

NOTICE OF SETTLEMENT OF CLASS ACTION

ROBERT ORTIZ, individually and on behalf of all others similarly situated, v. VALLEY RELOCATION AND STORAGE OF NORTHERN CALIFORNIA, INC.

**Superior Court of the State of California for the County of San Francisco
Case No. CGC-14-542925**

If you signed Valley’s Subhaul Agreement and personally performed one or more moves and/or deliveries for Valley in California, while being classified by Valley as an independent contractor at any time from November 26, 2010 through November 13, 2017, you may be eligible to obtain money from a settlement reached in a class action lawsuit

«Barcode» «BarcodeString»
SIMID «SIMID»
«FirstName» «LastName»
«Address1» «Address2»
«City» «State» «Zip»

This is a court authorized Notice. This is not a solicitation from a lawyer.

- This class action settlement pays money to individuals who have signed Valley’s Subhaul Agreement and who have personally made one or more deliveries for Valley in California, at any time between November 26, 2010 and November 13, 2017, excluding the two individuals who opted out of this case pursuant to the Class Notice mailed out on June 23, 2016. These payments are to resolve claims that Valley denied wages and expense reimbursements to these individuals by misclassifying them as independent contractors rather than employees.
- Your legal rights are affected whether you act or don’t act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	Receive money, but lose rights to sue separately. If you do nothing, you will receive money for the claims asserted on your behalf in this lawsuit. You will also give up any rights to sue Valley separately about the same or similar legal claims in this lawsuit that accrued before November 13, 2017.
ASK TO BE EXCLUDED	Get no money. Keep rights to sue separately. If you ask to be excluded from the settlement you will not receive any money in the settlement but you retain the right to file a claim separately. However, please be aware that there are time limits for you to file a claim separately.
COMMENT OR OBJECT	Tell the court why you like or don’t like the settlement. You must remain a member of the lawsuit to comment or object to the settlement. This means you cannot object to the settlement if you also are asking to be excluded from it.

- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The court in charge of this case still has to decide whether to approve the settlement. The payments described in this notice will be made to you only if the court approves the settlement and after all appeals, if any, are resolved.
- A copy of the Settlement Agreement, this Notice, and other documents related to the Settlement can be found at the following website: www.simpluris.com/case-information/.

CONTENTS

BASIC INFORMATION..... 3

- 1. Why did I get this notice?..... 3
- 2. What is this lawsuit about?..... 3
- 3. Why is this a class action?..... 3
- 4. Why is there a settlement?..... 3

WHO IS IN THE SETTLEMENT 3

- 5. How do I know if I am part of the settlement? 3

THE SETTLEMENT BENEFITS—WHAT YOU GET 3

- 6. What does the settlement provide?..... 3
- 7. How will the settlement money be split up?..... 4
- 8. How much of the settlement will I receive? 4
- 9. What if the information about my workweeks is incorrect?..... 5
- 10. What am I releasing to stay in the Class and get money?..... 5

EXCLUDING YOURSELF FROM THE SETTLEMENT..... 5

- 11. How do I exclude myself from this settlement? 5
- 12. If I exclude myself, can I get the benefits of this settlement?..... 6

THE LAWYERS REPRESENTING YOU 6

- 13. Do I have a lawyer in this case? 6
- 14. Should I get my own lawyer? 6
- 15. How will the lawyers be paid? 6
- 16. Will there be a service award to the named Plaintiff? 6

SUPPORTING OR OBJECTING TO THE SETTLEMENT 6

- 17. What if I don't like the settlement? 6
- 18. What is the difference between objecting and excluding myself? 7

THE COURT'S FAIRNESS HEARING 7

- 19. When and where will the court decide to approve the settlement?..... 7
- 20. Do I have to come to the hearing?..... 7
- 21. May I speak at the hearing?..... 7

IF YOU DO NOTHING 8

- 22. What happens if I do nothing at all?..... 8

GETTING MORE INFORMATION..... 8

- 23. Are there more details about the settlement?..... 8

BASIC INFORMATION

1. Why did I get this notice?

You got this notice because Valley's records indicate that you signed a Subhaul Agreement with Valley and personally provided moving and/or delivery services in California at some time from November 26, 2010 through November 13, 2017. This makes you a member of the class action lawsuit alleging that Valley owed you unpaid wages, penalties, interest, compensation for missed meal and rest periods, and reimbursements for expenses that you incurred to perform the job (for example fuel, insurance, uniforms, and the like).

This notice was sent to you because you have a right to know about a proposed settlement of the class action lawsuit and about your options before the court decides whether to approve the settlement. If the court approves the settlement (and after resolution of objections and appeals, if any), you will receive the monetary payments described in this Notice unless you exclude yourself from the settlement.

This Notice explains the lawsuit, the proposed settlement, your legal rights and options, the available benefits, and who is eligible for them.

The court overseeing the case is the Superior Court of California for the County of San Francisco. The case is known as *Ortiz, et al. v. Valley Relocation and Storage of Northern California, Inc., et al.*, Case No. CGC-14-542925. The person who sued is called the Plaintiff, and the company he sued, Valley Relocation and Storage of Northern California, Inc. ("Valley"), is called the Defendant.

2. What is this lawsuit about?

The lawsuit alleged that Valley misclassified the individuals contracting with it to perform moving and/or delivery services, as "independent contractors" instead of "employees." These individuals are called the "Class Members." The lawsuit alleged that Valley failed to provide the Class Members with the rights and benefits owed to "employees" under California law. These include the right to reimbursement of work-related expenses (such as fuel, maintenance, insurance, tools, among other costs); the right to overtime pay for hours worked past 40 in a week and 8 in a day; the right to minimum wage; and the right to off duty meal and rest periods. In response, Valley alleges that the Class Members were properly classified as independent contractors under the law and maintains that it did not violate any law.

3. Why is this a class action?

In a class action lawsuit, one or more persons, called "Class Representatives," sue on behalf of other people who have similar claims. The people the Class Representatives are representing are called "Class Members." The Class Members form a "Class." One court then resolves the issues for the whole Class and all the Class Members. A Judge for the Superior Court of California, County of San Francisco is overseeing this class action.

4. Why is there a settlement?

As described in Section 2, above, the Parties continue to dispute the allegations in the complaint, but recognize the risks of litigation. As a result, the parties, following a mediation, reached a settlement of the claims. The Class Representative and his attorneys think the settlement is best for the Class.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the settlement?

You are eligible for payments under the settlement if you signed Valley's Subhaul Agreement and personally made deliveries and/or provided moving services in California for Valley at any time from November 26, 2010 to November 13, 2017, and did not previously "opt-out" of the case. If you are not sure whether you are entitled to the settlement, please call (888) 369-3780.

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the settlement provide?

The proposed settlement provides money to each Class Member who contracted with Valley and personally made deliveries and/or provided moving services in California for at least one day between November 26, 2010, and November 13, 2017, and who does not exclude him or herself from the settlement.

Under the proposed settlement, Valley will pay **\$745,000.00** into a qualified settlement fund. Class Counsel will seek approval of attorneys' fees of one-third (1/3) of this amount (or \$248,333.33) plus their out-of-pocket litigation expenses of approximately \$44,000.

In addition, a payment of \$27,937.50 will be made from the settlement fund to the California Labor Workforce and Development Agency, which coordinates various workforce programs in the State. The Class Representative is also seeking a service payment of \$5,000, to compensate him for his time, effort and risks in representing the Class. In addition, it will cost approximately \$6,000 to administer the settlement. Once these various fees and costs are paid, approximately **\$413,729** will remain in the “Net Settlement Fund” to be distributed to the Settlement Class Members. There are an estimated 59 Class Members. Please be aware that this amount is only an estimate.

Each Settlement Class Member will receive a Settlement award that is proportional to the number of weeks that he or she worked for Valley between November 26, 2010 and November 13, 2017, when compared to the total number of weeks all Settlement Class Members combined worked for Valley during this time period. In other words, Settlement Class Members who worked for Valley for more weeks during this period of time will receive a proportionally higher share of the Settlement. The specific formula for calculating your estimated settlement award is set forth in Section 8 of this Notice.

Settlement Class Members will receive their settlement awards in either one or two checks, depending upon how much money is left in a “Reserve Fund” that is being established to pay late or unexpected claims (if any are made). A late or unexpected claim is a claim that comes from a Settlement Class Member who was not identified before the mailing of this notice and/or the settlement checks, but who later contacts the Parties or is otherwise identified within 180 days after the initial mailing of the settlement checks. The Reserve Fund is established to pay for any late or unanticipated claims that are determined to be valid.

The Reserve Fund will be administered as follows: First, two-percent (2%) of the approximately \$413,729 Net Settlement Fund will be put into the Reserve Fund, before the initial settlement checks are calculated and sent to the Settlement Class Members. Second, the amounts of any Settlement Check that are not cashed after 180 days from when they are sent, will also be deposited into the Reserve Fund. After expiration of the 180 day period, the Reserve Fund will then be used to pay unanticipated or late claims (if any).

If, after the payment of any unanticipated or late claims, the amount left in the Reserve Fund is equal to or exceeds \$8,275, then the amount remaining in the fund, minus administration costs of performing a “second distribution,” will be divided between the Settlement Class Members who already cashed their first checks, and these Settlement Class Members will then receive a second settlement check. (The administrative costs for performing a second distribution is estimated to be \$2,500.) These Reserve Fund payments will be divided between the Settlement Class Members in the same proportion as the first payments made out of the original Net Settlement Fund.

If, after the payment of any unanticipated or late claims, the residual still remaining is less than \$8,275, any residual will be distributed in accordance with Code of Civil Procedure Section 384: (1) 25% to the Trial Court Improvement and Modernization Fund of the State of California Treasury, (2) 25% to the Equal Access Fund of the Judicial Branch of the State of California, and (3) 50% donated to Bay Area Legal Aid, the parties’ agreed-upon *cy pres* beneficiary, which provides civil legal services to the indigent.

The Net Settlement Fund, less the amount set aside in the Reserve Fund, will be distributed to the Class Members who do not exclude themselves from the settlement pursuant to procedures described in Section 11 of this Notice. Currently there are an estimated 59 Class Members who may potentially share in the Net Settlement Fund. The formula for dividing the Net Settlement Fund between the Class Members is described in Section 8 of this Notice.

You do **NOT** have to file a claim form to receive your payments under the settlement. Instead, Class Members who do not exclude themselves from the settlement will be automatically mailed a check for their share of the settlement at their last known mailing address on file. If your mailing address has changed, please contact the attorneys listed at Section 23 of this Notice to provide your updated address and contact information.

7. How will the settlement money be split up?

Your individual share of the settlement will be calculated based on your total workweeks while under contract with Valley between November 26, 2010, through November 13, 2017, as compared to the total workweeks of all Settlement Class Members combined, during this same time period. For example, if a Settlement Class Member worked for 2% of the total Settlement Class Member workweeks, then that Settlement Class Member will receive approximately 2% of the corresponding Net Settlement Fund (less the Reserve Fund). This way, individuals who worked for Valley for longer periods of time will be entitled to a proportionally greater share of the settlement than those that worked for shorter periods of time.

8. How much of the settlement will I receive?

As stated in Section 7 above, each Settlement Class Member will receive a portion of the settlement based on the number of workweeks with Valley between November 26, 2010 and November 13, 2017.

- The total number of workweeks for all Settlement Class Members between November 26, 2010 and November 13, 2017, is approximately 8,090. (“Total Workweeks”)
- Based on the contract records kept by Valley, your total number of workweek credits with Valley during the applicable time

period is estimated to be «MERGED_WW». (“Your Workweeks”)

- To calculate your expected share of the Net Settlement Amount (less the Reserve Fund), divide Your Workweeks by the Total Workweeks. This number is your Settlement Amount Percentage. Multiply your Settlement Amount Percentage by the Net Settlement Fund (less the Reserve Fund), as shown below:
 - Step 1: divide your Workweeks by the Total Workweeks
 - $\frac{\text{«MERGED_WW» (Your Workweeks)}}{\text{Total Workweeks (8,090)}} = \text{«MERGED_Percentage_CALC»\%}$ (Your Settlement Amount Percentage)
 - Step 2: multiply your Settlement Amount Percentage by **\$405,454.17** (This is the Net Settlement Fund of approximately \$413,729, less the Reserve Fund of approximately \$8,275)
 - $\text{«MERGED_Percentage_CALC»\% (Your Settlement Amount Percentage)} \times \$405,454.17$ (Net Settlement Fund, less Reserve Fund) = \$«MERGED_EstSettAmnt_CALC».
 - Note: You may also receive a second settlement check depending upon how much is left in the Reserve Fund after 180 days from the mailing of the initial checks. (This is described in Section 6 of this Notice, above.)

Please be aware that this amount is only an estimate.

Twenty-Five Percent (25%) of each individual settlement award will be treated as wages, and paid pursuant to a W-2, and Seventy-Five Percent (75%) will be treated as unreimbursed business expenses, penalties and interest, and paid pursuant to a Form 1099. The parties and attorneys in this action cannot give you tax advice. You will need to speak with an accountant or other tax professional about any tax implications of your settlement checks.

9. What if the information about my workweeks is incorrect?

The workweek information for you comes from Valley’s records and is presumed to be accurate. However, if you disagree with the number of eligible workweeks listed for you in Section 8 above, you may dispute it. If you dispute the number of workweeks shown in Valley’s records, you must explain your position to the Settlement Administrator in writing no later than June 4, 2018. Please mail your submission to:

Robert Ortiz et al. v. Valley Relocation and Storage of Northern California, Inc. et. al
c/o Simpluris, Inc.
P.O. Box 26170
Santa Ana, CA 92799

Please be sure to include any supporting documentation (such as settlement statements, payment history reports, invoices, 1099s, tax returns, or other records showing your total workweeks with Valley) with your submission. The Settlement Administrator will make a final determination regarding your settlement share after reviewing your submission, double checking Valley’s records, and consulting with Valley and Class Counsel.

10. What am I releasing to stay in the Class and get money?

Unless you exclude yourself, you are staying in the Settlement Class, and that means that you can’t sue, continue to sue, or be part of any other lawsuit or adjudicatory proceeding making any of the same allegations made in *this* case. It also means that all of the Court’s orders will apply to you and legally bind you. If you stay in the Settlement Class, you shall be deemed to have released and discharged Valley for any and all wage and hour claims that were asserted or could have been asserted in this action based on the factual allegations concerning the alleged misclassification.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I exclude myself from this settlement?

If you do not wish to receive money from or be bound by this settlement, for whatever reason, you may exclude yourself from the settlement. To exclude yourself from the settlement, you must send a letter by U.S. mail clearly saying that you have read this notice and want to be excluded from the Settlement Class in *Robert Ortiz v. Valley Relocation and Storage of Northern California, Inc.* To be valid, your written request for exclusion must: (1) explicitly and unambiguously state words to the effect of: “I wish to exclude myself from the settlement reached in the matter of *Robert Ortiz v. Valley Relocation and Storage of Northern California, Inc.* I understand by excluding myself, I will not receive any money from the settlement reached in this matter”; (2) contain your name,

Page 5 of 8

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QUESTIONS? CALL (888) 369-3780 OR VISIT www.simpluris.com/case-information/

address, telephone number and the last four digits of your Social Security number; (3) be signed by you; (4) be addressed to the Settlement Administrator at the address specified below; and (5) be postmarked by June 4, 2018. The date of the postmark on the return mailing envelope 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 submits a timely and valid Request for Exclusion will not be entitled to any recovery under the settlement and will not be bound by the terms of the settlement or have any right to object, appeal or comment thereon.

You must mail your exclusion request postmarked no later than June 4, 2018, to:

Robert Ortiz et al. v. Valley Relocation and Storage of Northern California, Inc. et al
c/o Simpluris, Inc.
P.O. Box 26170
Santa Ana, CA 92799

You cannot exclude yourself on the phone or by e-mail. If you submit your request to be excluded, you will not get any benefits of the settlement and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. **However, if you request to exclude yourself, be aware that there is a time limit to bring your claims that may expire.**

12. If I exclude myself, can I get the benefits of this settlement?

No. If you exclude yourself from the Settlement Class you won't get any payments or benefits from this settlement.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has decided that the law firm of Schneider Wallace Cottrell Konecky Wotkyns LLP is qualified to represent you and all Settlement Class Members. The law firm is called "Class Counsel." If you want to be represented by your own lawyer, you may hire one at your own expense.

14. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Class Counsel will ask the court for attorneys' fees of up to one third of the Gross Settlement Fund, approximately \$248,333.33. Class Counsel will also seek reimbursement from the Settlement Fund of actual expenses they incurred in pursuing the lawsuit, such as costs, filing fees, and travel expenses, approximately \$44,000. Class Counsel will file an application to the Court no later than April 19, 2018 setting forth the actual amount of attorneys' fees and expenses they will be seeking from the Gross Settlement Fund for their work on behalf of the Class Members. You can obtain a copy of Class Counsel's application for attorneys' fees and expenses after April 19, 2018 by contacting Class Counsel.

16. Will there be a service award to the named Plaintiff?

The Settlement also provides that Plaintiff may seek a service award of up to \$5,000. The court may award less than this amount. The service award is intended to compensate the Plaintiff, who greatly helped the case by investing time to assist with the case and providing testimony and documents.

SUPPORTING OR OBJECTING TO THE SETTLEMENT

17. What if I don't like the settlement?

If you are a Settlement Class Member and do not exclude yourself, you can tell the court that you object to the settlement, and/or Plaintiff's application for attorneys' fees and costs or service awards, and think the Court should not approve them. You can also tell the Court that you like the Settlement, and that it should be approved. The court will consider your views.

To object, you will need to send a letter saying that you object to the settlement in *Robert Ortiz v. Valley Relocation and Storage of Northern California, Inc.* To be valid, the objection must (1) be signed by the Class Member making the objection; (2) state the full name of the Class Member making the objection; (3) be addressed to the Settlement Administrator at the address specified below; and (4) be postmarked by June 4, 2018. The postmark date shall be the means for determining that an objection is timely. Class Members who do not make objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the settlement. Although not required, any Class Member making an objection

is requested to state the factual and legal basis for the objection and to indicate whether the Class Member intends to appear at the fairness hearing, with or without separate counsel. If you intend to appear at the fairness hearing through counsel, please state the identity of all attorneys representing you who will appear at the fairness hearing.

For your objection to be considered, it must be postmarked no later than June 4, 2018, and sent to the following location:

Robert Ortiz et al. v. Valley Relocation and Storage of Northern California, Inc. et. al
c/o Simpluris, Inc.
P.O. Box 26170
Santa Ana, CA 92799

If you send an objection, you do not have to come to court to talk about it. As long as you send your written objection such that it is postmarked no later than June 4, 2018, the Court will consider it.

If the Court overrules any objections and grants final approval of the settlement, a final judgment will issue. A class member submitting an objection may appeal this final approval order and judgment, but only so long as the class member becomes a party of record by either (1) filing a timely complaint in intervention before final judgment that sets forth the grounds upon which the intervention rests or (2) by filing an appealable motion to set aside and vacate the class judgment under section California Code of Civil Procedure Section 663. The Court is scheduled to conduct a final fairness hearing to consider whether to grant final approval of the settlement and issue judgment on July 27, 2018.

If you do not submit a written objection to the proposed settlement or the application of Class Counsel for attorneys' fees, expenses, and service awards in accordance with the deadline and procedure set forth above, you will waive your right to be heard at the fairness hearing and to appeal from any order or judgment of the court concerning the matter.

18. What is the difference between objecting and excluding myself?

Objecting is simply stating that you do not like something about the settlement. You can object only if you stay in the Settlement Class. Excluding yourself is stating that you do not want to be part of the Settlement Class and the settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

19. When and where will the court decide to approve the settlement?

The Court will hold a fairness hearing at July 27, 2018 at 9:00 a.m., in Department 304, Superior Court of California, County of San Francisco at 400 McAllister Street, San Francisco, California. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Judge may listen to people who have previously asked in writing to speak at the hearing. The Judge may also decide how much to pay Class Counsel or whether to approve the requested service award for the named Plaintiff. After the hearing, the Court will decide whether to approve the settlement. We do not know how long it will take for the court to make its decision.

20. Do I have to come to the hearing?

No, you do not have to come to the fairness hearing. Class Counsel will answer questions that the judge may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to court to talk about it. As long as you sent your written objection such that it is received on time, the Court will consider it. You may pay your own lawyer to attend the hearing, but it is not necessary.

21. May I speak at the hearing?

If you do not exclude yourself, you may ask the Court's permission to speak at the hearing about the proposed settlement or the application of Plaintiff's counsel for attorneys' fees, expenses and service award. To do so, please send a letter saying that it is your intention to appear at the fairness hearing in *Robert Ortiz v. Valley Relocation and Storage of Northern California, Inc.* Please state the position you intend to present at the hearing, state the identities of all attorneys who will represent you (if any), and include your full name, address, telephone number, and signature. Please send your letter to the address identified in Section 17, above, and have it postmarked no later than June 4, 2018. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

22. What happens if I do nothing at all?

If you do nothing, you will receive a settlement payment if the Court approves the settlement.

GETTING MORE INFORMATION

23. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. You can view a copy of the Settlement Agreement at www.simpluris.com/case-information/. You also can get a copy of the Settlement Agreement via mail or email by contacting Class Counsel at the following email, mailing address and/or phone number:

**SCHNEIDER WALLACE COTTRELL
KONECKY WOTKYNs LLP**
c/o Joshua Konecky
Valley Relocation Settlement Agreement Request
2000 Powell Street, Suite 1400
Emeryville, CA 94608
(800) 689-0024
npiller@schneiderwallace.com
jkonecky@schneiderwallace.com

You can also receive more information about this litigation and settlement by calling (888) 369-3780. **Please do not contact the Court with questions.**