

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

DERELL PRUITT on behalf of himself and other
similarly situated laborers,

Plaintiff,

v.

QUALITY LABOR SERVICES, LLC and
HIGHLAND BAKING COMPANY, INC.,

Defendants.

Case No. 16 C 9718

Judge Chang

Magistrate Judge Valdez

**NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT, AND FAIRNESS HEARING**

If you are African American and sought a work assignment at Quality Labor Services, LLC (“QLS”) at its Gurnee, Illinois office from October 13, 2012 through February 17, 2022 and, on one or more occasions, were not assigned to work at one or more of Quality Labor Services, LLC’s client companies by Quality Labor Services, LLC, a class action lawsuit may affect you.

*A federal court has authorized this Notice. This is not a solicitation from a lawyer.
You are not being sued.*

Part 1: Basic Information

What is this Notice About?

Why did I get this Notice?

You received this Notice because you have been identified as a person in the Class, defined as: All African Americans who sought work assignments through Quality Labor Services, LLC at its Gurnee, Illinois Office at any time between October 13, 2012, and the date of Preliminary Approval, but who, on one or more occasions, were not assigned to work at one or more of Quality Labor Services, LLC’s client companies by Quality Labor Services, LLC.

If you meet the definition of the class, you are eligible to participate in the settlement and may be eligible for compensation as described below. **If you do not wish to participate in the settlement and receive a settlement payment, you may also exclude yourself or opt-out of the settlement. Information on how to exclude yourself from the settlement is available on page 4 of this Notice.**

This Notice explains:

- What the lawsuit is about
- Who is affected by the lawsuit
- Who represents the Class in the lawsuit
- What your legal rights and options are
- How and by when you need to act

What is this Notice about?

This Notice is to tell you about the Settlement of a “class action” lawsuit that was filed against Quality Labor Services, LLC (“QLS”) and to tell you about a “Fairness Hearing” before Judge Edmund E. Chang on September 15, 2022 at 10:00 a.m. in Courtroom 2119, located at 219 S. Dearborn Street, Chicago, IL 60604, to determine whether the proposed settlement described in the Class Action Settlement Agreement (the “Agreement”) fairly resolves the claims against QLS as explained below. Please check the settlement website at www.QLS-Settlement.com prior to September 15, 2022, as the Court may decide to hold the fairness hearing by teleconference or offer a teleconference option.

This Notice **is not** a notice of a lawsuit **against** you. A Federal Court has authorized this Notice.

What is the Litigation about?

This lawsuit was filed by Derell Pruitt (“Plaintiff”) on behalf of himself and other similarly situated African American laborers who sought work assignments from QLS between October 13, 2012, and February 17, 2022, but who, on one or more occasions, were not assigned to work at one or more of Quality Labor Services, LLC’s client companies by Quality Labor Services, LLC. QLS has denied all allegations of wrongdoing, and no Court has held that QLS violated the law. The Plaintiff and QLS have reached a Settlement regarding the litigation.

Part 2: The Settlement

What Does the Settlement Entail?

What is the “Settlement” and how was it agreed upon?

Plaintiff and QLS agreed to a Settlement of this litigation, in which QLS has agreed to compensate Plaintiff and other similarly situated African Americans for the allegations in Plaintiff’s complaint. QLS has denied all wrongdoing, and no court has held that QLS violated the law. The Court has granted preliminary approval of the settlement, and the Plaintiff and QLS (collectively, “the Parties”) are now seeking Court approval, which is required for the settlement to become effective. The settlement includes a procedure for eligible persons to receive their share of the Settlement Fund. There has been no determination by a court, administrative agency, or other tribunal as to the truth or validity of Plaintiff’s allegations against QLS in this Lawsuit.

Substantial amounts of time, energy, and other resources have been devoted by the Parties in prosecuting and in defending the Lawsuit. Unless there is a settlement, that Lawsuit will continue against QLS. In settlement negotiations, the Parties have taken into account the uncertainty of the outcome and the risk of further litigation. In light of these factors, the Parties believe that the settlement is the best way to resolve the Lawsuit while minimizing further expenditures.

The Parties and their attorneys believe that the settlement is fair, reasonable, and adequate, and in the best interests of all of the Settling Parties, including the Settlement Class.

What are the terms of the Settlement?

QLS has agreed to pay a total Settlement Amount of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) to resolve any and all claims of race discrimination against QLS arising out of African Americans’ non-assignment from QLS’s Gurnee Office to one or more of QLS’s client companies by QLS from October 13, 2012, through February 17, 2022. Not released are any rights that cannot be waived by law, including a right to file a charge of discrimination with an administrative agency, such as the United States Equal Employment Opportunity Commission (“EEOC”) and any right to participate in any agency investigation or proceeding. However, Class Members who do not opt out of this Settlement will be waiving any right to recover a monetary

award in connection with such a charge or investigation related to the Released Claims for a charge filed by any other individual, by the EEOC, or by any other city, local, state, or federal agency.

Each Class Member shall be allocated a proportionate share of the Settlement Amount after the Settlement Amount has been reduced by: (1) \$500.00 to the Named Plaintiff for executing a full release of all claims as to QLS and for helping to litigate and settle this Lawsuit; (2) no more than one-third (33.3%) of the Settlement Amount, as approved of and ordered by the Court, as payment for Class Counsel's attorneys' fees and reasonable costs, and (3) the costs of administering the settlement up through final approval of the settlement. The Settlement Amount as reduced by the foregoing amounts is referred to as the "Net Class Settlement Fund."

What am I entitled to recover under the Settlement?

If the settlement is approved by the Court, every Settlement Class Member, including Plaintiff, who timely submits a valid claim form will receive a settlement payment. Each Class Member who files a valid, timely claim will receive a *pro rata* share of the Net Class Settlement Fund. The amount you receive will depend on how many Class Members file valid, timely claims.

The Parties agree that 50% of each Claimant's Settlement Payment will be considered wages and will be reported as such on an IRS Form W-2 and that the remaining 50% of each Claimant's Settlement Payment will be considered compensatory damages and will be reported as such on an IRS Form 1099 where mandated by the Internal Revenue Service. Appropriate withholding of federal, state, and local income taxes and the Claimants' share of Federal Insurance Contributions Act (FICA) taxes shall be deducted from the respective Settlement Payments and reported in the above referenced Form W-2. Other than the withholding and reporting requirements herein, Claimants shall be solely responsible for the reporting and payment of their share of any federal, state, and/or local income or other taxes on payments received pursuant to this settlement.

How do I participate?

How do I receive a Settlement Award?

To receive a part of the Class Settlement Fund, you must complete and sign the Claim Form without alteration or amendment and return it to the Claims Administrator on or before September 1, 2022. *If you do not timely complete and return a signed and fully completed Claim Form, you will not receive a monetary settlement award.*

Am I required to participate in the Settlement?

No, you may do nothing, and you will remain a member of the class and bound by the settlement, but you will not receive a check.

You also have the right to exclude yourself from the Lawsuit and "opt-out" of the settlement if you comply with the opt-out procedure stated below. If you exclude yourself, you will not receive money from this settlement.

What is the Fairness Hearing and do I need to attend?

The purpose of the Fairness Hearing in this case is to determine whether the proposed settlement of the Lawsuit is fair, reasonable, and adequate, and whether the proposed settlement should be finally approved by the Court and the Lawsuit dismissed. **Any Class Member who is satisfied with the proposed settlement does not have to appear at the Fairness Hearing.**

How can I opt-out of the Settlement?

To exclude yourself from the Settlement, you must submit the following written statement: "I request to be excluded from the settlement in *Pruitt, et al. v. Quality Labor Services, et al.*, Case No. 16-cv-09718" personally

signed by you and include your full name, address, and telephone number and submit it to the Claims Administrator. **The Request for Exclusion must be filed no later than September 1, 2022, to be effective. If you opt-out of the settlement you will not recover any money as part of this settlement.** You may, however, pursue other legal remedies apart from the settlement that may be available to you. Neither the Parties nor their attorneys make any representations to you regarding what, if any, legal remedies are available to you should you choose to opt-out. **YOU SHOULD NOT OPT-OUT IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT.**

How can I object to the Settlement?

Any person who has not validly and timely opted-out of the settlement but who objects to the proposed settlement may appear in person or through counsel at the Fairness Hearing and be heard as to why the settlement should not be approved as fair, reasonable, and adequate, or why a final judgment should or should not be entered dismissing the Lawsuit with prejudice. No attorneys' fees will be paid by Defendants to an objector's counsel for work related to an objection to this settlement. To object to the settlement, you must submit a written statement explaining the basis for your objection and you must include your full name, address, and telephone number and submit it to the Claims Administrator on or before September 1, 2022. The objection must set forth, in clear and concise terms, the legal and factual arguments supporting the objection, copies of papers, briefs, or other documents upon which the objection is based, a list of all persons who will be called to testify in support of your objection, and your signature, even if you are represented by counsel. Settlement Class Members who do not timely make their objections in this manner will be deemed to have waived all objections and shall not be heard or have the right to appeal approval of the settlement.

If you file an objection and wish it to be considered, you must also appear at the "Fairness Hearing" on September 15, 2022 at 10:30 a.m. in Courtroom 2119, located at 219 S. Dearborn Street, Chicago, IL 60604, at which time the presiding judge in this case, Judge Edmund E. Chang, will consider whether to grant final approval of this settlement. Please check the settlement website at www.QLS-Settlement.com prior to September 1, 2022, as the Court may decide to hold the fairness hearing by teleconference or offer a teleconference option. **YOU ARE NOT REQUIRED TO ATTEND THIS HEARING UNLESS YOU PLAN TO OBJECT TO THE SETTLEMENT.** Please note that it is not sufficient to simply state that you object. You must state reasons why you believe the settlement should not be approved.

When is the Court hearing to determine if the Settlement is fair?

The Fairness Hearing will be held before Judge Edmund E. Chang on September 15, 2022 at 10:30 a.m. in Courtroom 2119, located at 219 S. Dearborn Street, Chicago, IL 60604. Please check the settlement website at www.QLS-Settlement.com prior to September 15, 2022, as the Court may decide to hold the fairness hearing by teleconference or offer a teleconference option. The Fairness Hearing may be adjourned from time to time as the Court may direct, without further notification. If you are a member of the Settlement Class, you will be bound by the proposed Settlement if it is approved, unless you opt-out by making a timely Request for Exclusion as described above.

What rights am I giving up if I participate in the Settlement?

Class Members who do not opt out of the Settlement, will release and forever discharge Quality Labor Services, LLC and each of its current, former, and future affiliates, including, without limitation, parents, subsidiaries, and related entities, predecessors, successors, divisions, joint ventures and assigns, and each of these entities' past or present directors, officers, employees, partners, members, employee benefit plans (and their agents, administrators, fiduciaries, insurers and reinsurers), principals, agents, insurers, co-insurers, re-insurers, managers, shareholders, attorneys, and personal or legal representatives, in their individual and representative capacities (collectively referred to as the "Released Parties"), from any and all claims of race discrimination arising out of the non-assignment from QLS's Gurnee, Illinois Office to one or more of its client companies from October 13, 2012, through February 17, 2022, known or unknown. This Waiver and Release explicitly does not

waive any rights that cannot be waived by law, including your right to file a charge of discrimination with an administrative agency, such as the United States Equal Employment Opportunity Commission (“EEOC”) and your right to participate in any agency investigation or proceeding. However, you are waiving any right to recover a monetary award from any of the Released Parties in connection with such a charge or investigation related to the Released Claims for a charge filed by any other individual, by the EEOC, or by any other city, local, state, or federal agency.

How are the lawyers for the Settlement Class Paid?

Subject to Court approval, Class Counsel will receive no more than One-Third of the Total Settlement Amount for all past and future attorneys’ fees and reasonable costs incurred that will be incurred in this Lawsuit through final approval of the Settlement as set forth in the Stipulation of Settlement.

What if the court does not approve the settlement?

If the Court does not approve the settlement, the case will proceed as if no settlement had been attempted, and there can be no assurance that the class will recover more than is provided for in the settlement agreement, or indeed, anything.

Can I review a copy of the Settlement Agreement or other papers that were filed with the Court?

Yes, for a detailed statement of the matters involved in the Lawsuit and the proposed settlement, you may review the pleadings and other papers filed in the Lawsuit, which may be inspected at the Office of the Clerk of the United States District Court, 219 S. Dearborn St., Chicago, Illinois, 60604, during regular business hours of each court day. In addition, you may also contact Class Counsel to review copies of the settlement papers filed with the Court.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH INQUIRIES ABOUT THIS SETTLEMENT. DIRECT QUESTIONS ABOUT THE SETTLEMENT TO CLASS COUNSEL, WWW.QLS-SETTLEMENT.COM OR CONTACT THE ADMINSTRATOR AT 1-888-233-2228.

The Lawyers Representing the Class

The following law firms were appointed by the Court to represent the Class (called “Class Counsel”):

Miner, Barnhill & Galland, P.C.
Robert S. Libman and Benjamin J. Blustein
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(312) 751 1170

National Legal Advocacy Network
Christopher J. Williams
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