

Huddleston s. John Christner Trucking, LLC
Case No. 4:17-cv-00549-GKF-FHM (N.D. Okla.)

NOTICE OF SETTLEMENT
PLEASE READ THIS NOTICE CAREFULLY.

You received this Notice of Settlement (Notice) because you (1) previously completed a valid Opt-In Consent Form to join this case; or (2) the records of John Christner Trucking, LLC (Defendant) show you qualify as a member of the California Class and/or the Oklahoma Class as defined in Section 3. Both groups are considered “Class Members” in this Notice. Because you are a Class Member, **you may be entitled to receive money from a Settlement in this case, as described below.**

1. Why Should You Read This Notice?

This Notice explains your right to share in the monetary proceeds of this Settlement, exclude yourself (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 Northern District of Oklahoma has preliminarily approved the Settlement as fair and reasonable. The Court will hold a Final Approval Hearing on October 31, 2022 at 10:30 a.m., before the Honorable Gregory K. Frizzell at U.S District Court for the Northern District of Oklahoma.

2. What Is This Case About?

This lawsuit alleges that Defendant improperly classified Class Members as independent contractors instead of as employees, and Class Members were not provided meal and rest breaks, were not compensated for all hours worked, were not paid minimum wage, were not paid all wages due upon termination, were not provided timely and compliant itemized wage statements, were not reimbursed for necessary business expenses, and were subject to unfair business practices. This lawsuit also alleges Defendant misled Class Members into joining its lease operator program. 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 federal law, California law, and Oklahoma law.

Defendant contends that it has strong legal and factual defenses to these claims, but recognizes the risks, distractions, and costs associated with litigation. Defendant 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, rest breaks, and expense reimbursements, are lawful and have been lawful throughout the relevant time period. Defendant

further denies that it misled any Class Member about its lease operator program. Defendant also contends that Plaintiff's claims do not meet the requirements for class or collective certification.

This Settlement is the result of good faith, arm's length negotiations between Plaintiff and Defendant, 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 Defendant.

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

3. What Are the Terms of the Settlement?

Defendant has agreed to pay \$9,250,000.00 to settle this lawsuit (Gross Settlement Amount). Deductions from this amount will be made for attorneys' fees and costs for Class Counsel (see Section 10 below), settlement administration costs (estimated to be \$79,500.00); a service award in an amount not to exceed \$25,000.00 to Plaintiff, Thomas Huddleston, for his service to the Class Members, and \$75,000.00 to the California Labor and Workforce Development Agency (LWDA), which is 75% of the \$100,000.00 the parties allocated to penalties associated with Plaintiff's claim under the California Private Attorneys' General Act (PAGA). After deductions of these amounts, what remains of the Gross Settlement Amount, or the Net Settlement Amount, will be available to pay monetary Individual Settlement Amounts to (i) Plaintiff; and (ii) Class Members who do not opt out of the Settlement (collectively, Class Participants).

The following persons will be considered "Class Members" and be eligible to receive an Individual Settlement Amount from the Net Settlement Amount: Plaintiff and persons who meet the requirements of one or more of the following class or collective definitions:

California Class – All current and former individuals, to the extent they perform(ed) transportation services for Defendant within California from April 12, 2013 to June 21, 2022 (California Class Period), who (1) entered into an Independent Contractor Operating Agreement with Defendant, (2) entered into a Lease Agreement with either Defendant or Three Diamond Leasing, LLC, and (3) were classified as independent contractors.

Oklahoma Class – All current and former individuals who provide(d) transportation services for Defendant within the United States, who (1) entered into an Independent Contractor Operating Agreement with Defendant, and (2) entered into a Lease Agreement with Defendant or Three Diamond Leasing, LLC, from April 12, 2014 to June 21, 2022(Oklahoma Class Period).

FLSA Collective Members – All current and former individuals who provide(d) transportation services for Defendant within the United States, between May 1, 2015 and June 21, 2022 (FLSA Collective Period), who (1) entered into an Independent Contractor Operating Agreement with Defendant, (2) entered into a Lease Agreement with either Defendant or Three Diamond Leasing, LLC, (3) were

classified as independent contractors, and (4) validly opted in to the FLSA collective on or before February 14, 2020 (FLSA Collective Members).

As a part of this settlement, Defendant has also agreed to release Class Members that are former drivers as of the date of final approval from all known and unknown monetary claims.

4. How Much Can I Expect to Receive?

According to records maintained by Defendant, your total estimated Individual Settlement Amount is \$<<Award Amount>>. This amount is an estimated amount, and your final Individual Settlement Amount 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.

The settlement administrator will determine all Individual Settlement Amounts based on Defendant's records of the weeks worked by Class Members. Based on Defendant's records, you are estimated to have worked (1) <<Work Weeks>> workweeks for Defendant in California (which is defined as a week in which you made at least one pick-up or drop-off in California) during the California Class Period (California Workweeks); (2) <<Work Weeks>> workweeks for Defendant in the United States during the Oklahoma Class Period (Oklahoma Workweeks); and, if you are also an FLSA Collective Member, (3) <<Work Weeks>> workweeks in the United States during the FLSA Collective Period (FLSA Workweeks).

Each Class Participant (as described in Section 3) will receive a *pro rata* share of the Net Settlement Amount based on settlement shares assigned to them as described below.

Each Class Participant will receive:

1. Two (2) settlement shares for each California Workweek;
2. Two (2) settlement shares for each Oklahoma Workweek; and, if applicable,
3. One (1) settlement share for each FLSA Workweek.

The settlement administrator will total the number of settlement shares for all Class Participants; the resulting sum will be divided into the Net Settlement Amount to reach a per share dollar figure. The per share dollar figure will then be multiplied by each Class Participant's total number of settlement shares to determine the Class Participant's *pro rata* share of the Net Settlement Amount.

If you dispute the number of workweeks as shown on this Notice, you may produce evidence to the settlement administrator establishing the dates you contend to have worked for Defendant. To do so, send a letter to the settlement administrator explaining the basis for your dispute and attach copies of the supporting evidence. Unless you present convincing evidence proving you worked more workweeks than shown by Defendant's records, your Individual Settlement Amount will be determined based on Defendant's records. Any disputes must be postmarked by **Saturday, September 24, 2022** and should be mailed to Huddleston v. John Christner Trucking, LLC Claims

Administrator, P.O. Box 10269, Tallahassee, FL, 32302-2269 and/or emailed to claims@ssiclaims.com. The settlement administrator will notify you of the decision on the dispute.

For tax reporting purposes, all Individual Settlement Amounts will be reported on an U.S. Internal Revenue Service (IRS) 1099 Form. In the event any portion of the Individual Settlement Amounts paid to Plaintiff and Class Participants is ultimately construed by the IRS or any other taxing authority to be taxable income from which taxes should have been withheld, Plaintiff and Class Participants 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. Plaintiff and Class Participants should consult with their own tax advisors concerning the tax consequences of the Settlement based on their Individual Settlement Amount.

If you participate in the Settlement, you will have 180 days after the settlement administrator mails your Individual Settlement Amount check to cash it. If you do not cash the Individual Settlement Amount 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 redistribute those monies to Class Participants who did cash their checks. Following redistribution, any unclaimed monies will be paid to Legal Services Corporation. No money will revert to Defendant.

It is your responsibility to keep a current address on file with the settlement administrator to ensure receipt of your monetary Individual Settlement Amount. If you fail to keep your address current, you may not receive your Individual Settlement Amount.

5. What Claims Am I Releasing?

Upon the date the Settlement becomes effective (Effective Date), all Class Participants release claims as follows against Defendant, and their present and former parent companies, subsidiaries, divisions, affiliates, successors, predecessors, related companies, and joint ventures, and each of their present and former officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, representatives, consultants, administrators, trustees, general and limited partners, predecessors, successors and assigns (collectively, the Released Parties):

- Any and all claims, demands, causes of action, charges, and grievances, of whatever kind or nature, whether known or unknown, suspected or unsuspected, which Plaintiff and the Class Members now own or hold or have at any time before the Effective Date owned or held against Defendant or any of the Released Parties and which arose out of, are in any way connected to, or that were made or could have been made based on the facts, theories, and claims pled in Plaintiff's Class and Collective Action Complaint (Complaint). The Released Claims include, but are not limited to, all wage and hour claims, whether known or unknown, at law or in equity, which Plaintiff and the Class Members may now have or may have as of the execution of the Joint Stipulation of Settlement and Release of Class and Collective Action under the wage orders of the California Industrial Welfare Commission, or other federal, state, or local law, claims for penalties under California Private

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Attorneys General Act, all claims for failure to pay minimum wages under California law, all claims for failure to pay for all hours worked under California law, all claims for failure to authorize and permit and/or make available meal and rest periods pursuant to the California Labor Code (Labor Code), all claims for failure to reimburse for necessary business expenses under Labor Code § 2802, all claims for failure to maintain proper payroll records under Labor Code § 1174, all claims for failure to provide accurate itemized wage statements under Labor Code § 226, all claims regarding coerced purchases under Labor Code § 450, all claims regarding willful misclassification under Labor Code § 226.8, all claims for waiting time penalties under Labor Code §§ 201-204, all claims for unlawful business practices under the California Business and Professions Code §§ 17200, et seq., all claims for the unlawful sale of business opportunities under the Oklahoma Business Opportunity Sales Act, 71 Okla. Stat. §§ 801, et seq.; all claims for deceptive and unfair trade practices under the Oklahoma Consumer Protection Act, 15 Okla. Stat. §§ 752, et seq.; all claims for deceptive trade practices under the Oklahoma Deceptive Trade Practices Act, 78 Okla. Stat. §§ 752, et seq.; statutory penalties, civil penalties under PAGA, California Labor Code §§ 2699 et seq., all claims for constructive fraud and negligent misrepresentation; and all claims for unjust enrichment (Released Claims).

- For Plaintiff and the FLSA Collective Members (i.e., individuals who previously completed a valid Opt-In Consent Form to join this case), the Released Claims also include any and all claims, known or unknown, under the FLSA, 29 U.S.C. §§ 206, et seq.

In addition, all Class Participants 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 June 21, 2022, 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, the Class Participants 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:** If you are a Class Member and do not timely and validly opt-out, you will automatically become a Class Participant and receive your prorated Individual Settlement Amount, and you will be bound by the Settlement including its release provisions.
- **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), postmarked by

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Saturday, September 24, 2022. The written request for exclusion 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 Huddleston v. John Christner Trucking, LLC, P.O. Box 10269, Tallahassee, FL 32302-2269. **Any person who requests exclusion (opts out) of the Settlement will not be entitled to any Individual Settlement Amount 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 **Saturday, September 24, 2022.** 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, Office of the Clerk, 333 West Fourth St., Room 411, Tulsa, OK, 74103. You must also mail a copy of your objection to Class Counsel and Defendant's counsel, at the addresses listed in Sections 8 and 9 of this Notice by **Saturday, September 24, 2022.**

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 Defendant's counsel on or before **Saturday, September 24, 2022.** 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 Defendant's 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 **Monday, October 17, 2022,** orally at the Final Approval Hearing, or as otherwise ordered by the Court.

7. Can Defendant 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 Defendant or future work or relationship with Defendant. It is unlawful for Defendant to take any adverse action against you as a result of your participation in this Settlement.

8. 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:

Carolyn H. Cottrell
David C. Leimbach
Michelle S. Lim
**SCHNEIDER WALLACE
COTTRELL KONECKY LLP**
2000 Powell Street, Suite 1400
Emeryville, CA 94608
Telephone: (800) 689-0024
Facsimile: (415) 421-7105
ccottrell@schneiderwallace.com
dleimbach@schneiderwallace.com
mlim@schneiderwallace.com

Robert S. Boulter
LAW OFFICES OF ROBERT S. BOULTER
1101 Fifth Avenue, Suite 310
San Rafael, California 94901
Telephone: (415) 233-7100

9. Who Are the Attorneys Representing Defendant John Christner Trucking, LLC?

Defendant is represented by the following attorneys:

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

Bobby L. Latham, Jr.
James L. Colvin
LATHAM WAGNER STEELE LEHMAN
1515E. 71st St., Suite 200
Tulsa, OK 74136
Telephone: (918) 970-2000
Facsimile: (918) 970-2002

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

Class Counsel will be paid from the Gross Settlement Amount of \$9,250,000.00. 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 \$9,250,000.00, and costs not to exceed \$150,000.00. 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.

10. 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 and Collective Action available at the Settlement website at www.JohnChristnerTruckDriverSettlement.com, contact Class Counsel toll-free at (800) 689-0024, 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.oknd.uscourts.gov/>.

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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