

NOTICE OF CLASS ACTION SETTLEMENT: FIRST TRANSIT, INC.

If you worked as a non-exempt First Transit employee and drove a Para-transit bus route out of First Transit's San Diego, California location between May 2, 2014 and December 6, 2019, a class action settlement may affect your rights.

THIS NOTICE MAY AFFECT YOUR RIGHTS – PLEASE READ IT CAREFULLY

YOU ARE NOT REQUIRED TO APPEAR IN COURT OR TO MAKE A CLAIM TO RECEIVE THE BENEFITS OF THE SETTLEMENT.

Pursuant to the order of the United States District Court for the Southern District of California (the "Court") entered on December 6, 2019, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A settlement has been proposed in a class action lawsuit filed against First Transit, Inc. ("First Transit"). The lawsuit, entitled *French, et al., v. First Transit, Inc.*, is pending in the Court, Case No 3:18-cv-01648-CAB-MSB (the "Action") and alleges that First Transit violated the California Labor Code by failing to provide timely rest breaks. First Transit denies all liability relating to this lawsuit.

You are receiving this notice because First Transit's records reflect that you drove a Para-transit bus route out of First Transit's San Diego, California location between May 2, 2014 and December 6, 2019. First Transit denies all liability but has agreed to make funds available to settle this Action, and you are entitled to a share of that settlement amount. The Court has preliminarily approved the Settlement, conditionally certified the Class for Settlement purposes only, and authorized this notice. Before any money is paid, the Court will have a hearing to decide whether to grant final approval of the Settlement.

What Is A Class Action?

A class action is a type of lawsuit in which one or a few named plaintiffs bring suit on behalf of all the members of a similarly-situated group(s) to recover damages for all members of the group(s) without the necessity of each member filing an individual lawsuit or appearing as an individual plaintiff. Class actions are used by the courts where claims raise issues of law or facts that are common to all members of the class, thereby making it fair to bind all class members to the orders and judgments in the case, without the necessity of hearing essentially the same claims over and over. Use of the class action eliminates the necessity of filing multiple lawsuits and assures that all class members are bound by the results in a single lawsuit.

Who Is Included in the Settlement?

This class action settlement includes all persons employed by First Transit as a non-exempt employee who drove a Para-transit bus route out of First Transit's San Diego, California location between May 2, 2014 and December 6, 2019 (the "Class Period").

What Is this Lawsuit About?

The lawsuit claims that First Transit failed to timely provide rest breaks to Class Members and that First Transit failed to compensate such employees when timely rest breaks were not provided. The Named Plaintiffs also pursued derivative claims for unfair competition, wage statement penalties, waiting time penalties, and civil penalties.

You can ask questions about the lawsuit or review the Settlement Agreement by contacting Class Counsel, the Law Office of Sheldon A. Ostroff, 2488 Historic Decatur Road, Ste. 200, San Diego, CA 92106, or by contacting the Court-appointed Settlement Administrator at *French v. First Transit* Settlement, c/o Settlement Administrator, PO Box 23698, Jacksonville, FL 32241, (833) 404-4961, or at info@FrenchFirstTransitSettlement.com. You may also review the Settlement Agreement on-line at www.FrenchFirstTransitSettlement.com.

First Transit denies all of the Named Plaintiffs' allegations. Specifically, First Transit contends, among other things, that its policies and practices with respect to providing rest breaks to Class

Members comply with California law; that the Named Plaintiffs' derivative claims for unfair competition, wage statement penalties, waiting time penalties, and civil penalties must fail because the Named Plaintiffs cannot demonstrate any violation of the California Labor Code; that a class could not be appropriately certified in the Action; and if a class were certified, First Transit's defenses to the Named Plaintiffs' claims would be applicable to the claims of the Class Members.

After good-faith negotiations presided over by a private mediator, in which both sides recognized the substantial risk of an uncertain outcome, the parties agreed to settle the Action pursuant to the terms and conditions outlined in the Settlement Agreement.

What Does the Settlement Provide?

First Transit will pay a Maximum Settlement Amount of \$2,500,000.00 to fund all payments under the Settlement. The Parties estimate that, after subtracting attorneys' fees and costs, settlement administration costs, Private Attorneys General Act penalties, and the Named Plaintiffs' Service Awards, approximately **\$1,720,000.00** will be available for distribution to Class Members on a pro rata basis.

Attorneys' fees and costs. Class Counsel will seek approval from the Court for payment of attorneys' fees in the amount of 25% of the total settlement amount, or \$625,000.00, and reasonable litigation costs in an amount not to exceed \$50,000.00. All the attorneys representing the Named Plaintiffs believe the amount for attorneys' fees and costs is fair and reasonable, and First Transit will not oppose their request for these amounts.

Service Awards. In addition to their share as Participating Class Members, Named Plaintiffs Cecil French and Kathleen Breisacher will each receive a Service Award in the amount of \$5,000.00 for their services as class representatives as well as their willingness to accept the risk of paying First Transit's fees and costs in the event of an unsuccessful outcome.

Payroll tax obligations. All payroll taxes and withholdings attributable to the wage component of the Individual Settlement Payments shall be paid from the Maximum Settlement Amount.

Settlement administration costs. The costs of administering the Settlement are estimated at this time to be approximately \$20,000 and will be paid from the Maximum Settlement Amount.

Payment to the California Labor and Workforce Development Agency. The sum of \$75,000.00 will be allocated to the California Labor and Workforce Development Agency, which sum represents its share of the Maximum Settlement Amount, and is attributable to the civil penalties provided for in the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*

One-third of your estimated Individual Settlement Payment amount payment is designated as wages from which payroll taxes and other required withholdings will be deducted. Your estimated payment was calculated using First Transit's employee records. For a full explanation of how the payments are calculated, call Class Counsel or the Settlement Administrator at **French First Transit Settlement, c/o Settlement Administrator, P.O. Box 23698, Jacksonville, FL 32241, (833) 404-4961**, or review Section 4 of the Settlement Agreement online at www.FrenchFirstTransitSettlement.com.

Release of Claims

In exchange for the benefits described above, each Class Member who has not provided timely notice to the Settlement Administrator that he/she wishes to be excluded from the Settlement (“the Releasing Parties”) shall fully release and discharge First Transit and its affiliates, parents, subsidiaries, holding companies, investors, divisions, employee benefit plans, or other related entities, as well as all of its and their past or present officers, directors, shareholders, partners, principals, agents, insurers, employees, attorneys, advisors, accountants, auditors, representatives, vendors, fiduciaries, insurers, reinsurers, trusts, trustees, heirs, executors, administrators, predecessors, successors or assigns of any of the foregoing, and each of them, both individually and in their official capacities, collectively called the “Released Parties,” from any and all claims for relief based on wage and hour provisions of state or federal law, including but not limited to statutory, regulatory and common law claims, and all related or derivative claims for penalties, including but not limited to claims for civil penalties under the PAGA, wage statement penalties under California Labor Code section 226 and waiting time penalties under California Labor Code section 203, and claims for relief based on the California Unfair Competition Law, whether suspected or unsuspected, which the Releasing Parties may have had or now have against the Released Parties for any acts occurring during the Class Period that are either or both: (1) alleged in the Complaint and/or any amended complaint filed in the Action; or (2) that could have been alleged in the original Complaint and/or any amended complaint filed in the Action relating in any way to rest periods, correct and complete itemized wage statements, and waiting time penalties (collectively “Released Class Claims”).

If the Court grants final approval of the Settlement, the Court will enter a final judgment and dismiss all such claims with prejudice.

What Are My Options?

YOU ARE NOT REQUIRED TO MAKE A CLAIM TO RECEIVE THE BENEFITS OF THE SETTLEMENT. If the Court grants final approval of the Settlement and you do not request to be excluded from the Settlement, you will be mailed your Individual Settlement Payment and will not incur any legal fees.

If you do not want to be legally bound by the Settlement, you must exclude yourself by **February 25, 2020**. To do so, you must mail a written Request for Exclusion to the Settlement Administrator and counsel for the Parties at the addresses below that states, in effect: “I worked for First Transit and drove a Para-transit bus route out of First Transit’s San Diego, California location during the Class Period. I request to be excluded from the Settlement in *French, et al., v. First Transit Inc.*, Case No 3:18-cv-01648-CAB-MSB, U.S. District Court for the Southern District of California.” The request must also include your full name, mailing address, last four digits of your Social Security number, and telephone number, and you must personally sign the request. If you exclude yourself, you will not receive money from this Settlement, but you will retain your legal rights regarding any claims that you may have for allegedly unpaid rest breaks.

You may also object to the Settlement by **February 25, 2020**. If you want to object to the Settlement, you must file a written statement with the Court by **February 25, 2020**. No Class Member shall be entitled to be heard at the Final Approval hearing or to object to the Settlement unless written notice of the Class Member’s objection and intention to appear has been filed with the Court and served on counsel for the Parties by the deadline listed above.

Objections shall be filed with the Court either by mailing the objection to the Clerk of the Court or delivering the objection in person to United States District Court, Southern District of California, 333 West Broadway, Suite 420, San Diego, CA 92101. Objections shall also be served on Class Counsel, the Law Office of Sheldon A. Ostroff, 2488 Historic Decatur Road, Suite 200, San Diego, CA 92106, and on counsel for First Transit, David J. Dow, Littler Mendelson, P.C., 501 W. Broadway, Suite 900, San Diego CA 92101.

How Do I Update My Address?

You must notify the Settlement Administrator of any changes to your mailing address so that your Individual Settlement Payment will be sent to the correct address. To update your mailing address, contact the Settlement Administrator at **French First Transit Settlement, c/o Settlement Administrator, P.O. Box 23698, Jacksonville, FL 32241, (833) 404-4961** or Class Counsel, the Law Office of Sheldon A. Ostroff, 2488 Historic Decatur Road, Suite 200, San Diego, CA 92106, (619) 232-3122.

When Is the Final Approval Hearing?

The Court will hold a hearing in this case on **April 13, 2020, at 2:00 pm.**, in Courtroom 4C, United States District Court for the Southern District of California, 221 West Broadway, San Diego, California 92101. At that time, the Court will consider whether: (1) to approve the Maximum Settlement Amount in the amount of \$2,500,000.00; (2) to approve a request for Service Awards for Named Plaintiffs Cecil French and Kathleen Breisacher for their service to the Class Members in the amount of \$5,000.00 each; (3) to approve a request by Class Counsel for an award of attorneys’ fees of \$625,000.00 and reasonable costs of no more than \$50,000.00 incurred in litigating the Class Action; (4) to approve Private Attorneys General Act penalties of \$100,000.00, of which \$75,000.00 is to be paid to the California Labor and Workforce Development Agency and the remaining \$25,000.00 will be distributed to Participating Class Members as part of the Individual Settlement Payments, and (5) to approve Settlement Administration Costs of \$20,000. You may appear at the hearing, but you are not required to do so.

EXCEPT AS PROVIDED ABOVE, PLEASE DO NOT CONTACT THE COURT, DEFENDANT, OR DEFENDANT’S COUNSEL ABOUT THIS NOTICE.