

## **NOTICE OF PROPOSED CLASS AND COLLECTIVE ACTION SETTLEMENT**

**TO:** Hourly paid and/or non-exempt employees of IAS Logistics DFW, LLC d/b/a Pinnacle Logistics (“Pinnacle” or “Defendant”) employed at any Pinnacle location in Illinois or Maryland anytime between August 31, 2017 and [insert date of Preliminary Approval Order] (“the Covered Period”).

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

### **1. WHY DID I RECEIVE THIS NOTICE?**

Based on Pinnacle’s records, you were employed by the company as an hourly paid and/or non-exempt employee between August 31, 2017 and [insert date of Preliminary Approval Order] (“the Covered Period”) and may be entitled to participate in the Settlement of the lawsuit captioned, *Alexis Parker and Latisha Rhodes v. IAS Logistics DFW, LLC d/b/a Pinnacle Logistics*, No. Case No. 1:20-cv-5103 (N.D. Ill.) (“the Litigation”). Accordingly, under the terms of the preliminarily approved Settlement you may claim money as a Class Member and/or FLSA Collective Member. This notice explains the Settlement of this Litigation and your options.

### **2. WHAT IS THIS LAWSUIT ABOUT?**

Plaintiffs, Alexis Parker and Latisha Rhodes, filed a lawsuit on behalf of themselves and other hourly paid and/or non-exempt employees of Pinnacle (“Plaintiffs”) alleging the company violated the Fair Labor Standards Act (“FLSA”), the Illinois Minimum Wage Law, the Illinois Wage Payment and Collection Act, the Maryland Wage and Hour Law, and the Maryland Wage Payment and Collection Law. The Plaintiffs alleged two wage and hour violations: 1) their wages were automatically deducted for meal breaks even during those instances a full meal break was not taken, and 2) during workweeks in which they worked overtime (e.g., more than 40 hours in a workweek) and earned a shift differential that was not included when calculating their overtime rate of pay. Defendant denies Plaintiffs’ allegations. It is Defendant’s position that it properly paid Plaintiffs and other employees.

### **3. WHAT ARE CLASS AND COLLECTIVE ACTIONS?**

A class and collective action is a lawsuit where one or more persons (in this case Alexis Parker and Latisha Rhodes) sue not only for themselves but on behalf of other people who may have similar claims. These other people are known as Class and Collective Members. In a class and collective action, one court resolves the issues for all Class and Collective Members, except those who exclude themselves from the Settlement. The Honorable Judge Ronald A. Guzman, of the United States District Court for the United States District Court for the Northern District of Illinois, Eastern Division, is presiding over the Litigation. Judge Guzman has not made any determinations about who is right or wrong in the Litigation.

#### 4. WHY IS THERE A SETTLEMENT?

After extensive negotiations and with the help of a neutral mediator, the parties agreed to settle. While both Plaintiffs and Defendant believe they would have prevailed, by settling the Litigation they avoid the costs of a trial, the risk of losing, the delay of litigating the case and of potential appeals. Plaintiffs and Class Counsel believe that the preliminarily approved Settlement is fair and reasonable and in the best interests of all Class and Collective Members. The Settlement does not mean Defendant did anything wrong or violated the law.

#### 5. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to deposit \$3,250,000.00 into a Settlement Fund, which shall resolve and satisfy all monetary obligations under the Settlement, including: 1) payments to a Claims Administrator for Settlement Administration Expenses estimated to be approximately \$43,312.00; 2) Enhancement Awards in the amount of \$10,000 to each Class Representative/Plaintiff, Alexis Parker and Latisha Rhodes; 3) attorneys' fees to Class Counsel in the amount of one-third of the Settlement Fund (i.e., \$1,083,333.33), and an additional amount of up to \$30,000.00 as reimbursement of reasonable litigation costs and expenses; and 4) payroll taxes.

After such fees and costs have been deducted, the remaining amount ("the Net Settlement Fund"), shall be allocated amongst the FLSA Collective Fund, the Illinois Class Fund, and the Maryland Class Fund as described below:

**A. FLSA Collective Fund:** \$1,036,677.34, to be allocated amongst the FLSA Collective Members *pro rata* based on the number of weeks they worked for Defendant in the Covered Period, with weeks worked by FLSA Collective Members who filed timely consent forms in the Litigation counting for twice the value of weeks worked by all other FLSA Collective Members.

**B. Illinois Class Fund:** \$412,063.70, to be allocated amongst the Illinois Class Members *pro rata* based on the number of weeks they worked for Defendant in Illinois in the Covered Period.

**C. Maryland Class Fund:** \$624,613.64, to be allocated amongst the Maryland Class Members *pro rata* based on the number of weeks they worked for Defendant in Illinois in the Covered Period.

Any unclaimed funds shall be applied to a *cy pres* charitable donation to a charitable organization.

#### 6. HOW MUCH WILL MY PAYMENT BE?

Based on the formula (described in Paragraph 5 above), you will be entitled to receive a *pro rata* award for each week that you were employed, which shall be reported as 50% W-2 wages and 50% 1099 earnings or to the extent required by law.

Your estimated Individual Settlement Amount is \$[INSERT]. The allocation formula takes into account the number of weeks you worked during the Covered Period.

## **7. HOW CAN I GET MY PAYMENT?**

If you do nothing, you will automatically be deemed to be part of the Class and you will be paid your *pro rata* share of the Settlement. You will be sent a settlement check if and when Court enters an order of final approval of the Settlement and after all appeals have been exhausted.

If you choose to exclude yourself, then you will not receive a payment.

## **8. WHAT AM I GIVING UP TO GET A PAYMENT IN THE CLASS AND COLLECTIVE ACTION?**

**A. Release of Claims Class Members.** Upon the entry of the Final Order and Approval, each Plaintiff and Class Member who has not timely submitted a valid request for exclusion, on his or her behalf, and on behalf of his or her respective current, former and future heirs, assigns, spouses, executors, administrators, agents, and attorneys (“Releasers”), shall fully release and discharge IAS Logistics DFW LLC d/b/a Pinnacle Logistics and its affiliates and related and/or merged entities, present and former officers, partners, directors, officers, shareholders, employees, agents, attorneys, successors and/or assigns, insurers or reinsurers, employee benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and reinsurers of such plans), trustees, heirs, administrators, executors, representatives and/or principals thereof, and all persons or entities acting by, through, under or in concert with any of them, including, but not limited to, G & A Partners, and any individual or entity that could be jointly liable with any of them (“Releasees”), of and from any and all state and local wage and hour claims arising from his or her employment including statutory claims, whether known or unknown, in law or in equity, including, but not limited to, any and all wage and hour claims under state and local law, that accrued or accrue prior to [the date of the Order Granting Preliminary Approval], including claims under any legal theory for failure to pay minimum wage, failure to pay overtime compensation, failure to properly calculate overtime compensation, failure to pay for all hours worked, failure to provide meal and rest periods, failure to timely pay wages or compensation or final wages or compensation, failure to reimburse for business expenses, making illegal deductions from wages or compensation, and/or failure to furnish accurate wage statements or other notices, failure to keep accurate records, and any and all claims for recovery of compensation, overtime pay, minimum wage, premium pay, interest, and/or penalties, claims under the Employee Retirement Income Security Act (“ERISA”) that are related or derivative of the claims released in herein, other penalties, related tort and punitive and liquidated damages claims, and/or violations of any other state or local statutory and common law.

**B. Release of Claims by FLSA Collective Members.** In addition, upon the entry of the Final Order and Approval, each FLSA Collective Member who has filed a consent form in the Litigation and/or who timely cashes his or her settlement check, and who has not timely submitted a valid request for exclusion, on his or her behalf, and on behalf of his or her respective current, former and future heirs, assigns, spouses, executors, administrators, agents, and attorneys (“Releasers”), shall fully release and discharge IAS Logistics DFW LLC d/b/a Pinnacle Logistics

and its affiliates and related and/or merged entities, present and former officers, partners, directors, officers, shareholders, employees, agents, attorneys, successors and/or assigns, insurers or reinsurers, employee benefit plans (and the trustees, administrators, fiduciaries, agents, representatives, insurers and reinsurers of such plans), trustees, heirs, administrators, executors, representatives and/or principals thereof, and all persons or entities acting by, through, under or in concert with any of them, including, but not limited to, G & A Partners, and any individual or entity that could be jointly liable with any of them (“Releasees”), shall fully release and discharge Defendant and the Releasees in the manner described herein from any and all federal, state, and local wage and hour claims arising from his or her employment, including statutory claims, whether known or unknown, in law or in equity, including FLSA claims, including but not limited to claims under 29 U.S.C. § 206, 207, 211(c) and 215(a), including liquidated damages, during the Covered Period through the latter of the date of the Order Granting Preliminary Approval, and including claims under any legal theory for failure to pay minimum wage, failure to pay overtime compensation, failure to properly calculate overtime compensation, failure to pay for all hours worked, failure to provide meal and rest periods, failure to timely pay wages or compensation or final wages or compensation, failure to reimburse for business expenses, making illegal deductions from wages or compensation, and/or failure to furnish accurate wage statements or other notices, failure to keep accurate records, and any and all claims for recovery of compensation, overtime pay, minimum wage, premium pay, interest, and/or penalties, claims under ERISA that are related or derivative of the claims released herein, other penalties, related tort and punitive and liquidated damages claims, and/or violations of any other federal, state, or local statutory and common law.

**C.** This Settlement is intended to include in its effect all claims identified herein, including claims that each Plaintiff, Class Member and FLSA Collective Member do not know or suspect to exist in his or her favor against Defendant or Releasees at the time of the release. Plaintiffs, Class Members and FLSA Collective Members shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits they may otherwise have had relating to the claims identified herein.

**D.** By failing to opt-out of this lawsuit, you will automatically be part of the Class and included in the Settlement for the Illinois and Maryland state law claims. By endorsing and depositing a settlement check, you will automatically be part of the Settlement for the FLSA claims.

**9. AS A CLASS MEMBER, HOW DO I OPT OUT OF THE SETTLEMENT?**

If you do not want to participate in the Settlement (e.g., not receive a payment from the Settlement) or be bound by the release of claims described above, you have the option of opting out of the Settlement.

To opt out, you must mail a signed letter to the Claims Administrator that specifically states: “I opt out of the Pinnacle Logistics wage and hour settlement” and include your name, address, and telephone number (“Opt-out Statement”).

To be effective, the Opt-out Statement must be mailed to the Claims Administrator via First Class United States Mail, postage prepaid, and postmarked by [INSERT DATE].

[Settlement Administrator]  
[Address]

If you exclude yourself from the Settlement, you will NOT be allowed to object to the Settlement as described in Paragraph 10 below.

**10. WHAT IF I HAVE AN OBJECTION TO THE SETTLEMENT?**

Any Class Member who has not opted-out of the Settlement (as described in Paragraph 9), and who objects to any part of the Settlement, may file a written objection with the United States District Court for the Northern District of Illinois at 219 S. Dearborn Street, Chicago, Illinois 60604, as well as mailing a copy to of your written objection to the Claims Administrator at:

[INSERT CONTACT INFO FOR CLAIMS ADMINISTRATOR]

Written objections must be filed with the Court and postmarked no later than [INSERT DATE], contain your name, address, be signed by you, and include a reference to *Alexis Parker and Latisha Rhodes v. IAS Logistics DFW, LLC d/b/a Pinnacle Logistics*, No. Case No. 1:20-cv-5103. You are not required to submit an objection. You can give the reasons why you think the Court should not approve the Settlement, and include any evidence you wish the Court to consider.

**11. WHEN IS THE COURT'S FAIRNESS HEARING?**

The Court has preliminarily approved the Settlement and will hold a Fairness Hearing to decide whether to give final approval to the Settlement. The purpose of the Fairness Hearing will be for the Court to determine whether the Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Class; to consider the award of attorneys' fees and expenses to Class Counsel; to consider the request for Enhancement Awards to Plaintiffs. The Court will take into account any objections filed in accordance with procedures described in Paragraph 10 above.

The Fairness Hearing will be held on [INSERT DATE] at [INSERT TIME] at the Everett McKinley Dirksen United States District Court for the Northern District of Illinois, 219 South Dearborn Street, Courtroom 1886, Chicago, Illinois 60604 and/or by dialing in: [REDACTED] before the Honorable Judge Ronald A. Guzman.

You are welcome to appear at the Fairness Hearing, but you are not required to do so. If you send a written objection, you are not required to come to Court to talk about it. You may also pay your own lawyer to attend, but that is also not necessary.

**12. AS A CLASS MEMBER, DO I HAVE A LAWYER IN THIS LITIGATION?**

The Court has appointed the following law firms as Class Counsel to represent you and the Class and Collective Members:

Jason T. Brown  
Nicholas R. Conlon  
Brown LLC  
111 Town Square Place, Suite 400  
Jersey City, New Jersey 07310

David Fish  
John Kunze  
Fish, Potter and Bolanos, P.C.  
2000 E. 5<sup>th</sup> Avenue, Suite 123  
Naperville, Illinois 60565

You will not be charged separately for these lawyers. Their fees are being paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

**13. HOW CAN I GET MORE INFORMATION ABOUT THE SETTLEMENT?**

This Notice summarizes the preliminarily approved Settlement. More details, including the definitions of the capitalized terms, are in the Settlement Agreement, which you can view by calling or writing the Claims Administrator and asking for a copy. For more detailed information, you can refer to the underlying documents filed with the Court or on-line at the settlement Internet site at: [REDACTED]. You can also call the Claims Administrator at [REDACTED] or contact them via email at: [REDACTED].