# As a current or former over-the-road driver for P.A.M. Transport, Inc. you are eligible to get a payment from a class action settlement.

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

- ) The settlement will provide \$16,500,000 to resolve all claims that: (1) P.A.M. Transport, Inc. ("PAM") failed to pay its over-the-road employee drivers at least minimum wage for all hours worked; (2) PAM made unlawful deductions from drivers' wages through the use of an "escrow" account; and (3) PAM charged usurious interest rates on employee advances. The settlement resolves all claims during the Class Period of December 9, 2013 through December 31, 2019.
- ) In addition to the financial payment, PAM has agreed that it will no longer charge employees a \$10 service fee for wage advances, and has agreed that it will no longer withhold compensation due to drivers who are late turning in paperwork.
- ) The court-appointed lawyers will ask the Court for up to 33 1/3% of the settlement amount as fees for investigating the case, litigating the case, and negotiating the settlement.
- ) The two sides disagree as to who would win, and how much could be won, if the case went to trial.
- **Your legal rights will be affected whether you act or don't act.** Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing	No action is required of you to remain in the case. If the Court grants final approval of the settlement, you will get a payment.
Exclude Yourself	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against PAM for the legal claims in this case.
Object	Write to the Court about what you don't like in the settlement.
Go to a Hearing	Ask to speak in Court about the fairness of the settlement.

) These rights and options – and the deadlines to exercise them – are explained in this notice.

) The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

### QUESTIONS? CALL CLASS COUNSEL OR VISIT <u>WWW.SWARTZ-LEGAL.COM</u>

# TABLE OF CONTENTS – WHAT IS IN THIS NOTICE PACKAGE

1.	Why did I get this Notice Package?	.1
2.	What is this lawsuit about and why did it settle?	.1
3.	What does the Settlement provide and how much will I be paid?	.2
4.	How can I receive my payment?	.2
5.	What am I giving up as a Class Member?	.3
6.	How do I exclude myself (opt-out) from this Settlement?	.3
7.	Final Approval of Settlement at Final Fairness Hearing	.3
8.	How do I object to the Settlement?	.3
9.	Are there more details about the Settlement? Questions?	.4
10.	Do I have an attorney in this case?	.4

## UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF ARKANSAS FAYETTEVILLE DIVISION

#### DAVID BROWNE, et al.

Plaintiffs,

v.

P.A.M. TRANSPORT, INC.

Defendant.

Case No.: 5:16-cv-05366-TLB

CERTIFIED CLASS ACTION

# NOTICE OF CLASS AND COLLECTIVE ACTION SETTLEMENT

A Federal Court authorized this notice. This is not a solicitation from a lawyer.

# PLEASE READ THIS NOTICE CAREFULLY.

#### **<u>1. Why did I get this Notice Package?</u>**

You are receiving this notice because records indicate that you worked as an over-the-road commercial truck driver for P.A.M. Transport, Inc. ("PAM") at some point between December 9, 2013 and December 31, 2019 ("Class Period"). The above-referenced lawsuit, *David Browne, et al. v. P.A.M. Transport, Inc.*, 16-cv-5366 (the "Lawsuit"), is pending in the United States District Court for the Western District of Arkansas in Fayetteville, Arkansas (the "Federal Court"). You are receiving this Notice because the Federal Court has ordered that it be mailed to you.

The Federal Court has preliminarily approved a settlement ("Settlement") of the Lawsuit. The Settlement provides for certain current and former over-the-road truck drivers of PAM to receive a portion of a sixteen million, five hundred thousand dollar (\$16,500,000) fund ("Settlement Fund"). The Federal Court will conduct a hearing ("Final Fairness Hearing") to determine if the Settlement should be approved.

This Notice describes the Settlement and how you can obtain a money recovery from the Settlement. This Notice also describes how you can exclude yourself from, or object to, the Settlement.

#### 2. What is this lawsuit about and why did it settle?

The Lawsuit alleges that PAM violated the federal Fair Labor Standards Act ("FLSA"), the Arkansas Minimum Wage Act ("AMWA"), the Arkansas Wage Payment Law, and various other laws by failing to pay its over-the-road drivers at least minimum wage for all hours worked. Specifically, the Lawsuit contends that PAM paid less than minimum wage to drivers for certain non-driving activities, such as when a driver is on-call, performing security duties, or performing maintenance and inspections. Plaintiffs also contend that PAM charged fees that equated to more than 10% APR on employee advances. The Plaintiffs had prevailed at summary judgment on some of their claims, while the most valuable claims were scheduled for a jury trial to begin on February 18, 2020. The Settlement was reached by the Parties on the last business day before the trial was to begin, on February 14, 2020.

PAM does not admit any liability or damages whatsoever. The Settlement, however, enables PAM and the over-the-road drivers to avoid the uncertainty, risks, and time involved in continued litigation.

The employees' attorneys, who are referred to as "Class Counsel," believe that the Settlement benefits the class members. The Settlement provides a benefit to a large number of present and former over-the-road drivers, and enables the class members to avoid the risk that PAM could win the lawsuit, appeal, or become insolvent, in which case class members would recover nothing or be subject to a significant delay in payment. The Settlement also enables class members to recover money without the delay of protracted litigation.

The Parties' attorneys negotiated the Settlement after more than three years of litigation that has enabled each side to understand the risks of proceeding with adversarial litigation. The Settlement was entered into at the eve of a jury trial, following significant investigation, discovery, and motion practice. Class Counsel believes that the Settlement is fair and serves the best interests of the class members. The Federal Judge overseeing the Lawsuit has "preliminarily approved" the Settlement as fair. The Federal Judge will make the final decision regarding the fairness of the Settlement at the Final Fairness Hearing described in Section 7 below.

## 3. What does the Settlement provide and how much will I be paid?

Under the Settlement, PAM has agreed to pay a Settlement amount of sixteen million, five hundred thousand dollars (\$16,500,000) to resolve all claims asserted in the Lawsuit. Your "Individual Settlement Payment" will be calculated based upon the Settlement formula stated in the Settlement Agreement on file with the Court. The Settlement Agreement is also available on Class Counsel's website at <u>www.PamLawsuit.com</u>. In short, the Settlement provides a formula where each Class Member will receive a minimum of \$150.00, plus as an additional amount which will be pro-rated based on the number of weeks each class member worked for PAM as an employee over-the-road driver during the Class Period.

After litigation and administrative costs, attorney's fees, and service payments are subtracted from the Settlement Fund, the remaining fund (the "Net Fund") will be distributed to all Class Members who do not opt out of the Settlement. Class Members will receive a payment from the Net Fund.

Class Members will receive 35% of their settlement amount as wages which will be reported on an IRS Form W-2, subject to all ordinary payroll taxes and withholdings. The remaining amount will constitute non-wage compensation, and is to provide compensation for unlawful wage advances, unlawful deductions, and liquidated damages. This portion will not be subject to withholdings and will be reported on an IRS Form 1099.

At the Final Fairness Hearing, Class Counsel will apply to receive up to one-third of the Total Settlement Fund (equivalent to \$5,500,000) for the services they provided. Class Counsel will also seek to recover its out-of-pocket expenses incurred in the Lawsuit. This amount will be requested based on the substantial work Class Counsel performed in the Lawsuit and the risk Class Counsel took in bringing the Lawsuit. Class Counsel has conducted extensive investigation in prosecuting the Lawsuit, including, but not limited to: filing the lawsuit, fronting all litigation costs, taking and defending more than 50 depositions, engaging in significant adversarial motion practice, including discovery, summary judgment, and class certification motions, retaining and hiring experts, reviewing and deconstructing millions of electronic datapoints found in GPS data, hours of service logs, and PAM's payroll, interviewing employees, propounding discovery, answering discovery, and preparing for a class-wide jury trial.

At the Final Fairness Hearing, the Named Plaintiffs in the action will request a service fee in the amount of \$50,000 each, totaling \$150,000. The Service Payments are requested because these individuals provided service to the Settlement Class by helping Class Counsel formulate claims and by assisting in bringing the Lawsuit forward. These individuals challenged PAM despite the career risks in doing so. Additionally, 7 opt-in plaintiff over-the-road drivers who agreed to travel out-of-state to testify live at the jury trial that was to occur the week of February 18, 2020 will request service payments of \$2,500 each, totaling \$17,500. Finally, 31 opt-in Plaintiffs who attended depositions will request service payments of \$1,000 each, totaling \$31,000. These payments are requested because the case could not have gone forward, and the results could not have been achieved, absent these drivers' participation in the Lawsuit. The Service Payments are separate from, and in addition to, the portion of the Settlement Fund that they may receive as a member of the Settlement Class. The Service Payments requested total: \$198,500.

#### 4. How can I receive my payment?

You do not need to take any further action to receive a payment. If you move prior to receiving a check, you should contact the Claims Administrator at 1-833-765-7451 to notify the Claims Administrator of your new address. You may also provide change of address information via facsimile to 1-215-525-0209 or by e-mail to PamLawsuit@AdministratorClassAction.com.

The parties anticipate that the settlement checks will be issued in the 3rd Quarter of 2020.

If the Federal Court grants final approval of the Settlement, the Federal Court will enter judgment consistent with the terms of the Settlement.

Upon the Court's Order Entering Final Approval you will waive, release, and forever discharge all claims you may have from December 9, 2013 through December 31, 2019 against PAM that assert failure to pay wages due under the FLSA, the Arkansas Minimum Wage Act, or similar state or federal law, that accrued while the you worked as an over-the-road truck driver at PAM, including any claims for non-payment or improper payment of minimum wages and unlawful wage deductions under federal or state law.

This release does not cover any workweek if you were designated by PAM (regardless of whether that designation is legally challenged and/or found to be erroneous) as an "independent contractor" or other similar status whereby PAM designated you to be a non-employee under the FLSA, such as if you worked for PAM as a Lease Purchase Driver or an Owner Operator.

#### 6. How do I exclude myself (opt-out) from this Settlement?

You will release your legal claims, as described in Section 5 above, unless you affirmatively exclude yourself from the Settlement. If you exclude yourself, you will not release or waive any legal claims, and you will preserve your right to sue PAM on your own for alleged violations of the Released Claims. If you exclude yourself from the Settlement, you will not receive money in this Settlement.

To exclude yourself from the Settlement, you must mail a written request to opt-out of the Settlement to CLASS ACTION OPT-OUT, ATTN: PAM Settlement, PO Box 58220, Philadelphia, PA 19102, or you may send your request via facsimile to 1-215-525-0209 or by e-mail to <u>PamLawsuit@AdministratorClassAction.com</u>. Your request for exclusion must be postmarked or submitted on or before **May 18, 2020** to be valid. To be valid, the Request for Exclusion from Class Settlement form must be signed and dated by you and must include the name of the case. You should also provide your phone number on the request in case the Claims Administrator needs to contact you regarding same.

#### 7. Final Approval of Settlement at Final Fairness Hearing

The Federal Judge presiding over this Lawsuit will conduct a Final Fairness Hearing at **1:30 p.m. on July 31, 2020** in Courtroom 509 of the United States Courthouse, 35 East Mountain Street, Fayetteville, Arkansas 72701. At the Final Fairness Hearing, the Judge will decide whether the Settlement is sufficiently fair and reasonable to warrant final court approval. You are not required or expected to attend the Final Fairness Hearing. However, you are welcome to attend at your own expense. If you plan on attending, please contact Class Counsel so that the Court can be notified to ensure that there is enough space and time allotted for you.

#### **<u>8. How do I object to the Settlement?</u>**

If you believe the proposed Settlement is unfair or inadequate in any respect, you may object to the Settlement, either personally or through an attorney at your own expense, by filing a written objection with the Court and mailing a copy of your written objection to CLASS ACTION OBJECTIONS, ATTN: PAM Settlement, PO Box 58220, Philadelphia, PA 19102 or you may send your objection via facsimile to 1-215-525-0209 or you may send your objection by e-mail to <u>PamLawsuit@AdministratorClassAction.com</u>. In order to object to the Settlement, you must remain a class member and may not opt-out from the Settlement.

All objection(s) to any part of the Settlement must be signed by you or your counsel and set forth your address, telephone number, and the name of the Action: *David Browne, et al. v. PAM Transport, Inc.* (Case No. 5:16-cv-05366). All objections must be postmarked or submitted no later than **May 18, 2020.** If you submit a timely objection, you may appear, either personally or through an attorney, at your own expense, at the Final Fairness Hearing discussed above. Your objection should clearly explain why you object to the proposed Settlement and must state whether you or someone on your behalf intends to appear at the Final Fairness Hearing. If you object to the Settlement, Class Counsel will not represent you in your objection.

Any class member who does not object in the manner described above shall be deemed to have waived any objections, and shall forever be foreclosed from objecting to the fairness and adequacy of the proposed Settlement, the payment of attorneys' fees, service payments, and litigation costs, the claims process, and any and all other aspects of the Settlement.

Likewise, regardless of whether you file an objection, you will be deemed to have released all of the Released Claims against PAM and subject to the Release contained in the Settlement Agreement as explained in Section 5 above unless you properly request exclusion from the Settlement in accordance with Section 6 above. Please note that if you exclude yourself from the Settlement by following the procedures set forth in Section 6 above, you will not have standing to object to the Settlement, and the Court will not consider your objection at the Final Fairness Hearing.

## 9. Are there more details about the Settlement? Questions?

Yes. This Notice summarizes the most important aspects of the Settlement. You can get a copy of the written Settlement Agreement and obtain further information regarding the Lawsuit and the Settlement by calling Class Counsel or visiting <u>www.PamLawsuit.com</u>. Class Counsel's contact information is listed below. You will not be charged any money for communicating with Class Counsel.

# **10. Do I have an attorney in this case?**

Swartz Swidler, LLC, and Robert D. Soloff, P.A., represent the interests of class members in the Lawsuit. Class Counsel will represent you in the Lawsuit and can answer questions for you regarding the Lawsuit and the Settlement. Class Counsel's contact information is below. You will not be charged any money for Class Counsel's representation of you; rather Class Counsel will be paid out of the class-wide Settlement Fund. You also have the right to get your own attorney at your own expense in which case Class Counsel will not represent you in the Lawsuit or Settlement. If you object to the Settlement, Class Counsel will not represent you in your objections.

Justin L. Swidler, Esq. Richard S. Swartz, Esq. Swartz Swidler, LLC 1101 Kings Hwy N., Ste. 402 Cherry Hill, NJ 08034

Robert D. Soloff, Esq. Robert D. Soloff, P.A. 7805 SW 6<sup>th</sup> Court Plantation, FL 33324 Website: <u>www.swartz-legal.com</u> Phone: (856) 685-7420 Fax: (856) 685-7417 Toll Free: (877) 529-9501 E-mail: jswidler@swartz-legal.com

Phone: (954) 472-0002 Fax: (954) 472-0052 E-mail: <u>robert@solofflaw.com</u>