

SETTLEMENT AGREEMENT

This agreement settles and resolves all claims in the action styled WATSON, et al. v. PRESTIGE DELIVERY SYSTEMS, et al (hereinafter referred to as the “Action”). As a part of the settlement, Plaintiffs’ Fourth Amended Complaint will be dismissed with prejudice.

The Plaintiff Class for settlement purposes shall consist of all current and former Pennsylvania residents who worked for Prestige Delivery Systems, LLC or its successor in interest as a package pick-up and delivery driver for one week or more and who were designated as independent contractors at any time during the period September 10, 2006 to August 15, 2018. This is the “Relevant Period.” In settlement of this action, PRESTIGE DELIVERY SYSTEMS and its successor, LaserShip, Inc. (hereafter jointly referred to as “Defendant”) will create a settlement fund (the “Settlement Fund”) in the amount of \$1,700,000.00. The Settlement Fund will cover all payment obligations of PRESTIGE DELIVERY SYSTEMS, LLC and LASERSHIP, INC. under this Settlement to Class Members.

In addition, Class Counsel shall establish a Settlement Administration Fund to which Defendant shall contribute eighty thousand dollars (\$80,000.00) within 10 days of the court’s preliminary approval of this settlement. This Settlement Administration Fund shall be used to pay for actual costs of administering the settlement as set forth in more detail below. Any funds remaining in the Settlement Administration Fund after full performance of the Settlement Agreement shall be returned to Defendant.

Distribution of Settlement Fund

1. Class Counsel shall select a Settlement Administrator to administer and distribute the Settlement Fund.

2. Defendant will pay the \$1,700,000 Settlement Fund to the Settlement Administrator within ten (10) days of the final approval of the settlement by the Court.

3. Class Members are responsible for their own payment of taxes relative to the Settlement.

4. Class Counsel may petition (and Defendant shall not oppose) the payment out of the Settlement Fund of Plaintiffs' attorneys' fees, costs and expenses in an amount no greater than \$566,610.00.

5. This is a "Claims Made" Settlement and the Settlement Fund shall be subject to claims by Class Members who have filed timely valid claims. Any remainder of the Fund after making payments to eligible claimants shall be distributed by the Settlement Administrator promptly after completion of the settlement administration process and as per the court's Order finally approving the settlement as follows: 100% to a *cy pres* recipient chosen by Plaintiffs and approved by the Court. There will be one or two distributions to Class Members as outlined below prior to a *cy pres* award.

6. The Settlement Fund distribution to Class Members shall be reported as 1099 income.

7. Payments will be made out of the Settlement Fund in the following order:

a) Service Payments shall be made to the Named Plaintiffs as follows: fifteen hundred dollars (\$1,500.00) to Richard Watson and one thousand (\$1,000.00) to David Clary for their service to the Class in the preparation of affidavits and court documents and for their appearance at multiple depositions;

b) NICA Period Distribution. All Class Members who file timely valid claims and who make a claim arising from work prior to April 1, 2009 [Claim Form attached herein as EXHIBIT E] shall receive a payment in the amount of three hundred and fifty six dollars (\$356.00) in addition to any other sums payable under this Settlement Agreement. Payments made to Class Members under this provision shall not exceed \$282,664.00 and payment under this provision shall be reduced equally per capita if claims for payment by Class Members under this provision exceed \$282,664.00. Any funds remaining after distribution of funds under this provision, shall remain in the Settlement Fund for distribution to Class Members as set forth below in this Agreement at Paragraphs 5(c) and 5(d).

c) Post-NICA Period Distribution. All Class Members who file timely valid claims, [Claim Forms attached herein as EXHIBIT D and E] and who make a claim arising from work performed for PRESTIGE DELIVERY SYSTEMS or its SUCCESSOR IN INTEREST on or after April 1, 2009 and within the Relevant Period shall receive payment from the Settlement Fund based upon employer records for each week worked for Defendant during the Relevant Period. The amount per workweek is estimated to be at least \$7.00 per workweek. Funds to be distributed under this provision will include \$845,726.00 of the Settlement Fund plus any funds rolled over from the NICA Period Distribution.

d) If funds remain in the Settlement Fund after the (first) distribution described above in Paragraph 5(c), a second distribution to Class Members who file timely claims for work performed for PRESTIGE DELIVERY SYSTEMS or its SUCCESSOR IN INTEREST shall be made pro rata with those remaining funds.

However, no second distribution shall be made if more than 50% of the Class Members receiving the second distribution will receive checks of less than \$10.00.

8. Each Named Plaintiff shall execute a general release of all claims, to be drafted by Class Counsel and agreed to by Defendant's Counsel.

9. Class counsel will be responsible for claims administration, and will select a Settlement Administrator. Defendant will pay for the actual costs of claims administration up to a cap of \$80,000.00 and will pay into a Settlement Administration Fund established by Plaintiffs the amount of \$80,000.00 within ten (10) days of preliminary approval of the settlement by the court. Plaintiffs shall pay the Settlement Administrator out of the Settlement Administration Fund, and shall also reimburse themselves for any costs incurred in the administration of this Settlement. Class Counsel shall provide to Defendant an accounting of all funds paid out of this Settlement Administration Fund and shall return to Defendant any funds remaining in this Fund after distribution has been made to all of the class members pursuant to the terms of the Settlement.

10. Defendant will provide to the Settlement Administrator the names of all drivers with all social security and employer identification numbers that are in its possession, custody, or control for the period September 10, 2006 to August 15, 2018.

11. Defendant will provide to Class Counsel and the Settlement Administrator all the information in their possession, custody and control necessary to the implementation of the class member formula used to allocate settlement payments to Class Members for the period September 10, 2006 to the August 15, 2018.

12. The parties agree to send notices to the settlement class by first-class mail to last known addresses of Class Members, and to post notice on website(s) set up and managed by the Settlement Administrator. Notices will be in English and Spanish and will include the telephone number of the Settlement Administrator. The address of the Settlement Administrator will be listed for submission of claims and as the return address on mailed notices. This notice to Class Members is attached as EXHIBIT B.

Mailed notices will include a claim form.

13. By entering into this Settlement Agreement, Defendant does not admit liability on Class Members' claims as set forth in the Fourth Amended Complaint.

14. The procedural steps that the parties will follow relative to the drafting and approval of the settlement would be as follows:

(a) Class Counsel shall draft the Settlement Agreement and all settlement exhibits which shall include Notice to the Class and the Claim Form and provide such documents to Defense Counsel for their approval.

(b) The attorneys will work to compromise any open issues, and the parties will file the proposed settlement documents with a Joint Motion for Preliminary Approval of Class Settlement by no later than 90 days from July 1, 2018.

(c) In connection with filing of the Motion for Preliminary Approval, the parties will ask the Court to set the preliminary hearing date as expeditiously as possible.

(d) Short Form Notice to Class Members (as attached as EXHIBIT B) shall be sent out by the Settlement Administrator by first-class mail no later than thirty days after the entry of the Preliminary Approval Order by the Court. A long form Notice

to Class Members (attached herein as EXHIBIT C) shall be posted simultaneously with the mailing of the Short Notice on the website maintained for this settlement by Claims Administrator.

(e) Class Members will have sixty (60) days after the Notice is mailed to opt-out of any Rule 1700 class that is preliminarily approved by the Court. If more than 10% of the Class Members opt out of the Settlement Class by submitting valid and timely opt-outs, Defendant shall have the right in its sole discretion to rescind and void the parties' Settlement at any time prior to final approval by the Court by giving written notice to Class Counsel.

(f) Class Members will have ninety (90) days after the Notice is first mailed to submit their Claim Form. Submission of that form will constitute a claim for payment in respect of Rule 1700 class claims. If the submitted claim form does not agree with records maintained by Defendant, supporting documentation may be required.

(g) Attorney fees and costs will be paid by the Settlement Administrator to Class Counsel no later than 30 days after the Court's entry of an order (that is not appealed) giving final approval of the settlement. Settlement payments and service awards will be paid to the Class Member claimants 45 days after the entry of such order. Any second distribution to Class Member claimants will occur within one hundred and twenty (120) days after the first distribution to Class Member claimants. For each distribution to the Class, the Claims Administrator will provide Class Counsel with the name of each Class Member for whom a payment is to be made, his/her number of workweeks during the Post-NICA Period, and the amount of payment to him or her within 45 days after the entry of such order.

(h) The parties agree to request that the Final Approval Hearing be scheduled no later than fifteen (15) days following the deadline to submit a claim form.

(i) All class members who do not opt out of this settlement shall release all claims asserted in the lawsuit or that are reasonably related to the lawsuit and based on the identical factual predicate as that underlying the claims in this settled class action even though the claims were not presented. These include all claims relating in any way to independent contractor or employee classification and/or for expense deductions as well as all claims stated in any Complaint filed by the Plaintiffs, through August 15, 2018. Said Release applies to Prestige Delivery Systems, LLC, LaserShip, Inc. and its successor[s] in interest.

(j) There shall be included language on the back of each check sent to all class members who do not opt out of this settlement stating “By accepting this payment, I waive any right to bring suit for all claims asserted in the lawsuit or that are reasonably related to the lawsuit and based on the identical factual predicate as that underlying the claims in this settled class action even though the claims were not presented. These include all claims relating in any way to independent contractor or employee classification and/or for expense deductions as well as all claims stated in any Complaint filed by the Plaintiffs, through August 15, 2018.

Dated: _____

Counsel for Settlement Class

Dated: _____
Counsel for Defendant

Dated: _____
Counsel for Defendant