

<<Class Member Name>>
 <<Street Address>>
 <<City, State Zip>>

NOTICE OF COLLECTIVE ACTION SETTLEMENT

This is a Notice of Settlement for the Collective Action Titled:

Saravia v. Dynamex, Inc., et al.

United States District Court, Northern District of California

Case No. 3:14-CV-05003-WHA

Please Read This Entire Notice Carefully. This Notice Is Available In English And Spanish. This Notice Involves Your Legal Rights. ~~This Notice Is Not A Communication From The Court And It Is Not An Expression Of Any Opinion By The Court As To The Merits Of The Claims Or Defenses By Either Side In The Lawsuit. Please Do Not Contact The Court About This Matter.~~

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

You are receiving this notice because you opted into a lawsuit against Dynamex West Operations, LLC (“Dynamex”). The lawsuit alleged^s that Dynamex failed to pay minimum wage, overtime wages, and compensation for all hours worked to transportation service providers of Dynamex, by misclassifying them as independent contractors rather than employees. Dynamex disputed^s the allegations. Both sides^{have} strenuously fought for their positions during the course of the case, and eventually reached a compromise or “settlement.” The Court has ^{preliminarily} ~~potentially~~ approved this settlement. ~~This Notice describes your rights and potential benefits under the settlement.~~

, subject to a further hearing to consider any objections by opt-ins.

Why did I get this Notice? You received this Notice because a proposed settlement of a collective action lawsuit filed against Dynamex by a transportation service provider, Juan Saravia, has been reached in the United States District Court for the Northern District of California (*Saravia v. Dynamex, Inc., et al.*, United States District Court, Northern District of California, Case No. 3:14-cv-05003-WHA). (the “Settlement”).

This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, you can review the settlement agreement available by emailing DynamexCase@schneiderwallace.com. If you want more information, you can also contact class counsel (whose contact information is at the end of this Notice), access the Court docket in this case through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or you can visit the office of the Clerk of the Court for the United

States District Court for the Northern District of California between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays at the following address: 450 Golden Gate Avenue, ~~19th~~ Floor, San Francisco, CA 94102-3489.

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You are receiving this Notice because you are in the Settlement Class. You are in the Settlement Class because you have consented to join this lawsuit and, later, filed a second consent to stay in this lawsuit on or about November, 2016. You were eligible to participate in this lawsuit because Dynamex’s records indicate that you contracted to provide transportation services to Dynamex in California on or after November 12, 2011 through December 31, 2016 (the "Class Period"), and that you signed a 2011 or 2012 version of the Independent Contractor Operating Agreement. This Notice describes your rights and potential benefits from a collective action settlement. You have the right to opt-out of the settlement, as described below.

~~A person who does not exclude himself or herself is a “Settlement Class Member.”~~ The Court authorized this Notice because you have a right to know about the proposed Settlement and your options before the Court decides whether to approve the proposed Settlement. Because your rights will be affected by this Settlement, it is extremely important that you read this Notice.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING / RECEIVE AND CASH A CHECK	If you do not exclude yourself, as described below, you will receive a check. You have ninety (90) days from the date your individual settlement payment check is prepared to cash your settlement check. If you receive and cash a Settlement Check, you <u>will release all claims asserted in the lawsuit</u> over the Class Period. If you do not exclude yourself, challenge, or object, and fail to cash your check, <u>you will still remain a part of the case and will still release all claims asserted in the lawsuit</u> over the Class Period. In this event, the amount of your settlement check will be paid instead to California Rural Legal Assistance and Legal Aid at Work (formerly known as the Legal Aid Society—Employment Law Center).
UNCONDITIONALLY EXCLUDE YOURSELF	You may exclude yourself from the Settlement by requesting exclusion from the settlement in which case you will receive no payment, but will preserve whatever right you might otherwise have, if any, to pursue your claims in a separate lawsuit. This option could allow you to bring your own lawsuit or claim, or to be a part of another lawsuit against Dynamex for the same or similar claims brought in this lawsuit during the Class Period, including claims for unpaid wages and unlawful deductions. To unconditionally exclude yourself from the Settlement, you must send a letter by mail to the “Dynamex Settlement” address listed below that includes the words: “I understand my rights and request to be excluded from the Dynamex Settlement. I understand I will not receive a settlement

	<p>payment.” This process is explained further below.</p> <p><i>If you exclude yourself from the settlement, you will not be entitled to receive any payment from the settlement fund.</i></p>
<p>CHALLENGE/OBJECT BUT DO NOT EXCLUDE YOURSELF</p>	<p>You may challenge or object to the proposed Settlement by writing to the “Dynamex Settlement” address listed below and explaining why you disapprove of the proposed Settlement. If you challenge or object, you may also ask to speak in Court about the fairness of the settlement at the Final Fairness Hearing. If you a challenge or object, you may only appear in Court to speak about the fairness of the settlement if you mail a timely written challenge or objection to the settlement to the “Dynamex Settlement” address listed below and you indicate your intent to speak at the hearing. If your challenge or objection is overruled at the hearing, you will remain a part of the settlement and will still receive a check.</p>
<p>CHALLENGE/OBJECT AND CONDITIONALLY EXCLUDE YOURSELF</p>	<p>Alternatively, you may challenge or object to the proposed Settlement and conditionally opt out if your challenge or objection is overruled. Choosing this option will mean that you will remain part of the settlement and receive a check, but only if the Court accepts your objection or challenge; you will not remain part of the settlement or receive a check if the Court overrules your objection or challenge. To choose this option, you must challenge or object in the manner described in the box above and explained further below. But – when you submit your challenge or objection, you must also state on your challenge or objection: “I understand my rights and request to be conditionally excluded from the Dynamex Settlement. I understand that if the Court overrules my challenge(s) and/or objection(s), I will be excluded from the Settlement and will not receive a settlement payment.”</p>

What is this lawsuit about? A former transportation service provider (“TSP”) for Dynamex brought this lawsuit alleging that Dynamex failed to pay California TSPs all wages due, failed to pay minimum wages, overtime wages, and compensation for all hours worked. Dynamex strenuously disputes the allegations, but has agreed to settle the lawsuit in order to avoid the burden, expense, inconvenience, and uncertainty of continued litigation.

What are the terms of the Settlement? To settle the lawsuit, Dynamex has agreed to pay a Settlement Amount of five hundred thousand dollars (\$500,000) to be divided between the 107 Plaintiffs (including you) who have opted into the case. The \$500,000 will be split up between the Plaintiffs proportionally, based on the **calculated** overtime hours each Plaintiff worked as indicated by the Driver Activity Reports that Dynamex maintains. This calculation method is explained in

more detail below. The Settlement Amount of \$500,000 will cover the payments to eligible persons in the Settlement Class, including all interest and employee-side withholding taxes (such as FICA and FUTA) on all settlement amounts paid out as wages as explained further below.

Payments. Plaintiffs who do not exclude themselves from the Settlement (i.e. Settlement Class Members) will receive a payment that will be calculated based on the number of potential overtime hours the Settlement Class Member provided for Dynamex in California during the Class Period. The potential overtime hours will be calculated through the Driver Activity Reports that Dynamex maintains. These reports track the starting and ending times of each delivery, and therefore provide a proxy for determining the number of potential overtime hours each Settlement Class Member worked in California during the Class Period. Each Settlement Class Member's share of the \$500,000 will go up or down depending upon the number of potential overtime hours that Settlement Class Member has when compared to the other Settlement Class Members. Settlement Class Members who do not have any potential overtime hours shown by the Driver Activity Reports still will receive a minimum payment of two hundred dollars (\$200). Per these calculations, the amount you are estimated to receive, if you do not exclude yourself from the Settlement, is set forth in the box marked "Estimated Settlement Payment." Note, the Estimated Settlement Payment is a preliminary calculation. If one or more Settlement Class Members successfully challenge Dynamex's records, the Estimated Settlement Payment for the other Settlement Class Members, including you, shall be modified accordingly. To accept this payment from the proposed Settlement, you do not need to do anything other than cash the check that will be sent after the Court finally approves the settlement.

How much is my settlement payment? Under the settlement allocation formula you are projected to receive approximately the following amount:

Estimated Settlement Payment: \$ _____

The amount above will be reduced for any requested or required withholdings, including state and federal taxes, income withholding orders, garnishments, or levies. Half (50%) of the above payment will be treated as wages, subject to payroll taxes, and reported on a W-2. Twenty percent (20%) of the above payment will be treated as interest and thirty percent (30%) will be treated as non-wage liquidated damages. Payroll tax withholdings will not be withheld from the non-wage portion of any payment, which portion will be reported on a Form 1099 if required by law. Neither Class Counsel nor Dynamex makes any representations concerning the tax consequences of this settlement or participation in it, and you are advised to seek your own personal tax advice prior to acting in response to this Notice. Further, Dynamex's treatment of any part of the settlement amount as wages does not mean that Dynamex believes or admits that you should have been treated as an employee as opposed to an independent contractor. Nor does this settlement mean that Dynamex will treat you as an employee going forward.

Who is included in the Settlement? You are included in the Settlement because you signed an Independent Contractor Operating Agreement either in 2011 or 2012, performed transportation services for Dynamex in California at some time during the Class Period, and opted into this lawsuit twice.

HOW YOU GET A PAYMENT

promptly

How do I get my payment? To receive your settlement payment, you do not need to do anything other than cash the check that will be sent after the Court finally approves the settlement. If you choose to exclude yourself, follow the procedure set forth below.



EXCLUDING YOURSELF FROM THE SETTLEMENT



How do I exclude myself? If you don't want to be included in the Settlement, you must exclude yourself from this Settlement. You can either unconditionally exclude yourself or conditionally exclude yourself. To unconditionally exclude yourself from the Settlement, you must send a letter by mail that includes the words: "I understand my rights and request to be excluded from the Dynamex Settlement. I understand I will not receive a settlement payment." To conditionally exclude yourself from the Settlement, you must send a letter by mail that includes the words: "I understand my rights and request to be conditionally excluded from the Dynamex Settlement. I understand that if the Court overrules my challenge(s) and/or objection(s), I will be excluded from the Settlement and will not receive a settlement payment." With either a conditional or unconditional request for exclusion, you must sign the letter and include your full name, address, last four digits of your Social Security or FEIN Number, and telephone number(s). The letter must be dated and ^{signed} sent to Littler Mendelson, ~~(Settlement Administrator and Counsel for Dynamex)~~ so it is postmarked on or before March 2, 2017 ~~[to be updated based on the date the Notice is mailed]~~ and ^{received} at the following address:

Dynamex Settlement
Littler Mendelson
Rob Hulteng
Aurelio Pérez
333 Bush Street, 34th Floor
San Francisco, CA 94104

If you properly request to be unconditionally excluded, you will not be legally bound by anything that happens in this lawsuit. You also will not be eligible to receive any settlement payment, and you will not be allowed to object to the settlement. If you properly request to be conditionally excluded, and your challenge(s) and/or objection(s) are overruled (i.e., denied) by the Court, you will not be legally bound by anything that happens in this lawsuit. You also will not be eligible to receive any settlement payment.

THE LAWYERS REPRESENTING YOU

Do I have a lawyer in this case? The Court has decided that the lawyers at the law firm of SCHNEIDER WALLACE COTTRELL KONECKY WOTKYNs LLP are qualified to represent you and the

other Plaintiffs. This law firm and its lawyers are called “Class Counsel.” The contact information for Class Counsel is:

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SCHNEIDER WALLACE COTTRELL KONECKY WOTKYNS LLP
Todd Schneider, Joshua Konecky, and Nathan Piller
2000 Powell Street, Suite 1400
Emeryville, CA 94608
Telephone: (415) 421-7100
Toll free: (800) 689-0024
Facsimile: (415) 421-7105
Email: dynamexcase@schneiderwallace.com

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How will the lawyers be paid? Class Counsel have pursued the lawsuit on a contingent fee basis and have not yet received any payment of fees or any reimbursement of their out-of-pocket expenses related to the recovery on behalf of the Settlement Class Members. As part of the settlement, subject to Court approval, Class Counsel will ask the Court to award payment of their fees and costs, based on the number of hours they invested into the case and other factors. None of the fees or costs that Class Counsel seek or that the Court awards will come from the Settlement Amount earmarked for you and the other Settlement Class Members. In other words, the \$500,000 Settlement Amount to be distributed to you and the other Settlement Class Members will stay the same regardless of the amount of attorneys’ fees and costs that the Court may award. Court-approved fees will compensate Class Counsel for investigating the law and facts, litigating the case, and negotiating the settlement.

Class Counsel will also ask the Court to approve a “service payment” of up to \$7,500 to Mr. Saravia, for his active participation in the lawsuit before the settlement and in recognition of the risks he took and his service to the Class. This also will not come from the settlement amount earmarked for you and the other Settlement Class Members.

Class Counsel’s motion for attorneys’ fees and service payment will be filed with the Court by January 26, 2017 and will be available for your review. You may obtain a copy by contacting class counsel (whose contact information is at the end of this Notice), accessing the Court docket in this case through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays at the following address: 450 Golden Gate Avenue, 16th Floor, San Francisco, CA 94102-3489. Settlement Class Members may object to the terms of the settlement and/or to the Class Counsels’ request for attorneys’ fees and expenses, and/or to the requested service payment.

CHALLENGING/OBJECTING TO THE SETTLEMENT

How do I challenge or object to the Settlement? As a Settlement Class Member, you may challenge Dynamex’s records or object to the proposed settlement in writing. You must give reasons why you think the Court should not approve it. The Court will consider your views. To challenge or object, you must send a letter by mail that includes the words: “I object to the

Dynamex Settlement.” as well as all reasons for the challenge or objection. If you challenge Defendant’s records, you must submit a challenge in writing to Defendant and you will bear the burden of proof. This means that if you fail to provide written documentation supporting a different amount than your Estimated Settlement Payment, your challenge will be denied. You must sign the letter and include your full name, address, last four digits of your Social Security or FEIN, and telephone number(s).

If you wish to conditionally exclude yourself from the Settlement, you must follow the process described above (i.e., include in your objection/challenge the following statement: “I understand my rights and request to be conditionally excluded from the Dynamex Settlement. I understand that if the Court overrules my challenge(s) and/or objection(s), I will be excluded from the Settlement and will not receive a settlement payment.”)

You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. All written objections or challenges and supporting papers must clearly identify the case name and number (*Saravia v. Dynamex, Inc., et al.*, United States District Court for the Northern District of California, Case No. 3:14-cv-05003-WHA) and be submitted to the Claims Administrator so it is postmarked on or before March 2, 2017 [to be updated based on the date the Notice is mailed] and received at the following address:

Dynamex Settlement
Littler Mendelson
Rob Hulteng
Aurelio Pérez
333 Bush Street, 34th Floor
San Francisco, CA 94104

What is the difference between challenging/objecting and excluding? Challenging/objecting is simply telling the Court that you disapprove of something about the Settlement. If you choose to challenge or object, you can stay in the settlement class irrespective of those challenges or choose to remove yourself if those challenges are overruled. If you unconditionally exclude yourself from the Settlement Class, you may not object. Unconditionally excluding yourself is telling the Court that you don’t want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you. Conditionally excluding yourself is telling the Court that you only want to be a part of the Settlement Class if the Court sustains (i.e., grants) your objections.

THE COURT’S FINAL FAIRNESS HEARING

What is the Final Fairness Hearing? The Court will hold a Final Fairness Hearing to decide whether to approve the Settlement. If you wish, you may attend and you may ask to speak. If you wish to bring anything to the Court’s attention about the Settlement, you must provide it in writing in your letter to the Settlement Administrator objecting to the Settlement. The Settlement Administrator will provide your letter to the Court before the fairness hearing.

When and where will the Court decide whether to approve the settlement? The Court will hold a Fairness Hearing on April 6, 2017 at 1:00 p.m., at the United States District Court for the Northern District of California, 450 Golden Gate Avenue, Courtroom 8 – 19th Floor, San Francisco, CA 94102.

At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are challenges or objections, the Court will consider them. The Court will listen to any people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

Do I have to come to the hearing? No. Class Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send a challenge or objection, you don't have to come to Court to talk about it. As long as you submitted a timely, valid written challenge or objection, the Court will consider it. You may also pay another lawyer to attend, but it is not necessary.

May I speak at the hearing? If you file a timely, valid challenge or objection to the Settlement, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must include the words "I intend to appear at the Fairness Hearing" in your written challenge or objection, which must be filed according to the procedure described above. Your testimony at the Fairness Hearing will be limited to those reasons that are included in your written challenge or objection. You cannot speak at the hearing if you exclude yourself from the settlement.

GETTING MORE INFORMATION

Are there more details about the settlement? This Notice summarizes the proposed terms of the Settlement. More details are contained in the parties' Settlement Agreement. You can get a copy of the Settlement Agreement by sending a request, in writing, to:

Todd Schneider (SBN 158253)
tschneider@schneiderwallace.com
Joshua Konecky (SBN 182897)
jkonecky@schneiderwallace.com
Nathan Piller (SBN 300569)
npiller@schneiderwallace.com
2000 Powell Street, Suite 1400
Emeryville, CA 94608
Telephone: (415) 421-7100
Toll free: (800) 689-0024
Facsimile: (415) 421-7105

Email: dynamexcase@schneiderwallace.com

How can I get more information about the Settlement? If you have other questions about the Settlement, you can contact Class Counsel at the addresses and/or telephone numbers above.

DATED: [Insert Date of Mailing], 2017

Email Communication (to be sent on the date of mailing of Class Notice):

Note - We are sending you information regarding the settlement of a lawsuit against Dynamex in which you are a Plaintiff. This information has been sent to you via first-class mail. Please be on the lookout for this message. If you have recently changed addresses or need a copy of this information mailed to a different address, please respond to this email as soon as possible and supply that address.