

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

ANTHONY AYALA v. U.S. XPRESS ENTERPRISES, INC., et al.

Case No. 5:16-cv-00137-GW (KKx)

OFFICIAL COURT NOTICE OF CLASS ACTION SETTLEMENT

If you have worked as a truck driver for U.S. Xpress while residing in California, you may be entitled to a payment from a class action lawsuit settlement.

A court authorized this notice. This is not a solicitation from a lawyer. You are not being sued.

- If you received a Postcard Notice, it means that U.S. Xpress's records indicate that you were employed as a U.S. Xpress driver between December 23, 2011 and November 22, 2017, after completing training, while also a resident of California.
- Anthony Ayala, a former U.S. Xpress driver, filed a lawsuit alleging that U.S. Xpress failed to pay drivers the California minimum wage for all the hours they worked in California and violated other state laws. U.S. Xpress denies these allegations, and the Court has made rulings on some but not all of the claims. The parties have entered into a settlement agreement to avoid the inconvenience, expense, and risks of continuing to litigate. The settlement will not be final until it is approved by the Court.

Your legal rights may be affected by this settlement, and you have a choice to make:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will remain a part of this case and be sent a settlement check. Your Postcard Notice contains an estimate of your payment under the settlement. You will also release claims against U.S. Xpress, which means that you will not be allowed to sue U.S. Xpress for violations similar to the ones Plaintiff alleges in this lawsuit. Section 10 below explains more about the claims you will release if you do nothing.
OPT OUT	If you do not want to participate in the settlement and want to retain your right to sue U.S. Xpress for unpaid wages and related wage and hour claims, you must submit a written Opt-out Letter to the Settlement Administrator, as explained in Section 11 below. If you submit an Opt-out Letter, you will not be eligible to receive a settlement payment or object to the settlement. The deadline to send an Opt-out Letter is July 21, 2023.

OBJECT	If you do not submit an Opt-out Statement, you may write to the Court about why you object to the settlement. See Section 15 below for more information about submitting an Objection. The deadline to submit an Objection is July 21, 2023.
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BASIC INFORMATION

1. Why did I get a notice about this settlement?

The Court ordered that you be sent a notice because you have a right to know about a proposed class action settlement, and about all of your options, before the Court decides whether to approve the settlement. This Notice explains the lawsuit, your legal rights, and what benefits are available.

The Honorable George H. Wu, United States District Judge in the Central District of California, is overseeing the litigation. The litigation is known as *Ayala v. U.S. Xpress Enterprises Inc., et al.*, Case No. 5:16-cv-00137-GW (KKx).

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement available at www.USXpressTruckDriverSettlement.com, by contacting class counsel using the contact information in Section 21 below, by accessing 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>, or by visiting the office of the Clerk of the Court for the United States District Court for the Central District of California, United States Courthouse, 350 West 1st Street, Los Angeles, CA, 90012, from 9:00 a.m. to 4:00 p.m., Monday through Friday, excluding Court holidays.

2. Am I covered by this settlement?

The Class in this case is defined as all current and former California-resident truck drivers who worked in California for U.S. Xpress after the completion of training at any time between December 23, 2011 and November 22, 2017. If you received a notice in the mail, it means that U.S. Xpress's records indicate you are part of the Class.

3. What is the litigation about?

Plaintiff alleges that U.S. Xpress failed to pay drivers the California minimum wage for all hours worked in California. The case is only on behalf of California-resident drivers, and it is only about time they worked in California. U.S. Xpress denies Plaintiff's allegations and believes that its drivers received all wages and payments to which they were entitled. The Court has ruled on the merits of some but not all of Plaintiff's claims, which means that neither Plaintiff nor U.S. Xpress has won the case.

4. Why is this a class action?

In a class action, one or more people called “class representatives” bring claims on behalf of other people who have similar claims. These people are called “class members” and together are the “class.” Anthony Ayala, the individual who brought the lawsuit, is called the “Plaintiff.” He has asked the Court to resolve the claims for every member of the class.

5. Why is there a settlement?

Both Plaintiff and U.S. Xpress believe that they will win the lawsuit, but there has been no final decision in favor of either party. Instead, the parties have agreed to a settlement in order to avoid the expense, inconvenience, and risks involved in continuing to litigate. Plaintiff and Class Counsel think the settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the settlement provide?

U.S. Xpress has agreed to pay a total of up to \$4,690,000 (the “Total Settlement Fund”), plus the employer share of payroll taxes on amounts allocated as wages. The Total Settlement Fund will be used to pay: (1) Class Members who do not opt out; (2) attorneys’ fees of up to \$1,563,333.33 (one-third of the Total Settlement Fund), plus reimbursement of actual litigation expenses and costs of up to \$1,000,000; (3) a Service Award of \$10,000 to Plaintiff Anthony Ayala; (4) \$22,500 to the California Labor and Workforce Development Agency; and (5) the Settlement Administrator’s fees and costs, which are not expected to exceed \$15,000.

7. How much will my settlement payment be and how was it calculated?

The Postcard Notice that you received in the mail provides an estimate of the payment you will receive if the settlement is approved and you do not opt out. The estimate was calculated based on a formula that the Court has approved. The formula divides the net settlement funds that are available for Class Members based on the number of weeks each Class Member was worked as a driver by U.S. Xpress, while residing in California, after the completion of training. Certain Class Members who testified at trial or otherwise contributed to the litigation will be credited with extra workweeks in recognition of their participation. The Settlement Agreement, which is available at www.USXpressTruckDriverSettlement.com, contains more information about how individual payments are calculated.

Of the amount you receive, one-third is subject to payroll deductions and withholdings like any other paycheck, for which you will receive a Form W-2. The other two-thirds are not subject to payroll deductions and will be reported on a Form 1099. Neither Class Counsel nor U.S. Xpress’s counsel can advise you regarding the tax consequences of the settlement. You may wish to consult with your own personal tax advisor in connection with the settlement.

The Settlement Administrator used information from U.S. Xpress's records to calculate your estimated payment. If you have questions about your calculation, you may contact the Settlement Administrator using the contact information in Section 20 below. If you dispute U.S. Xpress's records and/or the calculation of your settlement payment, you must notify the Settlement Administrator and may provide written documentation supporting your contention. You must submit this information by **July 21, 2023**. U.S. Xpress's records are presumed to be correct unless proven otherwise by your information. The Settlement Administrator will evaluate the information you provide and will make the final decision as to any dispute.

Settlement checks that are not cashed within 180 days of issuance will be null and void.

HOW YOU GET A PAYMENT

8. How can I get my payment?

If you wish to participate in the Settlement, you do not need to take any action. You will receive the estimated payment stated on your Postcard Notice, minus taxes. If your mailing address has changed, please contact the Settlement Administrator.

9. When will I get my settlement payment?

The Court is scheduled to hold a hearing on Thursday, September 14, 2023 at 8:30am, at the United States Courthouse as 350 West 1st St., Los Angeles, CA 90012, to determine whether to give final approval to the settlement. This date may change without further notice to class members. Please check www.USXpressTruckDriverSettlement.com to confirm that the date has not changed. If the Court grants final approval, settlement checks are anticipated to be mailed 28 days after the court issues the final approval order, unless there is an objection or appeal. Please be patient and update the Settlement Administrator if your mailing address changes.

10. What am I giving up by releasing my claims?

If you do not exclude yourself from the settlement (as described in Section 11 below), you will release claims against U.S. Xpress (the "Released Claims"). This means that you cannot sue, continue to sue, or be part of any other legal action against U.S. Xpress based on the facts or legal rights asserted in Plaintiff's Second Amended Complaint, which you can find at www.USXpressTruckDriverSettlement.com. This includes: (a) U.S. Xpress's alleged failure to provide meal and rest breaks in violation of Cal. Labor Code §§ 226.7 and 512, and Wage Order No. 9-2001 (Wage Order No. 9); (b) U.S. Xpress's alleged failure to pay for "off the clock time" in violation of California's minimum wage laws and wage deduction laws (Cal. Lab. Code §§ 221, 223, 1194, and Wage Order No. 9, § 4); (c) U.S. Xpress's alleged failure to provide accurate and complete itemized wage statements (Cal. Lab. Code § 226); (d) U.S. Xpress's alleged failure to timely pay wages at termination (Cal. Lab. Code § 203); (e) U.S. Xpress's allegedly unlawful and unfair competition in violation of Cal. Bus. & Prof. Code § 17200, *et seq.*; (f) civil penalties under the Private Attorneys General Act, Cal Labor Code §§ 2698, *et seq.* (PAGA) in

the related case of *Nunez, individually and on behalf of all those similarly situated, v. U.S. Xpress Enterprises, Inc. and U.S. Xpress, Inc.*, which was filed in the Superior Court of California, County of Los Angeles, under Case No. BC711661; and (k) any claims, wages, penalties, liquidated damages, interest, attorney fees, or litigation costs allegedly due and owing by virtue of any of the facts asserted in the Complaint, whether known or unknown, under any other federal, state, or local law, which the Class and/or any Class Member has ever had, or hereafter may claim to have, for the period from December 23, 2011 through February 10, 2023.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I opt out of the settlement?

If you wish to retain your right to pursue Released Claims against U.S. Xpress, then you must take steps to exclude yourself from the settlement. This is sometimes referred to as “opting out.”

To opt out of the settlement, you must submit a written Opt-out Letter to the court, that: (i) states your name and address; (ii) includes a statement indicating your intent to exclude yourself from the settlement, such as “I opt out of the U.S. Xpress wage and hour settlement”; and (iii) includes your signature. The Opt-out Letter must be postmarked by or otherwise received on or before July 21, 2023.

If you submit an Opt-out Letter, you will not be eligible to receive a settlement check. You will retain the right to bring your own legal action against U.S. Xpress. You should be aware that your claims are subject to a statute of limitations, which means that they will expire on a certain date. If you ask to be excluded, you cannot object to the settlement.

12. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, you will not be eligible to receive a settlement check.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has decided that the lawyers at the law firms of Goldstein, Borgen, Dardarian & Ho and Swartz Swidler, LLC are qualified to represent the Class. These lawyers are called “Class Counsel.” You will not be charged separately for these lawyers; their fees are being covered by the settlement fund. You do not need to retain your own attorney in order to participate as a Class Member. If you do not opt out of the class and want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of up to one-third of the Total Settlement Fund for their attorneys’ fees. These fees would compensate Class Counsel for investigating the

facts, litigating the case, and negotiating the settlement. Class Counsel will also ask the Court to approve payment for up to \$1,000,000 for the out-of-pocket costs they incurred litigating the case.

OBJECTING TO THE SETTLEMENT

15. How do I tell the Court that I disapprove of the settlement?

If you have not submitted an Opt-out Letter, you can ask the Court to deny approval by filing an objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

Any objection to the proposed settlement must be in writing. All written objections and supporting papers must (a) clearly identify the case name and number (*Ayala v. U.S. Xpress Enterprises Inc., et al*, Case No. 5:16-cv-00137-GW (KKx)); (b) be submitted to the Court either by mailing them to the Clerk, United States District Court for the Central District of California, United States Courthouse, 350 West 1st Street, Los Angeles, CA, 90012, or by filing them in person at any location of the United States District Court for the Central District of California; and (c) be filed or postmarked on or before **July 21, 2023**.

If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing (explained in Sections 17 and 18 below), either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney.

16. What's the difference between objecting and opting out?

Objecting is telling the Court that you do not like something about the settlement and asking the Court not to approve the settlement as is. You can object only if you stay in the Class.

Opting out (also known as excluding yourself) is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you. If you submit both an objection and an Opt-out Letter, the Settlement Administrator will attempt to contact you to determine whether you intended to object or exclude yourself. If the Settlement Administrator cannot reach you, it will be presumed that you intended to exclude yourself, and your objection will not be considered.

THE COURT'S FAIRNESS HEARING

17. When and where will the Court decide whether to approve the settlement?

The Court will hold the final Fairness Hearing on Thursday, September 14, 2023 at 8:30am, at the United States Courthouse as 350 West 1st St., Los Angeles, CA 90012. This date may

change without further notice to class members. Please check www.USXpressTruckDriverSettlement.com to confirm that the date has not changed.

At the hearing, the Court will determine whether the settlement is fair, adequate, and reasonable and will consider any properly submitted objections. Please contact Class Counsel using the contact information provided in Section 20 below if you have any questions about the date and time of the Fairness Hearing.

18. Do I have to come to the fairness hearing?

No. Class Counsel will attend to answer questions the Court may have. But you are welcome to attend at your own expense. If you send an objection, you do not have to attend. As long as you have not excluded yourself and have mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

GETTING MORE INFORMATION

19. Are there more details about the settlement?

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement at www.USXpressTruckDriverSettlement.com.

20. How do I get more information?

If you have other questions about the settlement or want more information, you can contact the Settlement Administrator, Simpluris (phone number: (888) 369-3780; email: CaseSupport@simpluris.com), or Class Counsel at:

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PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.