

**SUPERIOR COURT OF THE STATE OF CALIFORNIA,
COUNTY OF ALAMEDA**

**Alvarado vs. Roadrunner Transportation Services, Inc. et al.
Case No. RG16820835**

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

NOTICE OF CLASS ACTION SETTLEMENT (“NOTICE”)

If you were employed by Roadrunner Transportation Services, Inc. and/or Roadrunner Transportation Systems, Inc. (“Roadrunner”) in California as a non-exempt employee between June 23, 2012 and November 14, 2017, then you may get money from a class action settlement.

PLEASE READ THIS NOTICE CAREFULLY!

YOUR RIGHTS AND OPTIONS REGARDING THE SETTLEMENT	
<u>You may:</u>	<u>What will happen:</u>
Do nothing	You will get your Individual Settlement Payment , and give up the right to bring your own lawsuit for the same claims. See below.
Submit the Allocation Form and information or document(s) you have in support of the corrections to the Allocation Form	A decision will be made regarding the number of points based on the information in the Allocation Form and evidence submitted. You will get your Individual Settlement Payment , and give up the right to bring your own lawsuit for the same claims. See below.
Request to be excluded from the settlement	You will not receive any payment. You will retain the right to file your own lawsuit for the same claims. See below.
Object to the terms of the settlement	The court will consider your objection. If the court overrules your objection, you will still be bound by the terms of the settlement. See below.

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I. What is the purpose of this notice?

The purpose of this notice is to let you know that there is a class action lawsuit pending in the Superior Court of California for the County of Alameda, a proposed settlement has been reached, and you may be a member of the class. This lawsuit was filed by a former Roadrunner Transportation Services, Inc. and Roadrunner Transportation Systems, Inc. employee (“Plaintiff”) in the Superior Court of California, County of Alameda, Case No. RG16820835 (“the Lawsuit”). The First Amended Class Action Complaint claims that Roadrunner Transportation Services, Inc. and Roadrunner Transportation Systems, Inc. (“Roadrunner”) allegedly failed to provide meal periods, failed to provide rest periods, failed to provide accurate wage statements, allegedly owes waiting time penalties, allegedly had unfair business practices, and allegedly owes penalties under the California Labor Code Private Attorney’s General Act (Cal. Labor Code §§ 2698 *et seq.* “PAGA”). On November 14,

2017, the Honorable Brad Seligman, Judge of the Superior Court of the State of California, County of Alameda, Rene C. Davidson Alameda County Courthouse, located at 1221 Oak St., Oakland, CA 94612, Dept. 23 who is overseeing this class action, ordered that you be sent this Notice. The Court file contains the settlement documents with more information on the Lawsuit.

II. Why does Plaintiff seek settlement approval?

Plaintiff seeks approval of the settlement because he has reached a proposed settlement with Roadrunner that he believes to be fair, reasonable, and adequate and in the best interests of the members of the class and all parties that resolves the uncertainties in this case. Please note that the Court has not decided anything yet, only that you should get a copy of this Notice so that you can review the settlement and determine whether you want to participate in the settlement, object to it, or exclude yourself from the settlement.

III. What is Roadrunner's position on settlement?

Roadrunner denies that any of its practices at issue in this Lawsuit were or are unlawful and Roadrunner is not admitting to any allegations in the case. Roadrunner views the settlement as a compromise, to which it has agreed to avoid the burden and expense of continued litigation. Thus, Roadrunner reserves the right to object to all claims if the settlement fails for any reason.

IV. Why did I get this Notice?

You received this Notice because Roadrunner's records identify you as a member of the class. You may get money from the settlement if you worked for Roadrunner as a non-exempt employee in California between June 23, 2012 and November 14, 2017 (the "Class Period"). Specifically, the "Settlement Class" or "Class Member" is defined as follows:

All current and former non-exempt, hourly employees who were employed by Roadrunner in California at any time from June 23, 2012 through November 14, 2017.

The class does *not*, however, include former employees who have already received Labor Code penalties (either through a voluntary payment from Roadrunner or through recovery in a lawsuit or labor commissioner action) and signed a general release of claims covered by the Class Period or who entered into a settlement and general release with Roadrunner after their employment ended.

V. Who are the parties in this class action?

This lawsuit was filed against Roadrunner. Hector Alvarado, a non-exempt employee from Roadrunner, is the Plaintiff who brought the action on behalf of himself and all similarly situated non-exempt employees in the state of California, as described above. Roadrunner is settling this lawsuit with Plaintiff.

VI. Who are the attorneys for the parties?

Counsel for Plaintiff and Class Counsel:

Joseph Lavi
Joshua Webster
LAVI & EBRAHIMIAN, LLP
8889 W. Olympic Blvd., Suite 200
Beverly Hills, California 90211
Telephone: (310) 432-0000
Fax: (310) 432-0001

Counsel for Defendant Roadrunner:

Christopher C. McNatt, Jr.
Adam C. Smedstad
Megan E. Ross
SCOPELITIS, GARVIN, LIGHT, HANSON & FEARY, LLP
2 North Lake Avenue, Suite 560
Pasadena, CA 91101
Telephone: (626) 795-4700
Fax No.: (626) 795-4790

VII. Is there a trial date for this class action?

No trial date has been set at this time.

VIII. What is the proposed settlement?

Roadrunner has agreed to pay a settlement amount of \$2,100,000 ("Gross Settlement Amount"). This sum includes the following: (1) fees for Settlement Administration, which is anticipated to be no more than \$14,000, (2) Class Representative Enhancement Payment of \$8,900 to Plaintiff Hector Alvarado, the class representative, for the initiation of the lawsuit, prosecution and risks undertaken for costs in the event the case was unsuccessful, (3) the PAGA Payment of \$25,000, and (4) Plaintiff's attorneys' fees in an amount of up to one-third (1/3) of the Gross Settlement Amount (i.e., \$700,000) and actual litigation costs of up to \$17,000, as approved by the Court.

The following is a summary of the settlement provisions. The specific and complete terms of the proposed settlement are stated in the Joint Stipulation of Class Action Settlement and Release between Plaintiff and Defendant ("Settlement Agreement"), a copy of which is filed with the Clerk of the Court.

Settlement Payment. Roadrunner has agreed to pay all Class Members who do not submit a written Request for Exclusion through the Settlement Administrator in accordance with the terms of the Settlement Agreement ("Opt-Out"), after Final Approval of the Settlement. These settlement payments will be distributed approximately fourteen (14) calendar days after the Effective Date of the Settlement Agreement by the Court.

After the deduction of the Court-approved expenses from the settlement amount, the remaining sum (“Net Settlement Amount”) will be available to pay each Class Member of the Settlement Class who does not Opt-Out (“Participating Class Member”). Each Participating Class Member will receive a share of the Net Settlement Amount that is based on the total number of points an individual accrues from each of the categories listed below (a-e) from June 23, 2012 to November 14, 2017 as a non-exempt employee in California at Roadrunner. The actual payment will vary depending upon the number of Class Members who Opt-Out. The points for each Participating Class Member will be calculated as follows:

- (a) Missed 1st meal break point calculation: Each class member that has worked a shift that was more than 6 hours and did not punch out for 1st meal break will receive 1 point for each said incident;
- (b) Late 1st meal break point calculation: Each class member that has worked a shift more than 6 hours and took his/her 1st meal break after the 5th hour will receive 1 point for each said incident;
- (c) 2nd missed meal break point calculation: Each class member that has worked a shift more than 10 hours and did not punch out for a 2nd meal break will receive 1 point for each said incident;
- (d) Rest break point calculation: Each class member that has worked a shift more than 3.5 hours will receive 1 point for each said incident; and
- (e) Shifts over 14 hour break point calculation: Each class member that has worked a shift more than 14 hours will receive 1 point for each said incident.

The Individual Settlement Payment paid to each Participating Class Member will be allocated as follows: 100% will be attributed to penalties and will be reported on an IRS Form 1099. The parties agree that all Participating Class Members who receive any payment pursuant to the settlement will be responsible for any and all tax obligations associated with such receipt. **You will be responsible for correctly characterizing this compensation for tax purposes and paying any taxes that may be due on the payment you receive.**

IX. What are my rights with regard to this matter?

If you fit the description of a Class Member as set forth in this notice, you have four options. Each option has its own consequences, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, follow.

A. Option One: You May Do Nothing.

If you do not file a correction to the enclosed Allocation Form and do not Opt-Out from the class, you will receive a Settlement Payment Check based on the information contained in the Allocation Form, you will be bound by the Settlement, and you will be barred from separately pursuing the claims released by the Settlement Agreement.

B. Option Two: Correct Information on Allocation Form

If you believe the information contained on the Allocation Form is incorrect, you **must** complete the enclosed Allocation Form and return it to the Settlement Administrator, Simpluris, at the address provided below or by fax, **post-marked or faxed to the number shown on the bottom of each page of this Notice, on or before July 17, 2018** (“Response Deadline”). The date of the postmark on the return mailing envelope or fax stamp on the Allocation Form shall be the exclusive means used to determine whether the Allocation Form was timely submitted. The Settlement Administrator will evaluate the information and document(s) you submit and, after reviewing the Company’s records, the Settlement Administrator, together with the parties’ counsel, will attempt to informally resolve the dispute as to your correct number of points. Unresolved disputes will be decided by the Settlement Administrator, subject to final approval by the Court. If you dispute the number of points, you may consult with Class Counsel about your disputed claim.

C. Option Three: You May Exclude Yourself (“Opt-Out”) From the Settlement Agreement.

If you do **not** wish to participate in or be bound by the Settlement Agreement, you must submit a written Request for Exclusion to the Claims Administrator, Simpluris, at the address provided below or by fax, **post-marked or faxed on or before July 17, 2018**. The written Request for Exclusion must: (1) explicitly and unambiguously state the following statement or similar statement: “I wish to exclude myself from the settlement reached in the matter of *Alvarado vs. Roadrunner Transportation Services, Inc. et al.* I understand by excluding myself, I will not receive any money from the settlement reached in this matter.”; (2) contain the name, address, and the last four digits of the Social Security number and/or the Employee ID number of the person requesting exclusion; (3) be signed by the Class Member; and (4) be postmarked or fax stamped by the Response Deadline and returned to the Settlement Administrator at the specified address or fax telephone number. The Request for Exclusion will not be valid if it is not timely submitted, if it is not signed by the Class Member, or if it does not contain the name, address, and the last four digits of the Social Security number and/or the Employee ID number of the person requesting exclusion. The date of the postmark on the return mailing envelope or fax stamp on the request for exclusion shall be the exclusive means used to determine whether the Request for Exclusion was timely submitted. Any Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under the Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely written Request for Exclusion on or before the Response Deadline will be bound by all terms of the Settlement Agreement and any final judgment entered in this Action if the Settlement Agreement is approved by the Court.

If you do not complete and timely submit a valid Request for Exclusion, you will be bound by all terms and conditions of the Settlement, including its release of claims. If you do submit a timely and valid Request for Exclusion, you will no longer be a Class Member, you will not

receive any money from the Settlement, and you will be barred from participating in any portion of the Settlement, but you will retain the right to sue the Company separately for the same legal claims contained in this Lawsuit.

D. Option Four: You May Object to the Settlement.

If you are a Class Member and you do not Opt-Out, you may object to the Settlement before Final Approval of the Settlement by the Court in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense, provided you notify the Court of your intent to do so. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must (a) clearly identify the case name and number (Alvarado vs. Roadrunner Transportation Services, Inc. et al., Case Number RG16820835), (b) be mailed to the Settlement Administrator at Alvarado vs. Roadrunner Transportation Services, Inc. et al., c/o Simpluris, Inc., P.O. Box 26170, Santa Ana, CA 92799 and (c) be filed or postmarked on or before July 17, 2018. Any Class Member who submits a Request for Exclusion will not have the right to object to the Settlement. The parties and their counsel cannot solicit, attempt to solicit or otherwise encourage Class Members to file or serve written objections to the Settlement Agreement or appeal from the Final Approval Order. Class Counsel will not represent any Class Members who object.

X. How much money will I get if I do not submit a Request for Exclusion?

The estimated gross share you will receive under the settlement if you are a participating Class Member is preprinted on your customized Allocation Form accompanying this Notice. The actual amount you receive may be higher or lower than this amount.

Roadrunner has agreed to pay a gross settlement amount of up to \$2,100,000 to settle the Lawsuit. The amount you receive depends on the number of points you accumulate based off the number of hours you worked each day, and when/if you clock in and out for breaks during the Class Period for Roadrunner. The amount you will be eligible to receive will be calculated by multiplying the Net Settlement Amount by a fraction the numerator of which is the total number of points you accumulated during the Class Period, and the denominator is the Total Adjusted Points (total points of all Participating Class Member's).

XI. What is the effect of the settlement on my rights?

Upon Final Approval by the Court, each Class Member who does not Opt-Out shall, for the period of time extending from June 23, 2012 to November 14, 2017, release Defendant Roadrunner, and any of its former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns, as well as all past and present officers, directors, employees, partners, shareholders and agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any, of any such entities for all claims, rights, demands, liabilities, and causes of action, that were or could have been pleaded based, arising from, or related to, the factual allegations set forth in the operative complaint in the Lawsuit, including, but not limited to: (i) all claims for failure to provide meal periods including violations of California Labor Code sections 226.7 and 512; (ii) all claims for failure to provide rest periods including violations of California Labor Code sections 226.7 and 512; (iii) all claims for wage statement violations and failure to keep accurate payroll records including violations of California Labor Code sections 226, 1174, and 1174.5; (iv) all claims for the failure to timely pay wages upon termination including violations of California Labor Code sections 201, 202 and 203; and (v) all claims asserted through California Business & Professions Code §§ 17200, *et seq.* and/or for (vi) PAGA penalties based on the preceding claims. Released Claims also means any causes of action, claims, rights, demands, liabilities, damages, wages, benefits, expenses, penalties, debts, obligations, attorneys' fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature, whether known or unknown, suspected or unsuspected that could potentially arise from the receipt of any monies as a result of this Settlement by any member of the Settlement Class.

If the Settlement Agreement is not approved by the Court or does not become final for some other reason, then the litigation will continue.

XII. What is a "Class Representative Enhancement Payment"?

In class actions such as this one, a court may provide the Class Representative a "class representative enhancement payment" in recognition of the time, effort and risks the Class Representative took to prosecute the class action and the Class Representative's execution of a general release of all claims. Plaintiff Alvarado will request that the Court approve a Class Representative Enhancement Payment of \$8,900. This Class Representative Enhancement Payment, if approved by the Court, will be deducted from the Gross Settlement Amount.

XIII. Why does the Labor Workforce Development Agency receive any money?

The California Labor Code Private Attorneys General Act of 2004 allows private citizens to step into the State's shoes and recover civil penalties for alleged violations of California's Labor Code. Seventy-five (75) percent of any such recovery must be given to the State. In the present case, the Settlement provides that \$25,000 be paid to the State as its share of the penalties recovered in this case. If the Court awards less than this amount, the difference will be made available for distribution to Participating Class Members as part of the Net Settlement Amount.

XIV. How much will the attorneys for Plaintiff get?

Class Counsel and/or Plaintiff will seek approval from the Court for payment of attorneys' fees in an amount up to 33% of the Gross Settlement Amount or \$700,000, plus costs not to exceed \$17,000. These amounts, if approved by the Court, will be deducted from the Gross Settlement Amount. Class Counsel believes the amounts they are requesting for attorneys' fees and costs are fair and reasonable. The Company will not oppose the request for these amounts. Class Members are not personally liable for any fees and costs.

XV. How much will it cost to administer the Settlement?

It is estimated that it will cost approximately \$14,000 for the Settlement Administrator to fully administer the settlement.

XVI. Who is the Settlement Administrator?

The Settlement Administrator is an independent third party appointed by the Court to send this notice, process and issue Individual Settlement Checks, and otherwise administer the settlement. The Court has approved Simpluris to be the Settlement Administrator in this case. You may contact the Settlement Administrator to provide updated contact information, make corrections regarding your employment information at the Company, or ask questions regarding the processing of settlement payments. You may contact the Settlement Administrator at:

Alvarado vs. Roadrunner Transportation Services, Inc. et al.
c/o Simpluris, Inc.
P.O. Box 26170
Santa Ana, CA 92799
Fax: (714) 824-8591

XVII. When will the Court consider whether to finally approve the Settlement?

The Court will hold a Final Approval/Settlement Fairness Hearing in Department 23 of the Alameda County Superior Court, located at 1221 Oak Street., Oakland, CA 94612, on August 28, 2018 at 3:00 p.m., to decide whether to finally approve the settlement as fair, reasonable, and adequate. At that time, the Court also will be asked to approve Class Counsel's request for attorneys' fees and reimbursement of costs, and the Class Representative Enhancement Payment.

It is not necessary for you to appear at this hearing. If you have timely submitted a Notice of Objection to the Settlement and a notice of intent to appear, you may appear at the hearing to argue your objection to the Court, or have an attorney represent you at the hearing at your own expense, but only if by July 17, 2018, you have submitted a notice to the Settlement Administrator of your intent to appear at the hearing, in accordance with the instructions above.

The hearing may be postponed without further notice to the Class. If the Settlement is not approved, the lawsuit will continue to be prepared for trial or other judicial resolution.

XVIII. Who can I contact if I have further questions?

You can contact the court-appointed Settlement Administrator for this class action settlement at (877) 723-7132 to ask about the *Roadrunner* Class Settlement, or visit their website at <http://simpluris.com/case-information/>. You may also call Class Counsel listed in Section VI above.

The pleadings and other records in this litigation may be examined online on the Alameda County Superior Court's website, known as 'DomainWeb,' at <https://publicrecords.alameda.courts.ca.gov/PRS/> After arriving at the website, click the 'Search By Case Number ' link, then enter RG16820835 as the case number and click 'SEARCH.' Images of every document filed in the case may be viewed through the 'Register of Actions' at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

IMPORTANT:

- 1. PLEASE DO NOT TELEPHONE THE COURT REGARDING THE SETTLEMENT OR THE SETTLEMENT ADMINISTRATION PROCESS.**
- 2. If you move to a different address, please send the Settlement Administrator your new address. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.**