

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (“Settlement Agreement” or “Agreement”) is made and entered into by and between Plaintiffs Carl Schenk and Malik Wallace (“Plaintiffs”), both individually and on behalf of the proposed Settlement Class (as defined below), on the one hand, and Defendants System Transport, Inc. (“System Transport”), T-W Transport, Inc. (“T-W Transport”) and Bulk Service Transport, Inc. d/b/a James J. Williams Bulk Service Transport (“Bulk Service Transport”) (System Transport, T-W Transport and Bulk Service Transport are referred to collectively as the “Defendants”) along with Defendants’ insurance company, i.e., Travelers Casualty and Surety Company of America (“Travelers”), on the other hand, to resolve all matters arising out of or relating to the following two cases: (i) *Carl Schenk, et al. v. System Transport, Inc.*, King County Superior Court Case No. 24-2-01352-1 SEA (the “*Schenk Action*”), and (ii) *Malik Wallace v. T-W Transport, Inc.*, Spokane Cty. Case No. 24-2-00357-32 (the “*Wallace Action*”) (the *Schenk Action* and the *Wallace Action* are referred to collectively as the “Consolidated *Schenk Action*”¹ or the “*Action*”). This settlement involves the consolidation of two separate actions, the *Wallace Action* and the *Schenk Action*. The *Wallace Action* is being dismissed without prejudice and all claims alleged in that case as well as the plaintiff and defendant from that action along with one additional entity (i.e., Bulk Service Transport) will be added to the Consolidated *Schenk Action* via a First Amended Complaint. This Settlement Agreement is subject to the terms and conditions hereof and the approval of the King County Superior Court (the “Court”). For purposes of this Settlement Agreement, Plaintiffs and Defendants are referred to individually as a “Party” and collectively as the “Parties.”

SETTLEMENT AMOUNT

Pursuant to the terms and conditions set forth herein, Travelers will pay a minimum of \$1,000,000 (the “Minimum Settlement Fund”) and a maximum of \$1,438,500 (the “Maximum Settlement Fund”) to resolve and release all claims that were alleged or could have been alleged against Defendants arising out of the facts, allegations, and circumstances alleged in the *Action* (including, but not limited, all facts, allegations and circumstances alleged in the First Amended Complaint to be filed in the *Action*) as set forth in further detail hereafter, inclusive of all settlement awards to Settlement Claimants (as defined in Paragraph 10 below), attorneys’ fees and litigation costs, service awards, and settlement administration costs.

BACKGROUND

1. On January 19, 2024, Plaintiff Schenk filed his putative class action lawsuit (i.e., the *Schenk Action*) against System Transport, alleging, among other things, a cause of action for alleged violations of RCW 49.58.110. On January 22, 2024, Plaintiff Wallace filed his putative

¹ The two actions will not be formally “consolidated” into a single action as a matter of court procedure, as further described in this Agreement. Instead, all of the parties and claims will be combined in a single First Amended Complaint, to be filed in the pending *Schenk Action*. The term “Consolidated” *Schenk Action* means and shall refer to the *Schenk Action*, after the claims and parties from both actions are combined in a single complaint (i.e., the First Amended Complaint to be filed in the *Schenk Action*) and the separate *Wallace Action* has been dismissed without prejudice.

class action lawsuit (i.e., the *Wallace* Action) against T-W Transport, alleging a single cause of action for alleged violations of RCW 49.58.110.

2. Through this settlement, the Parties now wish to resolve the claims that were (or will be asserted) against Defendants in the initial *Schenk* Action and in the First Amended Complaint to be filed in the Consolidated *Schenk* Action.

3. Defendants deny each and all of the claims and contentions alleged by the plaintiffs in the *Schenk* and *Wallace* Actions, as well as any and all allegations of fault, liability, wrongdoing, or damages whatsoever in both lawsuits. Defendants also maintain that their conduct was proper and that they have meritorious defenses to all of the claims to be alleged in the Consolidated *Schenk* Action. By entering into this Settlement Agreement and the settlement described herein, Defendants, Travelers and the other Released Parties (as defined below in Paragraph 20) do not admit to any wrongdoing or liability as it relates to the claims or related facts asserted in either the *Schenk* Action or the *Wallace* Action, or the complaints on file in those cases or to be filed in the Consolidated *Schenk* Action. Neither the settlement itself nor any of the terms of this Agreement shall be construed or deemed to be evidence of, or to constitute, an admission, concession, or finding of any fault, liability, wrongdoing or damage whatsoever on the part of any of the Defendants. The settlement and Settlement Agreement are also based upon the express understanding that Defendants are agreeing to class certification for settlement purposes only, and that nothing in this settlement or Settlement Agreement shall be construed as, or deemed to be, evidence of an admission or concession regarding the propriety of class certification for litigation purposes. This Settlement Agreement and the settlement described herein reflect the Parties' good faith compromise of the claims alleged in the *Schenk* Action and *Wallace* Action as well as those claims to be alleged in the Consolidated *Schenk* Action, based upon the Parties' assessments of the mutual risks and costs of further litigation.

4. The Parties believe the settlement negotiated and set forth in this Settlement Agreement is fair, reasonable, and adequate. All Parties recognize and acknowledge the expense and length of continued proceedings that will be necessary to prosecute and defend the *Schenk* Action and *Wallace* Action as well as those claims to be alleged in the Consolidated *Schenk* Action through trial and appeals and have taken into account the risks of any litigation, especially complex litigation such as this Action, as well as the difficulties and delays inherent in this type of litigation. In the interest of avoiding the costs and disruption of ongoing litigation, all Parties have determined that it is desirable and beneficial that the *Schenk* Action and *Wallace* Action as well as those claims to be alleged in the Consolidated *Schenk* Action be settled, fully and finally, in the manner and upon the terms and conditions set forth in this Settlement Agreement.

SETTLEMENT TERMS

5. To reduce costs for the Parties and the proposed Settlement Class (as defined below in Paragraph 6) and for reasons associated with judicial economy, the Parties agree to seek settlement approval of this Settlement through the Consolidated *Schenk* Action, i.e., King Cty. Case No. 24-2-01352-1 SEA. Within 5 days after execution of this long-form Settlement

Agreement, Plaintiff Schenk shall file a First Amended Complaint in the *Schenk* Action that (i) adds Malik Wallace as an additional named plaintiff and class representative, (ii) adds T-W Transport and Bulk Service Transport as additional named defendants, and (iii) dismisses the claim for violations of Seattle Municipal Code § 14.20 that was included in the original complaint filed in the *Schenk* Action without prejudice. Before filing the First Amended Complaint in the Consolidated *Schenk* Action, Plaintiffs shall provide a draft of the First Amended Complaint to Defendants' counsel for review and comment. Within five days after filing of the First Amended Complaint in the Consolidated *Schenk* Action, the Parties will stipulate to dismissal of the *Wallace* Action without prejudice (i.e., the following matter shall be dismissed without prejudice in its entirety: *Malik Wallace v. T-W Transport, Inc.*, Spokane Cty. Case No. 24-2-00357-32).

6. For purposes of this Settlement Agreement, the "Settlement Class" is defined as follows:

Plaintiffs and all individuals who, from January 1, 2023 through December 31, 2024 or the date of preliminary approval of the settlement (whichever occurs earliest) (the "Settlement Class Period"), applied for a job opening in the State of Washington with Defendants System Transport, Inc., T-W Transport, Inc., and/or Bulk Service Transport, Inc. d/b/a James J. Williams Bulk Service Transport, where the job posting did not disclose the wage scale or salary range and/or a general description of benefits or other compensation for the position.

"Settlement Class Members" refers collectively to all members of the Settlement Class and "Settlement Class Member" refers to an individual member of the Settlement Class. Notwithstanding the foregoing, upon the Effective Date (as defined below), the Settlement Class shall not include any individual who otherwise meets the definition of a Settlement Class Member (as defined herein) who submits a valid and timely request for exclusion from this settlement pursuant to and in accord with the procedures outlined in Paragraph 16(b), below.

7. The "Settlement Class Period" is January 1, 2023 through December 31, 2024 or the date of preliminary approval of the settlement (whichever occurs earliest).

8. Defendants represent there are approximately 822 Settlement Class Members.

9. **Minimum Settlement Fund and Maximum Settlement Fund:** Defendants' insurance company (i.e., Travelers) agrees to pay a minimum of **\$1,000,000.00** (the "Minimum Settlement Fund") and a maximum of **\$1,438,500.00** (the "Maximum Settlement Fund") with the specific amount of the payout actually due and owing by Travelers under this Settlement Agreement being based on the number of Settlement Class Members who do not opt out and who submit a valid and timely Claim Form as described in Paragraph 16(a) below ("Settlement Fund"), for an all-in common fund, non-reversionary class settlement covering all claims in the forthcoming First Amended Complaint to be filed in the Consolidated *Schenk* Action, including, but not limited to, claims for actual damages, statutory damages, minimum statutory damages, all

relief available under RCW 49.58.070, all attorneys' fees and costs, the costs of settlement administration, and class representative service awards for the Plaintiffs.

10. Settlement Fund and Net Settlement Fund: The Settlement Fund is the total payment that Travelers will make under this Settlement Agreement to resolve all of the claims alleged or to be alleged against Defendants in the *Wallace* Action, *Schenk* Action, and Consolidated *Schenk* Action, including all payments of settlement awards to Settlement Claimants, all of Plaintiffs' attorneys' fees and costs, Plaintiffs' service awards, and the Settlement Administrator's costs and expenses. "Settlement Claimants" means those Settlement Class Members who do not validly and timely exclude themselves from the settlement as described in Paragraph 16(b) below and who submit a timely and valid Claim Form as described in Paragraph 16(a) below. Specifically, and as detailed below, the Settlement Fund shall be an amount equal to: (a) the total money due under this settlement to make payments of settlement awards to the Settlement Claimants (the "Net Settlement Fund"), calculated pursuant to Paragraph 19(b)); (b) the attorneys' fees and costs award, as approved by the Court and as described in Paragraph 11; (c) the Plaintiffs' service awards, as approved by the Court and as described in Paragraph 12; and (d) the settlement administration costs paid to the Settlement Administrator, as approved by the Court and as described in Paragraph 14. The payment of the Settlement Fund by Travelers shall settle and forever resolve all of the claims against Defendants, Travelers, and all of the other Released Parties being released by this Settlement Agreement. The settlement awards are not being made for any other purpose and will not be construed as compensation for purposes of determining eligibility for any health and welfare benefits, unemployment compensation, or other compensation or benefits provided by Defendants of any kind or nature whatsoever. In addition, no individual receiving a payment based on this settlement shall be entitled to any additional or increased health, welfare, retirement, employer tax contributions, or other benefits as a result of their participation in the settlement.

11. Attorneys' Fees and Costs: "Plaintiffs' Counsel" refers to Plaintiffs' Counsel in the *Schenk* Action, *Wallace* Action, and Consolidated *Schenk* Action, Ackermann & Tilajef, P.C. Plaintiffs' Counsel may apply to the Court in the "Consolidated" *Schenk* Action for, and Defendants will not oppose, an award of attorneys' fees in the amount of \$431,550 (approximately 30% of the Maximum Settlement Fund) and litigation costs in the amount of up to \$10,000, in connection with their prosecution of the *Schenk* Action, *Wallace* Action, and Consolidated *Schenk* Action, and all of the work remaining to be performed by Plaintiffs' Counsel in documenting the settlement, securing Court approval of the settlement, all further appellate proceedings (if any), carrying out their duties to see that the settlement is fairly administered and implemented, and obtaining dismissal of the Consolidated *Schenk* Action with prejudice. Amounts awarded by the Court for attorneys' fees and costs shall be paid from the Settlement Fund. Plaintiffs' Counsel and Plaintiffs represent that, other than Ackermann & Tilajef, P.C., no individuals or law firms represent Plaintiffs or the Settlement Class in connection with the *Schenk* Action, the *Wallace* Action, or the Consolidated *Schenk* Action. Plaintiffs' counsel and Plaintiffs further represent that, other than Ackermann & Tilajef, P.C., no individuals or law firms have any right to seek reimbursement of fees or costs in connection with any of the aforementioned actions. Plaintiffs' Counsel also represents that, as of the date they execute this Settlement Agreement, they do not

represent any individual who intends to make a similar claim against Defendants or their parents or subsidiaries and who would not be covered by this Settlement Agreement. Plaintiffs' Counsel will be responsible to pay all federal, state or local taxes, if any, which are required by law to be paid with respect to the attorneys' fees and litigation costs. Defendants and Travelers shall have no responsibility or liability for any federal or state taxes owed in connection with the attorneys' fees and costs awarded to Plaintiffs' counsel, and Plaintiffs' counsel agrees to indemnify and hold Defendants and Travelers harmless from any claim for unpaid taxes for the attorneys' fees and costs paid to Ackermann & Tilajef, P.C. from any taxing authority.

12. **Service Awards:** Plaintiffs' Counsel may apply on behalf of Plaintiffs to the Court in the Consolidated *Schenk* Action for, and Defendants will not oppose, a service award for each Plaintiff in the amount of \$10,000 (totaling \$20,000 for the two Plaintiffs) in consideration for serving as Settlement Class Representatives. Amounts awarded by the Court for the service awards shall be paid from the Settlement Fund. The service awards are in addition to the monies which Plaintiffs are entitled along with all other Settlement Claimants if the Settlement is finally approved and the Judgment and dismissal with prejudice of the Consolidated *Schenk* Action becomes Final. Plaintiffs will receive a Form 1099 for their service awards prepared and sent by the Settlement Administrator, and they will be responsible for correctly characterizing this additional compensation for tax purposes and for payment of any taxes owing on said amount. Defendants and Travelers shall have no responsibility or liability for any federal or state taxes owed in connection with the service awards, and Plaintiffs agree to indemnify and hold Defendants and Travelers harmless from any claim for unpaid taxes for the service awards paid to each of them respectively from any taxing authority.

13. **Lesser Award:** In the event that a lesser sum is awarded and approved by the Court for the attorneys' fees and costs referenced above in Paragraph 11, or for the service awards referenced above in Paragraph 12 above, the Court's approval of any such lesser sum(s) shall not be grounds for Plaintiffs or Plaintiffs' Counsel to terminate the settlement, but such an order shall be appealable by them at Plaintiffs' Counsel's cost. In the event that such an appeal is filed, administration of the settlement shall be stayed pending resolution of the appeal. If, after the exhaustion of any appellate review, any additional amounts are available for distribution to the Settlement Claimants as a result of such appellate review, the additional amounts shall be added to the payments otherwise due to the Settlement Claimants subject to the calculation formulas described herein. Any amount not awarded in attorneys' fees and costs and/or service awards, which is not challenged via appeal by Plaintiffs' Counsel, may be distributed to the Settlement Claimants in accordance with the terms of the Settlement Agreement.

14. **Settlement Administrator's Costs:** The Parties agree, as part of the process of seeking Preliminary Approval from the Court in the Consolidated *Schenk* Action, to select CPT Group, Inc. (the "Settlement Administrator") as the settlement administrator. The Settlement Administrator will perform all settlement administration duties including, without limitation, maintaining a settlement website which, among other things, allows Settlement Class Members to submit claims online, receiving and updating through normal and customary procedures the

Settlement Class List to be provided by Defendants, so that it is updated prior to the Settlement Class Notice (“Notice”) and Claim Form being mailed and emailed, printing and mailing the Court-approved Notice and Claim Form, performing necessary additional skip traces on Notices, Claim Forms, and/or checks returned as undeliverable, calculating Settlement Claimants’ shares of the Net Settlement Fund, preparing and mailing of settlement checks, responding to Settlement Class Member inquiries as appropriate, preparing any appropriate or required tax returns and tax forms in connection with the Settlement Fund and settlement payments, including any required withholding, and filing or remitting those returns and forms, along with withheld amounts, if any, to the appropriate governmental agencies, and generally performing all normal and customary duties associated with the administration of such settlements. The Settlement Administrator shall: (a) provide reasonable and appropriate administrative, physical, and technical safeguards for any personally identifiable information (“PII”) that it receives from Defendants; (b) not disclose the PII to Plaintiffs’ Counsel, Plaintiffs, any party or third parties, including agents or subcontractors, without Defendants’ consent and keep PII confidential; (c) not disclose or otherwise use the PII other than to carry out its duties as set forth herein; and (d) promptly provide Defendants with notice if PII is subject to unauthorized access, use, disclosure, modification, or destruction. Subject to Court Approval, all costs for the Settlement Administrator’s services will be paid out of the Settlement Fund and shall not exceed \$15,000.

15. Compilation of Settlement Class List: Within 30 days after the Preliminary Approval Order is entered (see Paragraph 22(a) below), Defendants will provide to the Settlement Administrator, on a confidential basis, the names and contact information of the Settlement Class Members from its application data, including addresses, phone numbers, and email addresses, if known and reasonably accessible in Defendants’ records (the “Settlement Class List”). The Settlement Administrator will perform normal and customary address updates and verifications as necessary prior to the emailing and mailing of the Notice and Claim Form to the Settlement Class Members.

16. Notice Period and Notice Procedure: Within 14 days of its receipt of the Settlement Class List, the Settlement Administrator will send the Settlement Class Members by email and/or by first-class mail, to the extent this information is reasonably accessible in Defendants’ records, or such other address as located by the Settlement Administrator, the Court-approved Notice and Claim Form. The Notice sent to all Settlement Class Members will advise each Settlement Class member of his or her estimated minimum payment amount (approximately \$1,169.33), and of his or her right if they want to collect anything under the settlement, to submit a Claim Form (either online or by mail), request exclusion, or object to the settlement. Settlement Class Members shall have 60 days from the date of mailing to submit a Claim Form (either online or by mail), request exclusion, or object. Settlement Class Members who request exclusion from the settlement shall not have a right to object to the settlement or to submit a Claim Form or participate in the settlement in any other way. Plaintiffs have agreed to the Settlement Agreement, and thus cannot exclude themselves or object.

- a. **Claim Procedure:** Any Settlement Class Member who does not opt out of the settlement and who wishes to collect a monetary recovery under the settlement must either: (1) complete the Claim Form and mail it to the Settlement Administrator, postmarked no later than 60 days from the date of mailing of the Notice; or (2) submit a claim through the online claim submission process on a settlement website maintained by the Settlement Administrator no later than 60 days from the date of mailing of the Notice. The date of the online claim submission or postmark on the mailing envelope shall be the exclusive means to determine whether a Claim Form is timely. For a mailed Claim Form to be considered valid, the Claim Form must include the following information: (i) the Settlement Class Member's full name, address, telephone number, and e-mail address; (ii) Social Security Number (for tax reporting); and (iii) the Settlement Class Member's signature and date signed. For an online claim to be valid, the Settlement Class Member must similarly (i) submit the claim online through the website created by the Settlement Administrator no later than 60 days from the date of mailing of the Notice and (ii) provide his/her full name, address, telephone number, and e-mail address as well as his/her Social Security Number (for tax reporting).
- b. **Exclusion Procedure:** Any Settlement Class Member who wishes to be excluded from the settlement must mail the request for exclusion in writing to the Settlement Administrator, postmarked no later than 60 days from the date of mailing of the Notice. The date of the postmark on the mailing envelope shall be the exclusive means to determine whether a request for exclusion is timely. To be considered valid, a request for exclusion must include: (i) the Settlement Class Member's full name; (ii) the Settlement Class Member's address; (iii) a statement that he or she wishes to be excluded from the settlement (for example, "I request to be excluded from the proposed class action settlement in *Schenk, et al. v. System Transport, Inc., et al.*"; and (iv) the signature of the Settlement Class Member and date signed. Any Settlement Class Member who is eligible to opt out and who timely requests exclusion in compliance with these requirements shall thereafter not be considered to be a Settlement Class Member, shall not have any rights under this Settlement Agreement, shall not be entitled to object to the settlement, shall not be entitled to receive any settlement award, and shall not be bound by this Settlement Agreement or the Final Judgment.
- c. **Objection Procedure:** Any Settlement Class Member who does not request exclusion from the settlement and who wishes to object to the settlement must mail the objection in writing to the Settlement Administrator, the Court and the Parties' Counsel, postmarked no later than 60 days from the date of mailing of the Notice. The date of the postmark on the mailing envelope shall be the exclusive means to determine whether an objection is timely. To be considered valid, an objection must include: (i) the Settlement Class Member's full name, address, telephone number, and e-mail address; (ii) the case name and number; (iii) the reasons why he or she

objects to the settlement; (iv) the name and address of his or her attorney, if he or she has retained one; (v) a statement confirming whether the Settlement Class Member and/or his or her attorney intend to personally appear at the Final Approval Hearing; and (vi) the signature of the Settlement Class Member and date signed. If a Settlement Class Member wishes to object to the settlement, he or she must not request exclusion. No Settlement Class Member may be heard at the Final Approval Hearing who has not complied with this requirement, and any Settlement Class Member who fails to comply with this requirement will be deemed to have waived any right to object and any objection to the Settlement Agreement.

- d. **Effect of Taking No Action:** Except for those Settlement Class Members who exclude themselves in compliance with Paragraph 16(b) above, all Settlement Class Members will be deemed to be members of the Settlement Class in the Action for all purposes under this Settlement Agreement, the Final Approval Order, the Final Judgment, and the releases set forth in this Settlement Agreement and, unless they have timely asserted an objection to this Settlement Agreement, shall be deemed to have waived all objections and opposition to its fairness, reasonableness, and adequacy. Except to the extent a Settlement Class Member presents a timely objection to this settlement pursuant to the procedures set out above, the Settlement Class Members and Plaintiffs waive their right to seek any form of appellate review over any order or judgment that is consistent with the terms of this Settlement Agreement.
- e. **Undeliverable Notices:** Any Notices and Claim Forms returned undeliverable shall be traced once by the Settlement Administrator to obtain a new address and be re-mailed by First Class U.S. Mail.
- f. **Weekly Updates:** After the Notice and Claim Forms are mailed, the Settlement Administrator will provide weekly updates to the Parties' counsel on the status of claims, requests for exclusion, and objections.
- g. **Administrator Report and Declaration:** No later than 7 days after the end of the notice period, the Settlement Administrator will provide to Plaintiffs' Counsel and Defendants' Counsel: (1) a report identifying Settlement Claimants (by first and last name), requests for exclusion (by first and last name), and objections (identifying the objecting Settlement Class Members by first and last name and providing copies of the objections); and (2) a draft declaration regarding the emailing and mailing, tracking, and processing of the Notices and Claim Forms.

17. **No Solicitation of Exclusions, Objections, or Claims:** The Parties and their counsel will not directly or indirectly solicit or encourage Settlement Class Members to request exclusion from, object to, or appeal the settlement. Counsel for the Parties will not discourage or engage in proactive efforts to encourage the filing of claims, other than complying with the Notice

procedures set forth in this Agreement and ordered by the Court, and Plaintiffs' Counsel may respond to inquiries they receive from Settlement Class Members as a result of the Notice.

18. **Challenges to Settlement Class List:** To be considered timely, any dispute raised by an alleged, purported member of the Settlement Class about their omission from the Settlement Class List must be submitted to the Settlement Administrator by the alleged, purported member of the Settlement Class within 60 days of the mailing of the Notice. To the extent it is reasonably accessible and available, Defendants will provide the Settlement Administrator and Plaintiffs' Counsel information and/or documentation demonstrating why the alleged, purported member of the Settlement Class was not properly a member of the Settlement Class. Unless the purported member of the Settlement Class can establish that he or she should have been included on the Settlement Class List based on documentary evidence, Defendants' records will control. Plaintiffs' Counsel and Defendants' Counsel will then make a good faith effort to resolve the dispute informally. If counsel for the Parties cannot agree, the dispute shall be resolved by the Settlement Administrator, who shall examine the records provided by the Defendants and the alleged, purported member of the Settlement Class, and shall be the final arbiter of disputes relating to an alleged, proposed member of the Settlement Class's omission from the Settlement Class List. The Settlement Administrator's determination regarding any such dispute shall be final for the purpose of administering the settlement, subject to final review, determination, and approval by the Court.

19. **Payments to Settlement Claimants:**

- a. **Settlement Claimants:** Settlement Class Members must submit a timely claim through the online claim submission process or a timely, valid Claim Form by mail with the required information and signature as described in Paragraph 16(a) to receive a payment ("settlement award"). Settlement Class Members who do not exclude themselves from the settlement and who submit a timely, valid Claim Form are referred to as "Settlement Claimants." Settlement Claimants are the only Settlement Class Members who will obtain a monetary recovery under the settlement. Plaintiffs will be considered Settlement Claimants, and do not need to submit a Claim Form because they filed complaints asserting their claims and are signing this Settlement Agreement. Settlement Class Members who do not exclude themselves from the settlement and who also choose not to submit a valid Claim Form within the requisite timeframe as described in Paragraph 16(a) are not Settlement Claimants but will still be bound by this settlement, including the release contained in Paragraph 21. Put another way, all Settlement Class Members who do not request exclusion by the applicable deadline to opt out of the settlement will be considered to have accepted the release referenced in Paragraph 21 and to have waived and discharged any and all of the Released Class Claims against Defendants and other the Released Parties.
- b. **Settlement Awards and Net Settlement Fund:** All Settlement Claimants will be eligible to receive an equal share of the Net Settlement Fund, which is to be

allocated amongst the Settlement Claimants from a minimum of \$1,169.33 per Settlement Claimant up to a maximum of \$5,000 per Settlement Claimant, with any amounts beyond \$5,000 per Settlement Claimant being paid out to the Legal Foundation of Washington as the *cy pres* beneficiary. The amount of the Net Settlement Fund shall be based on the number of Settlement Claimants. If the number of Settlement Claimants is less than or equal to 54.41551% of the total Settlement Class (i.e., for example, 447 or less Settlement Class Members if the Settlement Class List contains 822 members), Travelers shall pay the amount of the Minimum Settlement Fund set forth above (i.e., \$1,000,000) as the Settlement Fund. For every Settlement Claimant above the 54.41551% threshold, the value of the Net Settlement Fund shall increase by \$1,169.33, but Travelers will not pay more than the Maximum Settlement Fund (i.e., \$1,438,500) as the Settlement Fund. For example, if there were 822 Settlement Class Members, 500 of which were Settlement Claimants, and assuming the Court approves the attorneys' fees and costs, service awards, and settlement administration costs listed in Paragraphs 11, 12, and 14 above, the formula to calculate each Settlement Claimant's payment would be: $(\$1,000,000^2 + \$61,974.49^3 - \$431,550^4 - \$10,000^5 - \$20,000^6 - \$15,000^7) / 500 = \$1,170.84$. Thus, under this example, each Settlement Claimant would receive a settlement award of \$1,170.84. Under this same example, the Settlement Fund (i.e., the total amount due and owing from Travelers under this Settlement Agreement) would equal \$1,061,974.49.

- c. **Tax Treatment:** Settlement awards will be characterized as 100% non-wages because of the nature of the underlying claims in the First Amended Complaint to be filed in the Consolidated *Schenk* Action and will be reported on a Form 1099. The Settlement Administrator will prepare and send a 1099 for each Settlement Claimant that reflects their settlement award.
- d. **Uncashed Checks:** After 180 days following the date upon which the Settlement Administrator sends payments to Settlement Claimants, any individual settlement award amounts associated with Settlement Claimants' uncashed checks will be sent by the Settlement Administrator to the Legal Foundation of Washington as the *cy pres* beneficiary. Within 30 days after the check cashing deadline, the Settlement Administrator shall issue stop payment orders and tender the total remaining amount to the Legal Foundation of Washington. In such event, those Settlement

² This figure represents the Minimum Settlement Fund.

³ This figure represents the additional monies due from Travelers to cover the 53 additional Settlement Claimants beyond the 54.41551% threshold (477 Settlement Claimants) covered by the Minimum Settlement Fund, with each such additional Settlement Claimant increasing the Net Settlement Fund by \$1,169.33.

⁴ This figure represents the attorneys' fees Plaintiffs' Counsel is entitled to ask the Court to approve under the settlement.

⁵ This figure represents the costs that Plaintiffs' Counsel is entitled to ask the Court to approve under the settlement.

⁶ This figure represents the services awards Plaintiffs are entitled to ask the Court to approve under the settlement

⁷ This figure represents the maximum costs the Settlement Administrator may seek under the settlement.

Claimants will be deemed to have waived irrevocably any right in or claim to a settlement award, but the Settlement Agreement nevertheless will be binding upon them, including the releases contained in Paragraph 21. Any costs associated with administering the Residual Funds (as defined below in Paragraph 26), such as bank stop pay charges, etc., will be deducted from the residual by the Settlement Administrator before donation to the Legal Foundation of Washington.

- e. **Tax Responsibility:** Plaintiffs, Defendants, and their respective counsel as well as Travelers have not made any representations regarding the tax consequences of the settlement awards made under this Agreement. Settlement Claimants will be required to pay all federal, state or local taxes, if any, which are required by law to be paid with respect to the settlement awards. Settlement Claimants agree to indemnify and hold Defendants and Travelers harmless from any claim for unpaid taxes for the settlement award from any taxing authority.

20. **Released Parties:** The term “Released Parties” under this settlement means “Defendants, together with each of their direct and indirect parents, subsidiaries, affiliates, divisions, related companies/corporations and/or partnerships, and each of their respective past and present directors, officers, agents, shareholders, members, managers, employees, attorneys, insurers (including Travelers), successors, and assigns.”

21. **Released Claims:** The claims released under this Paragraph 21 are referred to as the “Released Claims.”

- a. **Settlement Class Members’ Release:** All Settlement Class Members who do not timely and validly request exclusion from the settlement as described in Paragraph 16(b) above, whether they submit a Claim Form or not, shall release Defendants and the other Released Parties from any and all claims that arose during the settlement class period (i.e., from January 1, 2023 through December 31, 2024 or the preliminary approval date of the settlement, whichever date is earlier) that were asserted or could have been asserted against the Defendants or the other Released Parties by members of the Settlement Class based on the claims, allegations, facts, events, omissions, or occurrences asserted in the First Amended Complaint filed in the Consolidated *Schenk* Action or claims that could have been asserted based on the allegations, facts, events, omissions, or occurrences alleged in the First Amended Complaint in the Consolidated *Schenk* Action (the “Released Class Claims”). The Released Class Claims shall include, but not be limited to, any claims based on Defendants and the other Released Parties’ alleged failure to comply with the job posting/pay transparency requirements of the Washington Equal Pay and Opportunities Act, including, but not limited to, any alleged liabilities arising out of or relating to a failure to include the wage scale or salary range, a general description of all of the benefits, and/or other compensation to be offered to a hired applicant in any job postings. The Released Class Claims also specifically include,

but are not limited to, any claims arising out of or relating to a violation of RCW 49.58.110, and any attendant claims for relief under RCW 49.58.070, interest, liquidated damages, exemplary damages, statutory damages, minimum statutory damages, and attorneys' fees and costs relating to any of the foregoing. All Settlement Class members further agree that they cannot sue or seek recovery against Defendants or any of the other Released Parties for any Released Class Claims.

Plaintiffs' General Release of All Claims: In exchange for their service awards, each Plaintiff, on behalf of himself and his estates, executors, administrators, heirs and assigns, hereby relinquishes, releases, discharges, and agrees to hold harmless Defendants and the other Released Parties from any and all claims, damages, costs, obligations, causes of action, actions, demands, rights, and liabilities of every kind, nature and description whatsoever, whether known or unknown, whether anticipated or unanticipated, arising on or before the date this Agreement is executed by Plaintiffs ("Plaintiffs' Released Claims"). Without limiting the foregoing general release in any way, Plaintiffs' Released Claims include, but are not limited to, any and all claims Plaintiffs had or may claim to have against Defendants or any of the other Released Parties, and each of them, as well as those claims that were or could have been asserted by Plaintiffs, individually or collectively, in the *Wallace* Action, *Schenk* Action, or the Consolidated *Schenk* Action. Plaintiffs further agree that, to the extent permitted by law, if a claim is prosecuted in their name against any of the Released Parties, including Defendants, before any court, arbitrator, or administrative agency, they waive, and agree not to take, any award of money or other damages from such proceeding. Plaintiffs further agree that, unless otherwise compelled by law, if a claim is prosecuted in their name against Defendants or any of the other Released Parties that, upon a written request by Defendants they will immediately request in writing that the claim on their behalf be withdrawn.

22. **Court Approval:** This Settlement Agreement is contingent on approval by the Court under Civil Rule 23(e).

- a. **Preliminary Approval Order:** The Parties shall promptly seek the Court's approval of this settlement. As soon as practicable, Plaintiffs and Plaintiffs' Counsel shall apply to the Court for the entry of a Preliminary Approval Order which would accomplish the following: (a) preliminarily approves the settlement subject to the final review and approval by the Court; (b) certifies the Settlement Class for settlement purposes only; (c) appoints Plaintiffs as Settlement Class Representatives and the law firm of Ackermann & Tilajef, P.C. as Settlement Class Counsel for purposes of the settlement only; (d) preliminarily approves the Settlement Administrator selected by the Parties and preliminarily approves payment of the Settlement Administrator's reasonable costs, subject to final review

and approval by the Court; (e) preliminarily approves an award of attorneys' fees and costs to Plaintiffs' Counsel, subject to final review and approval by the Court; (f) preliminarily approves service awards to Plaintiffs, subject to final review and approval by the Court; (g) approves, as to form and content, the proposed Notice and Claim Form attached hereto as Exhibits A and B, respectively, and directs implementation of the Notice procedure set forth herein; and (h) schedules a final approval hearing (at least 150 days after entry of the Preliminary Approval Order) on the question of whether the settlement, including the payment of attorneys' fees and costs and the service awards, should be finally approved as fair, reasonable, and adequate, and finally resolving any outstanding issues or disputes remaining from the administration of the Notice. Not later than 10 days before filing the motion for preliminary approval, Plaintiffs' Counsel will submit a near-final draft thereof (including all supporting papers and proposed order) to Defendants' Counsel for their review and comments. Defendants' Counsel shall provide Plaintiffs' Counsel a redline draft with any proposed changes by 3 days before the filing date, which Plaintiffs' Counsel shall consider in good faith and confer with Defendants' Counsel on any areas of disagreement. All proposed orders submitted to the Court must be agreed and approved by all Parties.

- a. **Final Approval Order:** In conjunction with the request for final approval of the settlement provided for in this Settlement Agreement, Plaintiffs' Counsel will submit an agreed proposed final order and judgment ("Final Approval Order"): (a) granting final approval of the settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions; (b) approving an award of attorneys' fees and costs to Plaintiffs' Counsel; (c) approving service awards to Plaintiffs; (d) approving the Settlement Administrator's costs; (e) permanently enjoining and restraining Plaintiffs and Settlement Class Members from initiating or pursuing any Released Claims; and (f) dismissing the Consolidated *Schenk* Action on the merits and with prejudice. Not later than 15 days before filing the motion for final approval, Plaintiffs' Counsel will submit a near-final draft thereof (including all supporting papers and proposed order) to Defendants' Counsel for their review and comments. Defendants' Counsel shall provide Plaintiffs' Counsel a redline draft with any proposed changes by 5 days before the filing date, which Plaintiffs' Counsel shall consider in good faith and confer with Defendants' Counsel on any areas of disagreement.

23. **Voidability and Escalator:** If the number of Settlement Class Members choosing to opt out of the Settlement Agreement exceeds 10% of the total number of Settlement Class Members, Defendants shall have the option of voiding the Settlement Agreement. If Defendants choose to exercise this option, they must give notice, in writing, to Plaintiffs' Counsel within 14 days of receiving the Settlement Administrator's signed declaration. In the event that the Settlement Class contains 10% or more Settlement Class Members than the 822 of which Class

Counsel were informed at mediation (i.e., 905 or more additional individuals), as of the end of the Settlement Class Period, then Plaintiffs will have the right to void this Agreement. If either Party elects to void the Settlement Agreement under this Paragraph 23, then Paragraph 25(a) regarding termination of the Settlement Agreement will apply.

24. **Effective Date:** The Effective Date of the settlement will be the date when both (1) the settlement has been finally approved by the Superior Court, and (2) the Superior Court's anticipated order approving the settlement and dismissing the Consolidated *Schenk* Action with prejudice (the "Final Judgment") becomes final. For purposes of this paragraph, the Superior Court's Final Judgment "becomes final" upon the later of either (a) thirty-one (31) days following the Superior Court's entry of an order granting final approval of the settlement in the Consolidated *Schenk* Action; or (b) if an appeal is timely filed or other appellate review is sought, the date the Mandate or other final affirmance is issued by the appellate court affirming the Final Judgment.

25. **Termination of Settlement:**

- a. **Effect of Termination:** In the event that the Court fails to approve the settlement, or if the appropriate appellate court fails to approve the settlement or if this Settlement Agreement is otherwise terminated: (a) this Settlement Agreement shall have no force and effect and the Parties shall be restored to their respective positions prior to entering into it, and no party shall be bound by any of the terms of the Settlement Agreement; (b) Travelers shall have no obligation to make any payments to the Settlement Class Members, Plaintiffs, Plaintiffs' Counsel, or the Settlement Administrator; (c) all releases signed in connection with the Settlement Agreement shall have no force or effect; (d) the Settlement Class created pursuant to this Settlement Agreement shall be of no force or effect; (e) any Preliminary Approval Order, Final Approval Order, or judgment, shall be vacated; (f) the Settlement Agreement and all negotiations, statements, proceedings and data relating thereto shall be deemed confidential settlement communications and not subject to disclosure for any purpose in any proceeding; and (g) neither this Settlement Agreement nor any ancillary documents, actions, or filings shall be admissible or offered into evidence in the Consolidated *Schenk* Action or any other action or proceeding for any purpose.
- b. **Failure of Court Approval:** Failure of the Court to grant preliminary or final approval of the Settlement Agreement in accordance with its terms (after reasonable opportunity for the Parties to cure such problems as may initially prevent the Court from granting such approval) will be grounds for the Parties to terminate this Settlement Agreement. A failure of the Court to approve any material term or aspect of this Settlement Agreement (with the exception of the amounts of attorneys' fees, litigation costs, and service awards) shall render the entire settlement voidable and unenforceable as to all Parties herein at the option of any party adversely affected thereby. Each party may exercise its option to void this

settlement as provided in this Paragraph 25(b) by giving notice, in writing, to the other and to the Court at any time prior to final approval of the Settlement Agreement by the Court.

26. **Funding of the Settlement:** The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under U.S. Treasury Regulation section 468B-1. Within 45 days after the Effective Date defined in Paragraph 24, Travelers shall transfer the amount of the Settlement Fund to the Qualified Settlement Fund ("Funding Date"). Within 14 days of the Funding Date, the Settlement Administrator shall distribute the funds in accordance with the terms of this Settlement Agreement as approved by the Court, including: (a) settlement awards from the Net Settlement Fund to all Settlement Claimants; (b) Plaintiffs' Counsel's attorneys' fees and litigation costs; (c) Plaintiffs' service awards; and (d) the Settlement Administrator's costs. The Settlement Administrator shall distribute these funds only as directed by Plaintiffs' Counsel and Defendants' Counsel and as allowed under the Court's Final Approval Order. The timelines in this Paragraph 26 are contingent on the Settlement Administrator providing Defendants' counsel with the final Settlement Fund amount, W-9 form for the Qualified Settlement Fund, and payment instructions for Travelers to use within 30 days of Final Approval.

27. **Residual Funds:** "Residual Funds" are the funds associated with checks sent to Settlement Claimants that remain uncashed after the 180-day check cashing period referenced in Paragraph 19(d), above. The Settlement Administrator shall disburse 100% of the Residual Funds to the Legal Foundation of Washington.

28. **Parties' Authority:** The signatories hereto hereby represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof. It is agreed that because the Settlement Class Members are so numerous, it is impossible or impractical to have each Settlement Class Member execute this Settlement Agreement. The Notice will advise all Settlement Class Members of the binding nature of the release and such shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

29. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including, but not limited to, executing such documents and taking such other actions as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, and consistent with the terms hereof, Plaintiffs' Counsel shall, with the assistance and cooperation of Defendants and its counsel, take all necessary steps to secure the Court's preliminary approval of this Settlement Agreement.

30. **Publicity:** Following preliminary approval, information regarding the settlement (including a copy of this Settlement Agreement and order preliminarily approving the same) may be provided on a website maintained by the Settlement Administrator. The Parties, their counsel, and the Settlement Administrator shall not publish or issue any press releases, public statements, or make any comments to the media regarding the settlement except as expressly provided herein and except for filings with the court. Plaintiffs and Plaintiffs' counsel further agree that they will not publicize the existence or terms of this Settlement Agreement or the underlying memorandum of understanding. Nothing in the prior sentence, however, shall prevent Plaintiffs or their counsel from taking any step necessary to obtain approval of the settlement.

31. **No Prior Assignments:** Plaintiffs and all Settlement Class Members hereby represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged except as set forth herein.

32. **Construction:** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations between counsel. The Parties further agree that this Settlement Agreement shall not be construed in favor of, or against, any party by reason of the extent to which any party, or his, hers, or its counsel, participated in the drafting of this Settlement Agreement.

33. **Captions and Interpretations:** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

34. **Disputes:** In the event of a dispute between the Parties concerning the documentation, execution, implementation or administration of the Settlement, the Parties agree that such a dispute shall be submitted to Eric English to assist the Parties in resolving it. The Parties shall equally share the costs of the mediator's services.

35. **Enforcement Actions:** The Court shall have continuing jurisdiction over the terms and conditions of this Settlement Agreement until all payments and obligations contemplated by the Settlement Agreement have been fully carried out. In the event that one or more of the Parties to this Settlement Agreement institutes any legal actions or proceedings to enforce or implement the provisions of this Settlement Agreement, the successful party or parties shall be entitled to recover from the unsuccessful party or parties' reasonable attorneys' fees and costs, including expert witness fees incurred in connection therewith.

36. **Modification:** This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto or their counsel, and, if modified after the Preliminary Approval Order, approved by the Court (if such approval is required by the Court's

order). This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

37. **Integration:** This Settlement Agreement contains the entire agreement between the Parties relating to the settlement of the *Schenk* Action, *Wallace* Action, and Consolidated *Schenk* Action, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing. The Parties acknowledge that they have not relied on any promise, representation or warranty, express or implied, not contained in this Agreement.

38. **Assigns:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

39. **Counterparts:** This Settlement Agreement may be executed in counterparts, including by copies transmitted via electronic delivery, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to all Parties. A signature transmitted electronically shall have the same force and effect as the original signature, if and only if it is transmitted from counsel for one party to the other. Such transmissions shall be interpreted as verification by the transmitting counsel that the signature is genuine and that the party signing has authorized and reviewed the agreement.

40. **Governing Law:** The Parties agree that Washington law governs the interpretation and application of this Settlement Agreement.

41. **No Obligation to Respond to Any of the Complaints Filed in the *Schenk* Action *Wallace* Action, and Consolidated *Schenk* Action:** Because Plaintiff Malik Wallace is going to dismiss the *Wallace* Action without prejudice and Plaintiffs are going to then file a First Amended Complaint in the *Schenk* Action against all three Defendants (with the Parties then moving for approval of this settlement thereafter), the Parties hereby agree that (i) defendants System Transport, Inc. and T-W Transport, Inc. shall not have any obligation to respond to the original complaints in the *Schenk* and *Wallace* Actions and (ii) all three Defendants shall not have any obligation to respond to the First Amended Complaint in the Consolidated *Schenk* Action pending the evaluation of the settlement.

The undersigned Parties and their counsel have duly executed this Settlement Agreement as of the date indicated below:

Individually And On Behalf Of
The Settlement Class

Dated: 1/29/2025 | 11:30 AM PST

DocuSigned by:

C3B08473-5B4463
Plaintiff Carl Schenk

Dated: 1/29/2025 | 4:05 PM EST

DocuSigned by:

J0362133061412
Plaintiff Malik Wallace

Dated: _____

By: _____
Its: _____
Defendant System Transport, Inc.

Dated: _____

By: _____
Its: _____
Defendant T-W Transport, Inc.

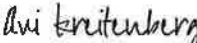
Dated: _____

By: _____
Its: _____
Defendant Bulk Service Transport, Inc.

Dated: _____

By: _____
Its: _____
Travelers Casualty and Surety Company of America

Dated: 1/29/2025 | 11:04 AM PST

Signed by:

FE2ED74B2382365...
Avi Kreitenberg
Craig J. Ackermann
Brian Denlinger
Ackermann & Tilajef, P.C.
Counsel for Plaintiffs

The undersigned Parties and their counsel have duly executed this Settlement Agreement as of the date indicated below:

Individually And On Behalf Of
The Settlement Class


Dated: _____

Plaintiff Carl Schenk


Dated: _____

Plaintiff Malik Wallace


Dated: February 5, 2025


By: Charles L. Perry
Its: Senior Vice President of Risk Management
Defendant System Transport, Inc.

Dated: February 5, 2025


By: Charles L. Perry
Its: Senior Vice President of Risk Management
Defendant T-W Transport, Inc.

Dated: February 5, 2025


By: Charles L. Perry
Its: Senior Vice President of Risk Management
Defendant Bulk Service Transport, Inc.

Dated: _____

By: _____
Its: _____
Travelers Casualty and Surety Company of
America

Dated: _____

Avi Kreitenberg
Craig J. Ackermann
Brian Denlinger
Ackermann & Tilajef, P.C.
Counsel for Plaintiffs

The undersigned Parties and their counsel have duly executed this Settlement Agreement as of the date indicated below:

Individually And On Behalf Of
The Settlement Class

Dated: _____

Plaintiff Carl Schenk

Dated: _____

Plaintiff Malik Wallace

Dated: _____

By: _____
Its: _____
Defendant System Transport, Inc.

Dated: _____

By: _____
Its: _____
Defendant T-W Transport, Inc.

Dated: _____

By: _____
Its: _____
Defendant Bulk Service Transport, Inc.

Dated: _____

Geoffrey M. Boodel Esq.
By: Geoffrey M. Boodel Esq.
Its: Senior Claim Counsel
Travelers Casualty and Surety Company of
America

Dated: _____

Avi Kreitenberg
Craig J. Ackermann
Brian Denlinger
Ackermann & Tilajef, P.C.
Counsel for Plaintiffs

Dated: February 17, 2025



Drew R. Hansen
Counsel for Defendants