

Superior Court of the State of California for the County of Los Angeles

Notice of Pendency of Class Action and Proposed Settlement

If you worked as a non-exempt employee at Command Center Security, Inc. or Knight Watch Security, Inc. from March 9, 2008 through November 7, 2014, you may be entitled to receive a payment from a class action settlement.

A State Court authorized this Notice. This is not a solicitation from a lawyer.

- A proposed settlement of \$725,000.00 will be used to pay claims to eligible non-exempt employees who worked at Command Center Security, Inc. and Knight Watch Security, Inc. from March 9, 2008 through November 7, 2014.
- The settlement resolves a lawsuit over whether Defendants Command Center Security, Inc. and Knight Watch Security, Inc. properly paid all wages for all hours worked, paid overtime wages, whether Defendants properly provided meal and rest breaks, and whether Defendants properly reimbursed employees for business expenditures. The settlement will cover all current and former non-exempt employees in the position of Security Guard at Command Center Security, Inc. and Knight Watch Security, Inc. from March 9, 2008 through November 7, 2014 (“the Class”). This settlement also avoids the costs and risks from continuing the lawsuit, pays money to persons like you, and releases Defendants from alleged liability.
- The Court has not made a determination on the validity of the claims. Defendants deny any and all liability arising from any of the claims and contend that at all times relevant they properly compensated their employees.
- Lawyers for the Class will ask the Court to award up to Two Hundred Forty One Thousand Six Hundred Sixty Six and 64/100 Dollars (\$241,666.64) to be paid out of the settlement as attorneys’ fees for investigating the facts, litigating the case, and negotiating the settlement, as well up to Twenty Five Thousand Dollars (\$25,000.00) in costs incurred as a result of litigating the case. Lawyers for the Class will also ask the Court to approve enhancement payments of up to Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff Martin Arteaga and Two Thousand Dollars (\$2,000.00) to Plaintiff Rustin Rice, the two Representative Plaintiffs (collectively, “Plaintiffs,” or “Arteaga” and “Rice”) who assisted in litigating this case for the benefit of all Class Members.
- The Class covered by this settlement will consist of all persons who are and/or were employed in the position of Security Guard at Command Center Security, Inc. and Knight Watch Security, Inc. from March 9, 2008 through November 7, 2014.
- The Defendants released from liability under this settlement are Command Center Security, Inc. and Knight Watch Security, Inc. and its affiliates and related entities, including Defendants’ current and former parent companies, subsidiary companies and/or related or affiliated companies, partnerships, or joint ventures, and, with respect to each of them, all of their and/or such related entities’ predecessors and successors.
- The Released Claims under this settlement are all claims as pled in the complaint and/or reasonably related to the facts as alleged by Plaintiff Arteaga including, but not limited to, failure to pay wages (including Labor Code Sections 201 – 203, 1194), failure to pay overtime (including Sections 500 et seq., 1194), failure to provide meal and rest breaks (including Sections 226.7 and 512), failure to pay wages upon employment termination (including Section 203), failure to keep pay records and accurate wage statements (including Sections 226 and 1174), failure to reimburse for necessary business expenditures (including Section 2802), California’s Private Attorney General Act (Labor Code 2699 et seq.), and unfair business practices.
- Please read this Notice carefully. Your legal rights are affected by it.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

Action	Consequence
Do Nothing	Receive Payment and Release Claims and Rights (see No. 19, below).
Exclude Yourself	Receive no payment and reserve your rights. This is the only option that allows you to sue Defendants for any claims alleged in this case and those that relate or refer to, are derivative of, or are based on the claims and allegations of wrongful conduct alleged in this case.
Enter an Appearance	If you do not request exclusion, you may, if you would like, enter an appearance in the case through your own counsel. You do not need to appear to receive payment.
Object	Mail any objections you may have to the settlement to the Claims Administrator, Phoenix Settlement Administrators. (See No. 17, below)
Attend a Hearing	Ask to speak in Court about the fairness of the settlement, if you timely serve and file objections in advance of the hearing.

- These rights and options – **and the deadlines to exercise them** – are further explained in this Notice.
- Although the Court has conditionally certified this case as a class action as part of the proposed settlement, it must still approve the settlement. Payments will not be made until after the Court makes a final determination that the settlement is fair and reasonable, and after any appeals, if any, are resolved.

BACKGROUND INFORMATION

1. Why Did I Get This Notice?

Defendants' records show that you currently work, or previously worked, for Command Center Security, Inc. and Knight Watch Security, Inc. as a non-exempt Security Guard or related position. The Court has given preliminary approval to a class action settlement that will affect you. You have legal rights and options that you must exercise by the deadlines indicated in this Notice. This Notice generally describes the case, informs you of the proposed settlement, and explains your rights and options as they relate to the settlement. The lawsuit is known as *Martin Arteaga v. Command Center Security, Inc.*, Los Angeles Superior Court Case No. BC480496. The Representative Plaintiffs are Martin Arteaga and Rustin Rice ("the Lawsuit").

2. What Is This Lawsuit About?

The Representative Plaintiffs allege that Defendants failed to pay all wages to its current and former non-exempt employees at Command Center Security, Inc. and Knight Watch Security, Inc. ("Class Members") from March 9, 2008, through November 7, 2014 ("Class Period"), including wages for missed meal periods and rest breaks and wages for overtime worked. The Representative Plaintiffs further allege that Class Members were not paid all wages owed upon separation from employment, that Defendants failed to furnish timely and accurate wage statements due to Defendants' failure to include all information regarding all wages as required under California law, that Defendants engaged in unfair business practices and unfair competition, and that Defendants failed to reimburse class members for necessary business expenditures. Finally, Plaintiffs allege that Defendants' actions were a Violation of California Labor Code §2698-2699, The Labor Code Private Attorney's General Act of 2004.

The Court has not made any determination as to the validity of the claims alleged against the Defendants. If the settlement described herein is not approved by the Court, the Representative Plaintiffs will have the right to proceed with the case, attempt to certify a class, and attempt to prove the claims alleged and overcome any legal or factual defenses that Defendants assert.

3. Why Is This a Class Action?

In a class action lawsuit, one or more individuals called "Class Representatives" (in this case Martin Arteaga and Rustin Rice) sue on behalf of themselves and other individuals against a Defendant or Defendants (in this case Command Center Security, Inc. and Knight Watch Security, Inc.). The lawsuit seeks to resolve the claims for everyone in the Class – except for those who exercise their option to exclude themselves from the Class, as further explained below. Although Defendants deny that Plaintiffs would be able to certify a motion for class certification, the Parties ("Plaintiffs and Defendants") have agreed, and the Court has ordered, that this case should be conditionally certified as a class action for purposes of settlement only. If the settlement is not finally approved by the Court, the Court's conditional certification of this case as a class action shall be null and void.

4. What Is Defendants' Position in the Lawsuit?

Defendants deny all of the allegations made in the Lawsuit. Defendants maintain that it has complied with all relevant wage and hour laws and pays its employees properly. More specifically, Defendants assert that it paid class members all wages due, provided them meal and rest breaks in accordance with California law, and furnished wage statements in compliance with California law. Therefore, Defendants contend that the claims in the Lawsuit have no merit.

5. Why Is There a Settlement?

The Parties disagree on the probable outcome of the case with respect to liability, damages and how much money could be recovered if the Representative Plaintiffs won at trial. Defendants believe that a class would not be certified and that the Representative Plaintiffs would not prevail if this case went to trial. The Court has not decided in favor of the Representative Plaintiffs or Defendants. There has been no trial in this case.

Instead, both sides recognize the risks, expenses, and disruption that are associated with continued litigation, and have therefore chosen to resolve their differences by entering into a settlement. This way the Parties can avoid the cost of a trial, yet members of the Class are still entitled to payments if they comply with the instructions in this Notice. The Parties entered into a settlement after arms-length negotiations while using the services of an experienced and neutral mediator. The

Representative Plaintiffs and Class Counsel believe the settlement is fair and reasonable and in the best interest of all Class Members.

WHO IS PART OF THE SETTLEMENT

In order to receive a payment in connection with the settlement, you must be a Class Member.

6. How Do I Know If I Am Part of the Class?

The Los Angeles Superior Court has conditionally determined for purposes of settlement that everyone who holds or previously held the following jobs is a Class Member:

Any current or former persons employed in the positions including Security Guards and related positions in California at any time from March 9, 2008, through November 7, 2014.

According to Defendants' records, you are a Class Member.

THE SETTLEMENT BENEFITS – WHAT YOU GET

7. What Does the Settlement Provide?

The settlement provides that Defendants shall pay up to Seven Hundred Twenty Five Thousand Dollars (\$725,000.00) ("Funds Available for Settlement") to resolve the claims alleged in this case, from which the following will be deducted: (a) an enhancement payment of Seven Thousand Five Hundred Dollars (\$7,500.00) to Plaintiff Arteaga and Two Thousand Dollars (\$2,000.00) to Plaintiff Rice; (b) Class Counsel's reasonable attorneys' fees and litigation costs as determined by the Court; (c) administration costs associated with the settlement; (d) a payment of Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) to the Labor & Workforce Development Agency pursuant to the provisions of the Private Attorney General Act ("PAGA"); (e) Settlement Awards to Eligible Class Members.; and (f) employee's share of applicable Federal and State taxes.

Defendants have agreed to pay the total settlement amount as follows: Defendants shall pay a total of Three Hundred Thousand Dollars (\$300,000.00) within fifteen (15) days of final approval of this settlement by the Court. Defendants will pay the remaining Four Hundred Twenty Five Thousand Dollars (\$425,000.00) in quarterly payments of Forty Two Thousand Five Hundred Dollars (\$42,500.00), with the quarterly payments commencing three months following final approval of this settlement by the Court, and continuing for ten consecutive quarters.

The disbursement of settlement monies will be paid to Class Members in two settlement payments. The first settlement payment will be made within ten (10) days after Defendants has paid a total of Three Hundred Eighty Five Thousand Dollars (\$385,000.00) in settlement monies (after Defendants has made its second quarterly installment of Forty Two Thousand Five Hundred Dollars (\$42,500.00)). The second settlement payment will be made within ten (10) days following Defendants' final quarterly payment of Forty Two Thousand Five Hundred Dollars (\$42,500.00).

8. How Much Will My Settlement Payment Be?

Your Notice includes the approximate amount of your Settlement Award.

In order to fairly distribute the Funds Available for Settlement to Class Members, the Court has preliminarily approved a formula for calculating Settlement Awards based on the Class Member's number of work weeks at Command Center Security, Inc. and Knight Watch Security, Inc. from March 9, 2008, through November 7, 2014, and the aggregate total number of weeks worked by all Class Members during the Class Period.

One third (33.3%) of each Eligible Class Member's Settlement Award will be allocated to alleged unpaid wages which will be reported to the IRS on Form W-2, including amounts to be deducted for employer and employee taxes; one third (33.3%) to alleged interest, which will be reported to the IRS on Form 1099; and one third (33.3%) to alleged penalties, which will be reported to the IRS on Form 1099, and from which an amount will be deducted for the payment of Private Attorney General Act penalties to the California Labor and Workforce Development Agency.

Defendants shall provide the information necessary to permit the Claims Administrator to calculate each Class Member's Settlement Award. This information includes, but is not necessarily limited to the dates between March 9, 2008, through November 7, 2014, during which Class Members worked as a non-exempt employee at Command Center Security, Inc. and Knight Watch Security, Inc. From this information the Claims Administrator shall calculate the approximate amount of each Class Member's Settlement Award. The approximate Settlement Award amount is identified on page 1 of this Notice. If you wish to dispute the information that Defendants provided as the basis for the calculation of your Settlement Award,

you must provide an explanation and any work related documents which supports your dispute to the Claims Administrator according to the process identified in the Class Notice.

HOW YOU GET A SETTLEMENT AWARD

9. How Can I Get a Payment?

You will automatically receive a payment under the terms of this settlement unless you exclude yourself from the settlement or file an objection. The amount of the Settlement Award for each Eligible Class Member will vary, as stated above. The exact amount of the Settlement Award for each Eligible Class Member cannot be determined until after the Court grants final approval to the settlement.

10. When Will I Receive Payment?

The Court will hold a Settlement Fairness Hearing on March 24, 2015, at 2:00 p.m., in Department 311 of the Los Angeles County Superior Court, Central Civil West Courthouse, located at 600 South Commonwealth Avenue, Los Angeles, California 90005, to decide whether to finally approve the settlement. The final approval hearing may be continued without further notice to Class Members. Class Members are not required to appear at the Final Approval hearing. Even if the Court approves the settlement; however, there still may be appeals. Settlement Payments will be sent after the Court grants Final Approval and after any appeals have been resolved or time to appeal has expired.

11. What Am I Giving Up to Receive a Payment or to Stay in the Class?

Unless you exclude yourself, you will be deemed part of the Class, which means that, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants concerning "Settled Claims," including any claims alleged in this case and those that relate or refer to, are derivative of, or are based on the claims and allegations in this lawsuit.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want to be a Class Member, you must take steps to exclude yourself from the Class.

12. How Do I Exclude Myself from the Class?

If you do not want to be a Class Member, you must submit the attached request for exclusion form, which must be signed and delivered to the Claims Administrator at the address listed below. The attached request for exclusion form must be postmarked or actually delivered to the Claims Administrator 30 days after this Notice was mailed to Class Members, February 19, 2015. The request for exclusion should state, "I do not want to be part of the Class in Case No. BC 480496." The request also should be signed, with your name, address and telephone number typed or legibly printed below your signature.

Submit your request to be excluded to the Claims Administrator at the following address:

By mail:
Arteaga v. Command Center Security
c/o Phoenix Settlement Administrators
P.O. Box 27907
Santa Ana, CA 92799-7907

Personal delivery:
Arteaga v. Command Center Security
c/o Phoenix Settlement Administrators
600 W. Broadway, Suite 700
San Diego, CA 92101

If you timely submit a proper request to be excluded from the Class, you will not be eligible to receive any of the benefits or payment under the settlement. If you timely submit a proper request for exclusion, you may, at your own expense, pursue any Settled Claims you may have against the Defendants.

13. If I Do Not Exclude Myself from the Class, Can I Sue Defendants on the Same Claims Later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the Settled Claims that the settlement in this case resolves.

14. If I Exclude Myself, Can I Get Money from This Settlement?

No. If you exclude yourself, you are not entitled to receive any money under the settlement. But, you will retain your rights to assert any Settled Claims you may have against Defendants.

THE LAWYERS REPRESENTING YOU

15. Do I Have a Lawyer in This Case?

The Representative Plaintiffs and the Class are represented by the law firm MAHONEY LAW GROUP, APC. You may direct any questions you have about the settlement to Class Counsel or the Claims Administrator (see above). Class Counsel's contact information is as follows:

Kevin Mahoney
Sean M. Blakely
MAHONEY LAW GROUP, APC
249 E. Ocean Boulevard, Suite 814
Long Beach, CA 90802
Telephone: (562) 590-5550
Facsimile: (562) 590-8400

16. How Will Class Counsel Be Paid?

At the Settlement Fairness Hearing, Class Counsel will apply to the Court for an award of reasonable attorney fees in the amount of 33.3% of the Seven Hundred Twenty Five Thousand Dollars (\$725,000.00) Settlement Funds of which amounts to \$241,666.64 and actual litigation costs and expenses of up to Twenty Five Thousand Dollars (\$25,000.00) out of the Settlement Funds. The Court must approve these payments.

OBJECTING TO THE SETTLEMENT

You may tell the Court that you object to the settlement or some part of it.

17. How Do I Tell the Court That I Object to the Settlement?

If you believe the proposed settlement is not fair or reasonable to the Class, you may object by mailing written objections or briefs to the Claims Administrator, Phoenix Settlement Administrators at P.O. Box 27907, Santa Ana, California 92799-7907, by February 19, 2015. Your objections will be heard at the Settlement Fairness Hearing at which time you may appear.

Any Class Member who does not timely mail an objection in the manner described in this Notice shall be deemed to have waived any objections to the settlement, and shall forever be foreclosed from objecting to the fairness or adequacy of the settlement.

THE COURT'S SETTLEMENT FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement.

18. When and Where Will the Court Decide Whether to Approve the Settlement?

The Settlement Fairness Hearing to determine the fairness and adequacy of the proposed settlement, the plan of distribution, Class Counsel's request for attorney fees and costs, the administrative costs, and the incentive payments to the Representative Plaintiffs, among other things, will be held on March 24, 2015, at 2:00 p.m., in Department 311 of the Los Angeles County Superior Court, Central Civil West Courthouse, located at 600 South Commonwealth Avenue, Los Angeles, California, 90005. The Settlement Fairness Hearing may be continued without further notice. You will not be permitted to speak at the Settlement Fairness Hearing unless you timely mailed an objection to the settlement. You do not need to appear at the hearing to either object to or exclude yourself from the Class.

WHAT IF YOU DO NOTHING

19. What If I Do Nothing?

If you do nothing in response to this Notice, you will receive payment under the terms of the settlement, you will be bound by the terms of Settlement Agreement and you will be deemed to have released Defendants from all Settled Claims, including those claims that relate or refer to, are derivative of, or are based on the claims and allegations of wrongful conduct in this lawsuit.

ADDITIONAL INFORMATION

20. Is There Anything Else I Need to Know?

This Notice only summarizes the case, the terms of the Settlement Agreement, and other matters related to the case. For more information, you may contact Class Counsel whose contact information is provided above. In addition, you may contact the Claims Administrator whose contact information also is provided above. You may also inspect the Court files

at the Clerk's Office located at 600 S. Commonwealth Avenue, Los Angeles, CA 90005, from 8:30 a.m. to 4:30 p.m., Monday through Friday, holidays excepted.

21. Who Is Representing Defendants in This Case?

The attorneys for Defendant Command Center Security, Inc. are:

Stella K. Park
PARK & ZHENG
6 Venture, Suite 270
Irvine, California 92618
Tel.: 949.679.3372
Fax: 949.258.9808

The attorneys for Defendant Knight Watch Security, Inc. are:

S. Young Lim
PARK & LIM
3435 Wilshire Blvd., Suite 2920
Los Angeles, California 90010
Tel.: 213.386.5595
Fax: 213.384.7110

PLEASE DO NOT CALL OR WRITE TO THE COURT ABOUT THIS NOTICE.

November 7, 2014

The Honorable John Shepard Wiley, Jr.
Judge of the Superior Court