receive a payment under this section even if they opt-out of the Class settlement and will be bound by the release of the PAGA claims released through this Settlement.

Individual Settlement Payments: To determine the “Individual Settlement Payment” for each Class Member, the Settlement Administrator will multiply the individual’s Total Class Pay Periods by the Class Pay Period Value (if the Class Member is a Participating Class Member) and the individual’s Total PAGA Pay Periods by the PAGA Pay Period Value. The Individual Settlement Payment will be reduced by any required legal deductions. Review the information below, which shows (1) the estimated number of pay periods where Defendants’ records show you worked overtime and received a “Reg Rate Adj” (or “Reg Rate Adj Sched”) payment in the same pay period from April 6, 2019 through July 29, 2022; and (2) your corresponding estimated individual settlement payments:

	Pay Periods Credited	Estimated Ind. Settlement Payment
As a Class Member	INSERT	\$INSERT
As a PAGA Employee	INSERT	\$INSERT

If you believe the number of pay periods you were credited above is incorrect (i.e., you worked a different number of pay periods from April 6, 2019 through July 29, 2022 where, in the same pay period, you worked overtime and received a “Regular Rate Adj.” (sometimes also referred to as a “Regular Rate Adj Sched” payment), you can challenge this estimate by submitting evidence to the Settlement Administrator, Phoenix Settlement Administrators, **prior to the Response Deadline on October 17, 2022** showing what you believe is the correct number of pay periods you should be credited from April 6, 2019 through July 29, 2022 where, in the same pay period, you worked overtime and received a “Regular Rate Adj.” or “Regular Rate Adj Sched” payment. The Settlement Administrator will notify the Parties of any challenges and give Defendant the opportunity to investigate the challenge and provide relevant information and documents to the Settlement Administrator. All challenges to the calculated pay periods will be resolved by the Settlement Administrator after taking into consideration any information and documentation provided by you and Defendants. The Settlement Administrator’s determination will be final and binding and will be made prior to the calculation and distribution of the Individual Settlement Payments.

III. Release of Claims

Unless you request to be excluded from the Settlement, you will be unable to sue, continue to sue or be a part of any other lawsuit against Defendants and other Released Parties (defined below) regarding the “Class Member Released Claims” in this Settlement. Moreover, all PAGA Employees will be bound by the release of PAGA Released Claims, as discussed below. Further information about, and the definition of, the releases is provided below.

A. Released Parties

The Released Parties includes Marathon Petroleum Logistics Services, LLC, Marathon Petroleum Company, LP, and their respective subsidiaries, affiliates and/or parents; attorneys, and respective successors and predecessors in interest; all of their respective officers, directors, employees, administrators, fiduciaries, trustees, beneficiaries and agents; and each of their past, present and future officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers (“Released Parties”).

B. Releases

The “Effective Date” of the Settlement means the date by which the Settlement is finally approved and the Court’s Final Approval Order becomes binding— *i.e.*, the date when there is no possibility of an appeal, writ, or further appeal that could potentially prevent the Settlement Agreement from becoming final and binding, which the Parties agree will be 65 calendar days after the notice of an order granting final approval of the Settlement is served, provided there have been no appeals filed within that time.

As of the Effective Date and Defendants’ funding of the Total Settlement Amount, Plaintiff, Participating Class Members, PAGA Employees and the State of California (acting through Plaintiff as its authorized PAGA representative) release the Released Parties from all Class Claims and PAGA Claims for the duration of the Class Period and PAGA Period, respectively. The Class Period and PAGA Period include the period from April 6, 2019 through the July 29, 2022. The Class Member Released Claims include all claims for any debts, liabilities, demands, obligations, guarantees, penalties, damages, interest, attorneys’ fees, costs, and/or other amounts or relief recoverable under state or other applicable law that Plaintiff asserted or could have asserted in the Action – on behalf of himself and the putative Class Members – based on the facts alleged in Plaintiff’s Complaint and/or arising out of a claim for Failure to Provide Accurate Itemized Wage Statements (Lab. Code § 226), whether for economic or non-economic damages, restitution, injunctive relief or statutory penalties. The PAGA Released Claims include any and all claims Plaintiff asserted or could have asserted in the Action under PAGA based on the facts alleged in Plaintiff’s Complaint for Failure to Provide Accurate Itemized Wage Statements (Cal. Labor Code §§ 226 and 2698, et seq.) and/or based on the Class Member Released Claims, on behalf of himself, the State of California and PAGA Employees for damages recoverable under PAGA, including civil penalties, interest, attorneys’ fees, costs, and any other relief recoverable under California Labor Code § 2698, et seq. It is the intent of the Parties that the Final Approval Order entered by the Court shall have full *res judicata* (*i.e.*, preclusive) effect and be final and binding upon Participating Class Members, PAGA Employees and the State of California regarding the Class Member Released Claims and PAGA Released Claims.

Class Members who do not opt out (*i.e.*, submit a timely Request for Exclusion as explained below) will release the Class Member Released Claims for the duration of the Class Period (*i.e.*, from April 6, 2019 through July 29, 2022).

PAGA Employees will be bound by the release of the PAGA Claims for the duration of the PAGA Period (*i.e.*, from April 6, 2019 through July 29, 2022) and will receive a share of the PAGA Award, notwithstanding any request to opt-out of the Class Claims.

Plaintiff Vega’s Complete and General Release:

Plaintiff Vega only is agreeing to a Complete and General Release of all claims as part of this Settlement and as consideration for the Service Award specified above.

3. YOUR OPTIONS REGARDING THIS CLASS ACTION SETTLEMENT

I. First Option: Do Nothing and Receive an Individual Settlement Payment if the Settlement Becomes Final and Binding

You do not need to do anything to participate in this Settlement. If the Settlement becomes binding and you do nothing, you will receive an Individual Settlement Payment. The amount of the Individual Settlement Payment will depend, in part, on the amounts approved by the Court and will be calculated based on the Individual Settlement Payment calculation described above. If you disagree with the number of Pay Periods credited, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting, as described above. If you do nothing, you will also be bound by the Settlement and you will be releasing all Class Member Released Claims and PAGA Released Claims in exchange for an Individual Settlement Payment, as explained above.

II. Second Option: Request Exclusion from the Settlement

If you do not wish to participate in the settlement for any reason, you must submit a written letter, called a “Request for Exclusion,” to the Settlement Administrator.

To be valid, the Request for Exclusion need not use specific language, but must be hand signed and contain sufficient information to verify your identity (e.g., your full name, address, and employee number or last four digits of your social security number) and confirm that you wish to be excluded from the Settlement and any payment and release associated with the settlement of the Class Claims as set forth in this Notice and the Settlement Agreement.

To be timely, the Request for Exclusion must be postmarked and mailed to the Settlement Administrator at the address below **on or before October 17, 2022** (the “Response Deadline”). Requests for Exclusion postmarked after this date may be disregarded.

Vega v. Marathon Petroleum Logistics Services LLC, et al. Class Action
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773

Any Class Members who submit a timely and valid Request for Exclusion will NOT receive any money from the Settlement of the Class Claims and will not be bound by the terms of the Settlement or the release of the Class Claims. Any Class Member who submits a timely and valid Request for Exclusion will also not have any right to object, appeal or comment on the Settlement. The only exception is that if you are also a PAGA Employee you will still release the PAGA Claims and receive a portion of the PAGA Award as there is no right to opt out of the PAGA release.

Class Members who do **not** submit a timely and valid Request for Exclusion on or before the Response Deadline will be deemed “Participating Class Members.” As described above, each Participating Class member will receive an Individual Settlement Payment and will be bound by all terms of the Settlement and the Final Approval Order entered in this Action.

III. Third Option: Object to the Settlement

If you do not believe the Settlement is fair, you can object and ask the Court to deny approval of the Settlement. If the Court grants approval over your objection, you will remain a Class Member, will release the Class Claims for the Class Period, and you will still receive an Individual Settlement Payment as described above.

You can object to the Settlement by (1) appearing at the Final Approval Hearing (either in person or through your own attorney) and communicating your objection to the Court and/or (2) submitting a written Notice of Objection to the Settlement Administrator **on or before October 17, 2022** (the “Response Deadline”). If you appear at the Final Approval Hearing through your own attorney, you are responsible for paying that attorney.

There is no specific language required for the Court to consider your written objection, but to confirm that you are a Class Member in this case and evaluate the nature of your objection, the Parties request that your written objection include (1) your full name, address and employee number or last four digits of your social security number; (2) your signature; (3) the case name, *i.e.*, *Robert Vega v. Marathon Petroleum Logistics Services LLC, et al.*, Case No. 20STCV19405, pending in Los Angeles Superior Court, and the specific reasons why you object to the Settlement.

To ensure the Court has time to consider written objections at or prior to the Final Approval Hearing, the Notices of Objection should be postmarked and mailed to the Settlement Administrator at the address below on or before October 17, 2022 (the “Response Deadline”).

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The Court will consider any written Notices of Objection received prior to the Final Approval Hearing and any oral objections made at the Final Approval Hearing. All objections (written and oral) must be made prior to or at the Final Approval Hearing to be considered by the Court.

4. NEXT STEPS

I. The Court’s Final Approval Hearing

The Court will hold a Final Approval Hearing on December 7, 2022 at 10:00 a.m. in the Los Angeles County Superior Court Department 17, 312 North Spring Street, Los Angeles, CA 90012, to consider the fairness, adequacy and reasonableness of the proposed Settlement, including without limitation the: Class Counsel Fees Award, Class Counsel Costs Award, Plaintiff’s Service Award, PAGA Award, Settlement Administration Costs, and Individual Settlement Payments to Participating Class Members.

The Court may reschedule the Final Approval Hearing without further notice to Class Members. Class Members are advised to confirm the hearing date and time with Class Counsel (at the contact information provided in section 5.II. below) if they intend to appear at the Final Approval Hearing.

II. How to Obtain Additional Information

This Notice summarizes the proposed Settlement. If you have questions about the Settlement, you can contact the Settlement Administrator at:

Vega v. Marathon Petroleum Logistics Services LLC, et al. Class Action
c/o Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773

You can also request a copy of the full Settlement Agreement from the Settlement Administrator at the address and phone number above or view it by visiting a website set up by the Settlement Administrator at: <http://www.phoenixclassaction.com/>.

You may also contact Class Counsel with any questions and/or to confirm the date and time of the Final Approval Hearing at:

Brian Mankin, Esq.
brian@LMLfirm.com
Peter Carlson, Esq.
peter@LMLfirm.com
Lauby Mankin Lauby LLP
4590 Allstate Drive
Riverside, CA 92501
Tel: (951) 320-1444

III. Court’s Social Distancing Guidelines

Based on current conditions, including but not limited to, the spread of COVID-19 disease, the state of emergency having been declared by Governor Gavin Newsom, the need for social distancing, Class Members are encouraged to appear remotely via LACourtConnect which can be arranged at <http://www.lacourt.org/lacc/> or by contacting the Judicial Assistant in Department 17 for further instructions. If they wish to do so, Class Members should make an appointment to review the court files for this case by referring to the instructions available at <https://www.lacourt.org/>.

PLEASE DO NOT CONTACT THE COURT, THE CLERK’S OFFICE, MARATHON PETROLEUM LOGISTICS SERVICES, LLC, MARATHON PETROLEUM COMPANY, LP OR THEIR ATTORNEYS TO INQUIRE ABOUT THIS SETTLEMENT.