

**Carlos Moreno v. John Christner Trucking, LLC d/b/a JCT Logistics, Inc.,
Case No. 5:17-cv-02489 JGB (KK) (C.D. Cal.)**

NOTICE OF CLASS ACTION SETTLEMENT

ATTN: «FullName»

You received this Notice of Settlement (Notice) because the records of John Christner Trucking, LLC d/b/a JCT Logistics (JCT) show you and/or a driver(s) who worked for you may qualify as a member of the Primary Class and/or the Subclass as defined in Section 2. Both groups may be considered “Class Members” in this Notice. Because you may be a Class Member, **you may be entitled to receive money from a Settlement in this case, as described below.** If you are an owner or manager of a motor carrier to which JCT brokered loads between July 6, 2013, and April 28, 2023 (Contract Carrier) and received this Notice, you are required to post this Notice in a prominent location at your principal place of business through and including October 14, 2023, as explained in Section 7 below.

1. Why Should You Read This Notice?

This Notice explains your right to share in the monetary proceeds of this Settlement, exclude yourself from or opt out of the Settlement, or object to the Settlement. If you object to the Settlement, you cannot opt out of the Settlement, and you will be bound by the terms of Settlement in the event the Court denies your objection.

The United States District Court for the Central District of California has preliminarily approved the Settlement as fair and reasonable. The Court will hold a Final Approval Hearing on December 4, 2023 at 9:00 a.m., before the Honorable Jesus G. Bernal at the George E. Brown, Jr. Federal Building and United States Courthouse, 3470 Twelfth Street, Riverside, California 92501-3801, Courtroom 1.

2. What Is This Case About?

This lawsuit alleges that JCT improperly classified Class Members as independent contractors instead of as employees. The lawsuit also alleges Class Members were not compensated for all hours worked, were not paid minimum wage, were not provided meal and rest periods, were not compensated for rest breaks taken, were not paid all wages due upon termination, were not provided timely and compliant itemized wage statements, and were subject to unfair business practices. This lawsuit seeks recovery of unpaid wages, statutory damages, civil penalties, restitution, interest, attorneys’ fees, and costs. The claims in this lawsuit are brought under California law.

On May 29, 2019, the Court certified the following classes:

Primary Class: All current and former California residents who drove for JCT intrastate pursuant to a contract-carrier agreement at any time from July 6, 2013, through April 28, 2023 (Class Period).

Subclass: All current and former California residents who individually, or on behalf of a company they owned, entered into a contract-carrier agreement with JCT and drove California intrastate loads brokered by JCT to the Contract Carrier at any time during the Class Period.

A “Class Member” includes anyone who meets one or more of these definitions.

JCT contends that it has strong legal and factual defenses to these claims, but recognizes the risks, distractions, and costs associated with litigation. JCT contends that it properly classified Class Members as independent contractors, and that the policies challenged by Plaintiff, including those regarding payment for time worked, meal breaks, and rest breaks, are lawful and have been lawful throughout the relevant time period. JCT also contends that Plaintiff’s claims do not meet the requirements for class certification.

This Settlement is the result of good faith, arm’s length negotiations between Plaintiff and JCT, through their respective attorneys. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair

and appropriate under the circumstances, and in the best interests of the Class Members. This Settlement is a compromise and is not an admission of liability on the part of JCT.

The Court has not ruled on the merits of Plaintiff's claims or JCT's defenses.

3. What Are the Terms of the Settlement?

JCT has agreed to pay **\$1,200,000.00** to settle this lawsuit (Gross Settlement Amount). Deductions from this amount will be made for attorneys' fees and costs for Class Counsel (see Section 11 below), settlement administration expenses not to exceed \$40,000.00, and a service award in an amount not to exceed \$10,000.00 to Plaintiff, Carlos Moreno, for his service to the Class Members. After deductions of these amounts, what remains of the Gross Settlement Amount, or the Net Settlement Amount, will be available to pay monetary Settlement Payments to (i) Plaintiff, and (ii) Class Members who do not opt out of the Settlement.

All Class Members are eligible to receive a Settlement Payment from the Net Settlement Amount as explained in Section 4.

4. How Much Can I Expect to Receive?

Settlement Payments to Class Members will be determined as follows:

- a) Payment Per Load is the amount equal to the Net Settlement Amount divided by the number of loads hauled by the Class Members during the Class Period.
- b) A Single Truck Contract Carrier will receive an amount equal to the number of loads that Defendant brokered to the Single Truck Contract Carrier during the Class Period as determined by JCT's records, multiplied by the Payment Per Load (Single Truck Payment).
 - i. A Single Truck Contract Carrier is defined as any member of the Subclass that listed one truck on a carrier profile in JCT's records or, if the number of trucks cannot be determined from the carrier profile, as determined from the Single Truck Contract Carrier's profile on the FMCSA's SAFER system.
 - ii. A Single Truck Contract Carrier will not include any member of the Subclass for which the number of trucks cannot be determined.
- c) All remaining individuals or entities who/that believe they may be Class Members must submit a Claim Form and supporting documentation, including, but not limited to, invoices, statements, settlements, load documents, bills of lading, check stubs, bank statements, daily diary pages, or other contemporaneous written materials to evidence that the individual or entity is a Class Member and entitled to receive a Settlement Payment (Claimants). A Claimant will receive an amount equal to the number of loads the Claimant requests multiplied by the Payment Per Load, subject to JCT's ability to dispute the amount of loads claimed and any competing claims made for those loads (Claim Payment).
- d) If any Class Member(s) file(s) a Claim Form for loads brokered to a Single Truck Contract Carrier, then that Single Truck Contract Carrier must also submit a Claim Form.
- e) The total loads used to calculate the Single Truck Payments and/or Claim Payments related to loads brokered to any given Contract Carrier shall not exceed the total number of loads Defendant's records show were brokered to that Contract Carrier during the Class Period.
- f) The total of the Single Truck Payments and the Claim Payments (collectively, Settlement Payments) must be at least 45% of the Net Settlement Amount. Defendant will retain any portion of the Net Settlement Amount not distributed through Settlement Payments, subject to the requirement to pay at least 45% of the Net Settlement Amount. If the total of the Settlement Payments is less than 45% of the Net Settlement Amount, then the Payment Per Load will be increased such that the total of all the Settlement Payments equals 45% of the Net Settlement Amount.

According to records maintained by Defendant or as determined from the FMCSA's SAFER system,

«STCC» You are a Single Truck Contract Carrier. Defendant's records indicate that you hauled «STCC_TotalLoads» Loads during the Class Period. Your total estimated Single Truck Payment is «STCC_estAmount». This amount is an estimated amount, and your final Single Truck Payment is expected to differ from this amount (i.e., it could be higher or lower) and will be calculated as further explained in this section. If a Class Member submits a Claim Form stating they are entitled to a Claim Payment based on a load brokered to you, the Settlement Administrator will notify you of the competing Claim Form and you must file your own Claim Form and supporting documentation by the Opt-Out Deadline to receive a Settlement Payment.

«Primary» You are NOT a Single Truck Contract Carrier. The total number of Loads brokered to this Contract Carrier during the Class Period is «Primary_TotalLoads». To receive a Claim Payment, any drivers, including yourself, who hauled any of these Loads and who believe they are Class Members must submit a Claim Form, which is included with this Notice, along with supporting documentation as described above. You MUST POST THIS NOTICE as explained in Section 7.

If you dispute the number of loads brokered to you as shown on this Notice, you may produce documentation to the Settlement Administrator establishing the loads brokered to you by JCT during the Class Period. To do so, send a letter to the Settlement Administrator explaining the basis for your dispute and attach copies of the supporting documentation as described above. Unless you present evidence proving you hauled more Loads than shown by JCT's records, your Settlement Payment will be determined based on JCT's records. Any disputes must be postmarked by October 14, 2023 and should be mailed to *Moreno v. JCT Logistics, Inc., et al.* Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 and/or emailed to moreno-jctsettlement@cptgroup.com. The Settlement Administrator will notify you of the decision on the dispute.

For tax reporting purposes, all Settlement Payments will be reported on an U.S. Internal Revenue Service (IRS) Form 1099. In the event any portion of the Settlement Payment paid to the Class Members is ultimately construed by the IRS or any other taxing authority to be taxable income from which taxes should have been withheld, the Class Members shall pay any and all such taxes, interest, and penalties on the amount they receive. None of the parties or attorneys makes any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement based on their Settlement Payment.

If you participate in the Settlement, you will have 180 days after the settlement administrator mails your Settlement Payment check to cash it. If you do not cash the Settlement Payment check sent to you within 180 days of issuance, it will become void. If at the conclusion of the 180-day void period, there are any uncashed checks, the Settlement Administrator will revert those monies to JCT.

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your monetary Settlement Payment. If you fail to keep your address current, you may not receive your Settlement Payment, but you will still be bound by the Settlement.

5. What Claims Am I Releasing?

Upon the date the Settlement becomes effective (Effective Date), all Class Members who do not opt out of the Settlement release the claims described below against JCT, and all of its present and former officers, directors, shareholders, members, partners, agents, employees, representatives, attorneys, parent companies, subsidiaries, divisions, affiliates, related companies, successors and assigns, including JCT Logistics, LLC, JCT Transportation Services, LLC d/b/a JCT Logistics, Hirschbach Motor Lines, Inc., and its affiliates and related companies including, but not limited to, Hirschbach, Inc., GR Equipment Leasing, Inc. d/b/a Next Level Leasing d/b/a Orange Equipment Sales, Smooth Air Leasing, LLC, All In Properties, LLC, Hirschbach Transportation Services, Inc., JCT Holding Co., LLC, John Christner Trucking, Inc., Christner Properties, LLC, Three Diamond Leasing, LLC, Mastery Software Solutions, LLC, and Spot Lite, LLC (collectively, the Released Parties):

- Any and all wage and hour claims under federal and state law that were brought or could have been brought in this case based on the facts alleged in the First Amended Class Action Complaint (Complaint), including claims for unpaid minimum wages, missed meal and rest breaks, unpaid rest breaks, and derivative claims under California Labor Code §§ 203 and 226 and all claims for unlawful business practices under the California Business and Professions Code §§ 17200, et seq. Plaintiffs and the Class Members will also expressly waive and relinquish the provisions, rights, and benefits of California Civil Code § 1542 (Section 1542).

In addition, all Class Members expressly waive, as to the Released Claims stated above and based on or arising out of the same factual predicates of the Complaint, running through April 28, 2023, the provisions, rights, and benefits of California Civil Code § 1542, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

As such, Class Members understand and agree that they are providing the Released Parties with a full and complete release with respect to the Released Claims.

6. What Are My Rights?

- **Do Nothing:** The effect of doing nothing depends on your status as a Class Member. **READ CAREFULLY THE INFORMATION BELOW TO DETERMINE HOW IT AFFECTS YOUR SITUATION.**
 - **If you are a Single Truck Contract Carrier, no other Class Members submit a valid Claim Form related to Loads that JCT's records show were hauled by you, and you do not timely and validly opt out of the Settlement,** then you will automatically receive your Single Truck Payment and will be bound by the Settlement, including its release provisions.
 - **If you are NOT a Single Truck Contract Carrier OR another Class Member has submitted a Claim Form stating that they are entitled to a Claim Payment for a load brokered to you, and you do not timely and validly opt out of the Settlement,** then you must submit a Claim Form with supporting documentation to receive a monetary Claim Payment. If you do not submit a Claim Form, you will not receive a Settlement Payment and you will be bound by the Settlement including its release provisions.
- **Submit a Claim Form:** If you are a Class Member and you are NOT a Single Truck Contract Carrier, or you are a Single Truck Contract Carrier who is notified that another Class Member has submitted a competing Claim Form stating that they are entitled to a Claim Payment for a load(s) brokered to you, then you must submit a Claim Form and supporting documentation to receive a monetary Claim Payment. Supporting documentation includes, but is not limited to, invoices, statements, settlements, load documents, bills of lading, check stubs, bank statements, daily diary pages, or other contemporaneous written materials to evidence that you are entitled to credit for delivery of the Loads you request. The Claim Form must contain the name and motor carrier authority number of the Contract Carrier under whose authority you hauled loads brokered by JCT, the number of loads you claim to have hauled, your full name or the full name of the entity you are claiming hauled the loads, address, telephone number, email address (if applicable), last four digits of your social security number or the entity's tax identification number, and must be signed individually or through an electronic signature process capable of verification such as Docu-sign or similar program. No Claim Form may be made on behalf of a group. The Claim Form must be sent by mail to the Settlement Administrator at *Moreno v. JCT Logistics, Inc., et al.* Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 and postmarked by October 14, 2023, or by email addressed to moreno-jctsettlement@cptgroup.com for receipt no later than 11:59 p.m. Pacific time on October 14, 2023.
- **Opt Out:** If you are a Class Member and do not wish to be bound by the Settlement, you must submit a written exclusion from the Settlement (Opt-Out Request). The Opt-Out Request must contain your full name, address, telephone number, email address (if applicable), last four digits of your social security number, and must be signed individually by you. No Opt-Out Request may be made on behalf of a group. The Opt-Out Request must be sent by mail to the Settlement Administrator at *Moreno v. JCT Logistics, Inc., et al.* Settlement Administrator, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 and postmarked by October 14, 2023 or by email addressed to

moreno-jctsettlement@cptgroup.com for receipt no later than 11:59 p.m. Pacific time on October 14, 2023. **Any person who requests exclusion (opts out) of the Settlement will not be entitled to any Settlement Payment and will not be bound by the Settlement or have any right to object, appeal, or comment thereon.**

- **Object:** If you received this Notice and wish to object to the Settlement, you must submit a written statement objecting to the Settlement by October 14, 2023. The statement must state the factual and legal grounds for your objection to the settlement. The statement must state your full name, address, telephone number, and email address (if applicable), and must be signed by you. The statement must be mailed to the Court at the following address: United States District Court, Central District of California, Office of the Clerk, 350 W. 1st Street, Los Angeles, California 90012. You must also mail a copy of your objection to Class Counsel and Defendant's counsel, at the addresses listed in Sections 9 and 10 of this Notice by October 14, 2023.

If you mail a written objection, you may also, if you wish, appear at the Final Approval Hearing to discuss your objection with the Court and the parties. Your written objection must state whether you will attend the Final Approval Hearing, and your written notice of your intention to appear at the Final Approval Hearing must be filed with the Court and served upon Class Counsel and Defense counsel on or before October 14, 2023. To be heard at the Final Approval Hearing you must also not opt out of the Settlement. If you wish to object to the Settlement but fail to return your timely written objection in the manner specified above, you shall be deemed to have waived any objection and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. The postmark date of mailing to Class Counsel and Defense counsel shall be the exclusive means for determining that an objection is timely mailed to counsel. Objections shall only be considered if the Class Member has not opted out of the Settlement. The failure to submit a written objection as a prerequisite to appearing in court to object to the settlement may be excused upon a showing of good cause.

You may also withdraw your objection in writing by mailing a withdrawal statement to the Court and counsel for the parties postmarked no later than November 16, 2023, orally at the Final Approval Hearing, or as otherwise ordered by the Court.

7. Do I Have a Duty to Post this Notice?

If you received this Notice and you are the owner or manager of a Contract Carrier to which JCT brokered loads during the Class Period, **yes**, you must post this Notice (which includes the Claim Form), at your principal place of business. The Notice must be posted in a prominent location and allow drivers who haul loads under the motor carrier's authority to read the Notice to determine whether they are a Class Member and, if they determine they are a Class Member, what their responsibilities and rights are under the Settlement. The Contract Carrier must keep the Notice posted through and including October 14, 2023.

8. Can JCT Retaliate Against Me for Participating in this Settlement?

No. Your decision as to whether or not to participate in this Settlement will in no way affect your work or relationship with JCT. It is unlawful for JCT to take any adverse action against you as a result of your participation in this Settlement.

9. Who Are the Attorneys Representing Plaintiff and the Class Members?

Plaintiff and the Class Members are represented by the following attorneys acting as Class Counsel:

Joshua H. Haffner
Trevor Weinberg
HAFFNER LAW PC
15260 Ventura Blvd., Suite 1520
Sherman Oaks, CA 91403
Telephone: (213) 514-5681
Facsimile: (213) 514-5682
jhh@haffnerlawyers.com
tw@haffnerlawyers.com

10. Who Are the Attorneys Representing JCT?

JCT is represented by the following attorneys acting as Defense Counsel:

Christopher J. Eckhart
Angela S. Cash
**SCOPELITIS, GARVIN, LIGHT,
HANSON & FEARY, P.C.**
10 West Market Street, Suite 1400
Indianapolis, IN 46204
Telephone: (317) 637-1777
Facsimile: (317) 687-2414

11. How Will the Attorneys for the Class Members Be Paid?

Class Counsel will be paid from the Gross Settlement Amount of \$1,200,000.00. You do not have to pay the attorneys who represent the Class Members. The Settlement provides that Class Counsel will receive attorneys' fees of up to 33.33% of \$1,200,000.00, and costs not to exceed \$20,000.00. Class Counsel will file a Motion for Attorneys' Fees and Costs with the Court. The Court will determine the amount of attorneys' fees and costs to award Class Counsel at the Final Approval Hearing.

12. Where can I get more information?

If you have questions about this Notice, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a Class Member, you should contact Class Counsel.

This Notice is only a summary. For the precise terms and conditions of the Settlement, please see the Joint Stipulation of Settlement and Release of Class Action Claims available at the Settlement website at www.cptgroupcaseinfo.com/moreno-jctsettlement, or call toll-free at 1-888-520-2113, or access the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cacd.uscourts.gov/>. You can also download a copy of the Claim Form at www.cptgroupcaseinfo.com/moreno-jctsettlement.

PLEASE DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, THE JUDGE, OR DEFENDANT FOR INFORMATION ABOUT THE SETTLEMENT OR THIS LAWSUIT.

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