

NOTICE OF CLASS ACTION SETTLEMENT

SUPERIOR COURT OF THE STATE OF CALIFORNIA – COUNTY OF LOS ANGELES
Randy Torres and Christina Torres v. Performance Team, LLC, et al. - Case No. BC705070

Indicate Name/Address Changes, if any:

<<Name>>

«Address»

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

XX - XX - <<Last4SSN>>

YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT.

THIS NOTICE AFFECTS YOUR RIGHTS. PLEASE READ IT CAREFULLY.

A California court authorized this notice. This is not a solicitation from a lawyer.

YOU WILL NOT BE RETALIATED AGAINST FOR PARTICIPATING IN THIS SETTLEMENT.

YOU ARE HEREBY NOTIFIED that a proposed settlement (“the Settlement”) of the above class action (hereinafter referred to as “the Action”) filed in Los Angeles County Superior Court has been reached between Plaintiffs Randy Torres and Christina Torres, in their individual capacities, as class representatives, and as private attorneys general (collectively referred to as “Plaintiffs”) and Defendants Performance Team, LLC and Performance Team Logistics, LLC (“Defendant” and collectively with Plaintiffs as the “Parties”), and has been granted Preliminary Approval by the Court supervising the Action. The Los Angeles County Superior Court has ordered that this Class Notice be sent to you because you may be a Settlement Class Member. The purpose of this Class Notice is to inform you of the Settlement of this class action and your legal rights under the Settlement as follows:

- The settlement class is defined as all current and former non-exempt employees employed by Defendant in the State of California in the position of driver who received incentive compensation from Performance Team at any time from April 21, 2016 through March 2, 2018 (the “Class Period”) and did not sign a release agreement with Defendant (“Class Member” or “Settlement Class Member”).
- The proposed settlement generally resolves claims regarding the following alleged wage and hour issues related to your employment with Defendant: meal and rest breaks; unpaid wages, including minimum wages, regular wages, overtime and double time wages; wage statement violations; untimely payment of wages both during and after employment; unfair business practices; and penalties pursuant to California’s Private Attorneys General Act (“PAGA”). Please see Section E below for further information regarding the claims you are releasing by participating in this settlement.
- The settlement avoids costs and risks to you from continuing the lawsuit; pays money to employees; and releases Defendant from liability for these claims.
- The two sides disagree on whether Defendant is liable for the allegations raised in this case and how much money could have been won if the employees won at trial.
- **Your legal rights may be affected. Read this notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Get a Payment	If you are a Class Member, you will automatically receive a payment, unless you exclude yourself from the settlement as described below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below.
Exclude Yourself	<p>If you want to exclude yourself from the settlement, you must complete and mail an Exclusion Letter (defined below) to the Settlement Administrator on or before August 2, 2021, or forty-five (45) calendar days after the date of the initial mailing of the Notice Packets. This is the only option that allows you to bring your own claims against Defendant regarding the legal claims in the Action. You will not be bound by the terms of the Settlement if you opt-out. You will not receive a payment if you opt-out.</p> <p>The Exclusion Letter is a document prepared by the Settlement Class Member that must: (1) contain the Settlement Class Member's name, address, telephone number, and last four digits of his/her Social Security number; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice.</p> <p>The date of the postmark on the Exclusion Letter shall be the exclusive means used to determine whether an Exclusion Letter has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement, will not be bound by the terms of the Settlement Agreement, and will not have any right to object, appeal, or comment thereon.</p>
Object	To object to the settlement, mail a copy of the objection to the Settlement Administrator as provided below about why you do not agree with the settlement. Any Class Member may also object by appearing remotely, in person, or by attorney at the Final Approval Hearing. Additional information on how to appear remotely can be found at https://www.lacourt.org/lacc/ . If you object and the court still finally approves the settlement over your objection, you will still participate in the settlement that is finally approved and receive a settlement payment.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a lawsuit and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the class on whose behalf this lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

Plaintiffs filed this lawsuit in Los Angeles Superior Court on behalf of the Class. The lawsuit alleges that Defendant: (i) failed to provide timely and/or proper meal and rest breaks; (ii) failed to pay overtime compensation; and (iii) failed to pay minimum wages. Plaintiffs further alleged that these practices resulted in the employees receiving inaccurate wage statements, and the underpayment of wages to employees upon termination and/or resignation. The lawsuit seeks recovery of wages, restitution, statutory and civil penalties, interest, attorneys' fees and costs.

Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the lawsuit and further denies that, for any purpose other than that of settling this lawsuit, the lawsuit is appropriate for class

treatment. Defendant contends, among other things, that they complied at all times with the California Labor Code, the California Business and Professions Code, and all other applicable laws. The Court has made no ruling and will make no ruling on the merits of the Action and its allegations and claims.

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did **not** decide in favor of the Plaintiffs or Defendant. There was no trial. Instead, both sides agreed to a settlement. That way, they avoid the costs, risks, and uncertainty of a trial, and the Class Members will get compensation. Plaintiffs and Plaintiffs' attorneys believe the settlement is fair, reasonable and adequate and in the best interests of all Class Members. Thus far, the Court has only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. A final determination of whether the proposed settlement is fair, adequate, and reasonable will be made at the Final Approval Hearing.

B. Who is in the Class?

The Class consists of all current and former non-exempt employees employed by Defendant in the State of California in the position of driver who received incentive compensation from Performance Team at any time from April 21, 2016 through March 2, 2018 and did not sign a release agreement with Defendant.

C. What is the Class Period?

The term "Class Period" means the period from April 21, 2016, through March 2, 2018.

D. What does the Settlement provide?

1. Gross Settlement Amount.

Defendant will pay a total of One Hundred and Ten Thousand Dollars (\$110,000) (the "Gross Settlement Amount") to settle the Action.

The following amounts will be paid from the Gross Settlement Amount: all settlement payments to participating Class Members; attorneys' fees not to exceed 33.33% of the Gross Settlement Amount, or \$36,666; litigation expenses, not to exceed \$12,500; administrative costs, estimated not to exceed \$4,760.00; 75% of the \$23,037.00 PAGA payment (i.e., \$17,277.75) to be paid to the California Labor & Workforce Development Agency ("LWDA"); and an Incentive Award to each Named Plaintiff in the amount of \$5,000 (for a total not exceeding \$10,000). The employer's portion of payroll taxes will be paid outside of and in addition to the Gross Settlement Amount. No funds will revert to Defendant.

The funds used for the Gross Settlement Amount shall be paid to the Settlement Administrator. The Settlement Administrator shall distribute the Court approved Incentive Award to the Plaintiffs, the Court approved attorneys' fees and litigation costs, the administration costs, and the PAGA payment to the LWDA at the same time and manner as the settlement payments to the participating Class Members.

2. Net Settlement Amount

"Net Settlement Amount" or "NSA" means the Gross Settlement Amount minus the attorneys' fees, litigation expenses, administrative costs, 75% of the PAGA payment, and the Incentive Awards to the Plaintiffs.

3. Your Individual Payment Amount.

The Settlement Administrator will calculate the individual settlement payments to Class Members who do not submit valid Opt-Out Forms. This calculation will be based on Class Member's proportionate workweeks worked during the Class Period, by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class Member's number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class Members during the Class Period.

In addition to the class action individual settlement payment, each employee who worked for Performance Team during the PAGA Period shall receive a portion of the PAGA penalty amount proportionate to the number of pay periods worked by that employee during the PAGA Period, and which will be calculated by

multiplying the PAGA penalty amount by a fraction, the numerator of which is the PAGA Employees' number of pay periods worked as a non-exempt employee for Defendant in California during the PAGA period, and the denominator of which is the total number of pay periods worked by employees working for Performance Team in California during the PAGA Period. If approved by the Court, this PAGA amount will be paid to all Settlement Class Members regardless of objections or exclusions.

The details of your individual settlement payment can be found on the included Notice of Estimated Settlement Award sheet.

Settlement checks issued to Class Members will expire one hundred and eighty (180) days from the date they are issued by the Settlement Administrator. The money from the uncashed checks, plus any interest accrued thereon, shall be paid to the designated *cy pres* Legal Aid Foundation of Los Angeles ("LAFLA"), subject to Court approval.

4. Tax Matters.

The Settlement Administrator will distribute IRS Forms W-2 and 1099 (and the equivalent California forms) to participating Class Members reflecting the payments each Class Member receives under the Settlement. For tax purposes, payments will be allocated as follows: 1/3 as wages; 1/3 as interest; and 1/3 as penalties. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code.

Interest and penalties paid under this Settlement shall not be subject to federal, state and local payroll withholding taxes. The Settlement Administrator shall issue an IRS form 1099 for payments of interest and penalties. The usual and customary deductions will be taken out of the amounts attributable to unpaid wages. Class Members should consult with their tax advisors concerning the tax consequences of the payment they receive under the Settlement.

E. What are you giving up to get a payment or stay in the Class?

Upon Final Approval, Plaintiffs and all participating Class Members, will unconditionally and irrevocably forever release and discharge Defendant, and its current and former members, managers, owners, shareholders, officers, directors, employees, attorneys, representatives, agents, benefit plans, parent companies, subsidiaries, affiliates, related entities, successors, and assigns (the "Released Parties"), from any and all claims, causes of action, damages, wages, benefits, expenses, penalties, debts, liabilities, losses, agreements, compensation, demands, obligations, attorneys' fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature, which has been alleged in the Complaint, First Amended Complaint, Second Amended Complaint, the Lawsuit, or that could have been alleged based on the factual allegations asserted in the Lawsuit, from the beginning of the Class Period through the date of preliminary approval of this Settlement by the Court, including claims for: (i) failure to pay all hours worked under Cal. Labor Code §§ 200 and 226.2 and Cal. Code Regs., Title 8 § 11090, Subds. 1 and 4(B)(ii) failure to provide meal periods under Cal. Labor Code §§ 226.7 and 512, Industrial Welfare Commission Wage Order Nos. 9-1998, 9-2000, 9-2001(11) and Cal. Code Regs., Tit. 8 § 11090; (iii) failure to authorize and permit rest breaks under Cal. Labor Code §§ 226.7, Industrial Welfare Commission Wage Order Nos. 9-1998, 9-2000, 9-2001(11) and Cal. Code Regs., Tit. 8 § 11090; (iv) failure to pay overtime wages under Cal. Labor Code § 510, (v) failure to pay all wages upon termination under Cal. Labor Code §§ 201-203; (vii) failure to provide accurate wage statements under Cal. Labor Code §§ 226, 226.2, 1174, 1175; and claims for unfair competition (Cal. Bus. & Prof. Code § 17200 et seq.) based on the above violations. The Class Released Claims shall run from April 21, 2016 through the date of preliminary approval of this Settlement by the Court. (the "Released Claims"). **"Final Approval" means the date the date on which the Court enters an Order granting Final Approval) or, solely in the event that there are any objections to the settlement (the filing of an objection being a prerequisite to the filing of an appeal), the later of: (i) twenty-one (21) days after the last date on which any appeal might be filed or (ii) twenty-one (21) days after the successful resolution of any appeal(s).**

THE FINAL APPROVAL HEARING

Presently, the Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, reasonable and adequate. The Court will conduct a final approval hearing regarding the proposed settlement (the "Final Approval Hearing") on October 26, 2021, at 11:00 a.m., in Department SSC-11 of

the Los Angeles Superior Court located at 312 N. Spring Street, Los Angeles, California 90012. The Court will determine: (i) whether the settlement should be given the Court's final approval as fair, reasonable, adequate and in the best interests of the participating Class Members; (ii) whether the participating Class Members should be bound by the terms of the settlement; (iii) the amount of the attorneys' fees and litigation costs that should be awarded to Plaintiffs' counsel; and the amount that should be awarded to the Plaintiffs as an Incentive Award. At the Final Approval Hearing, the Court will hear all objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself. Pursuant to recent social distancing procedures for attendance at hearings and review of court files, attached to this notice are the following documents: (1) Call Center Phone Numbers (available at www.lacourt.org/newsmedia/ui/pdf/CALLCENTERPHONENUMBERSfinal.pdf); and (2) Appear for Your Hearing Remotely (available at <https://www.lacourt.org/lacc/>). If you decide to hire an attorney to represent you, you will be solely responsible for paying any attorneys' fees and/or costs associated with that representation.

Check the settlement website at www.ilymgroup.com/PerformanceTeam to determine if there have been any changes to the date and time for Final Approval Hearing. Additionally, you may contact Plaintiffs' counsel, listed at the end of this notice, to inquire into the date and time of the Final Approval hearing.

Condition of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing fully and finally approving the Settlement as fair, reasonable, adequate and in the best interests of the participating Class Members. Notice of final judgment will be available on the settlement website at www.ilymgroup.com/PerformanceTeam.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – GET A PAYMENT**

IF YOU ARE A SETTLEMENT CLASS MEMBER AND WISH TO RECEIVE YOUR SHARE OF THE SETTLEMENT, THEN YOU DO NOT HAVE TO DO ANYTHING AND YOU WILL AUTOMATICALLY RECEIVE A SETTLEMENT PAYMENT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE.

The number of workweeks you worked during the Class Period and the estimated amount of your Settlement Payment is set forth in the included Notice of Estimated Settlement Award sheet. If you believe that the number of workweeks stated is incorrect, you may dispute it by timely producing evidence to the Settlement Administrator showing that the workweek information is inaccurate. To be considered, your dispute must be sent by first class U.S. mail to the Settlement Administrator and must be postmarked no later than August 2, 2021, or 45 days after mailing of this notice to you ("Class Member Exclusion Deadline"). If you believe that your stated number of workweeks is correct, you do not have to do anything.

The Settlement Payment you will receive will be a full and final settlement of your Released Claims described above.

- **OPTION 2 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself ("Opt-Out") from the Settlement, but if you choose to do so, you will not receive any payment from the proposed settlement. You will **not** be bound by a judgment in this case and you will have the right to file your own lawsuit against Defendant, subject to time limits called Statutes of Limitations and other potential defenses that Defendant may assert, and to pursue your own claims in a separate suit.

You can Opt-Out of the Settlement by completing all of the information requested set forth on Page 2 of this Notice "Exclude Yourself" and sending it by first class U.S. mail to the Settlement Administrator at, ILYM Group, Inc. at P.O. Box 2031 Tustin, CA 92781. The Form must be dated and signed by you. To be valid, your Opt-Out Form must be postmarked no later than August 2, 2021, 2021 or 45 days after mailing of this notice to you.

- **OPTION 3 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Class Member and retain the ability to participate in any settlement that is approved and receive a settlement payment, but you wish to object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to the proposed settlement in writing by serving a copy of the written objection to the Settlement Administrator by first class U.S. mail.

The written objection must be mailed to the Settlement Administrator, ILYM Group, Inc. at P.O. Box 2031 Tustin, CA 92781 and must be postmarked no later than August 2, 2021 or 45 days after mailing of this notice to you.

You, or an attorney representing you, may also appear at the Final Approval Hearing to object to the settlement.

COUNSEL FOR THE PARTIES

COUNSEL FOR PLAINTIFFS/CLASS MEMBERS:

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CHANGE OF ADDRESS

If you move after receiving this notice, if it was misaddressed, or if for any reason you want your Settlement Payment or future correspondence concerning this Action to be sent to a different address, you must supply your preferred address to the Settlement Administrator.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you may review the detailed "Joint Stipulation of Class Action Settlement" which was filed with the Court on May 12, 2021 and is available for viewing online, at settlement website.

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO THE SETTLEMENT ADMINISTRATOR OR CLASS COUNSEL.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE SETTLEMENT ADMINISTRATION PROCESS.

QUESTIONS?

If you have any questions, you may contact Class Counsel or the Settlement Administrator.

SETTLEMENT ADMINISTRATOR

**ILYM Group, Inc.
P.O. Box 2031 Tustin, CA 92781
1-888-250-6810**