

PLEASE READ THIS NOTICE CAREFULLY. YOU MAY BE ENTITLED TO MONEY FROM A CLASS ACTION SETTLEMENT.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

JAVIER PEREZ, as an individual and on behalf of all employees similarly situated,

Plaintiff,

v.

WEST COAST DRYWALL, INC., a California Corporation; and DOES 1 through 50, inclusive,

Defendants.

CASE NO. RIC1401694

Assigned for All Purposes to:
The Honorable Judge Craig G. Riemer
Dept. 5

**NOTICE OF CLASS
ACTION SETTLEMENT AND
HEARING DATE FOR COURT
APPROVAL**

ATTENTION ALL CURRENT AND FORMER NON-EXEMPT EMPLOYEES EMPLOYED BY WEST COAST DRYWALL, INC. ON OR AFTER FEBRUARY 21, 2010 THROUGH APRIL 20, 2016:

THIS NOTICE EXPLAINS YOUR POTENTIAL RIGHT TO RECOVER MONEY AS THE RESULT OF A SETTLEMENT OF A CLASS ACTION LAWSUIT AGAINST WEST COAST DRYWALL, INC., ROYAL WEST DRYWALL, INC. AND THEIR RESPECTIVE PRINCIPALS; PAUL DIGUISEPPI, AND DENISE DIGUISEPPI (HEREINAFTER COLLECTIVELY, "DEFENDANTS").

ACCORDING TO DEFENDANTS' RECORDS, YOU ARE ELIGIBLE TO PARTICIPATE IN THE SETTLEMENT. IF YOU WISH TO BE EXCLUDED FROM THE SETTLEMENT, YOU MUST COMPLETE AND SUBMIT THE ATTACHED REQUEST FOR EXCLUSION FORM AND MAIL THE REQUEST FOR EXCLUSION FORM SO THAT IT IS POSTMARKED NO LATER THAN JULY 2, 2016.

IF YOU DO NOT COMPLETE AND POSTMARK YOUR REQUEST FOR EXCLUSION FORM BY THIS DEADLINE, YOU WILL BE BOUND BY THE TERMS OF THE SETTLEMENT.

I. WHAT IS THIS CASE ABOUT?

The purpose of this Notice is to inform you that your rights may be affected by the proceedings in a class action lawsuit pending before Judge Craig G. Reimer of the Superior Court of California for the County of Riverside (the "Court"). The Court has only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final hearing. This Notice is given by Order of the Court.

There is a class action lawsuit now pending before the Court. This lawsuit was originally filed on February 21, 2014 and was brought by Javier Perez ("Class Representative" or "Mr. Perez") on behalf of **all current and former non-exempt employees employed by West Coast Drywall and Royal West Drywall, Inc. ("Employers") in California on or after February 21, 2010 through April 20, 2016** ("Putative Class Members"). The period from February 21, 2010 through April 20, 2016 is known as the Class Period.

The Action alleges that Defendants: (1) failed to pay wages; (2) failed to provide meal periods or compensation in lieu thereof; (3) failed to provide rest periods or compensation in lieu thereof; (4) failed to pay wages of terminated or resigned employees; (5) failed to comply with employee itemized wage statement provision; (6) violated the Unfair Competition Law; (7) violated the Private Attorney General Act ("PAGA"); (8) failed to reimburse employee expenses. Defendants deny each and all of the claims and contentions alleged by Plaintiff. Nevertheless, Defendants concluded that further conduct of the lawsuit would be protracted and expensive, and that it is desirable that the Class Representatives and Putative Class Members' ("Plaintiffs") claims be fully and finally settled in the manner and upon the terms and conditions set forth in the agreement that counsel for Plaintiffs ("Class Counsel") and Defendants (collectively, the "Parties") have reached to settle this case (the "Settlement"). The Court has not yet ruled on the merits of Plaintiffs' claims or Defendants' defenses.

II. WHAT ARE THE TERMS OF THE SETTLEMENT?

Defendants deny engaging in any unlawful conduct whatsoever as alleged in this lawsuit and continue to deny the claims and charges of wrongdoing and liability. Defendants deny that any money is owed related to any of the above allegations. Defendants are settling the matter as a compromise and to buy their peace and reserve the right to object to any claim if for any reason the Settlement fails.

The Parties reached a Settlement in which Defendants will pay Eight Hundred Thousand Dollars (\$800,000.00) ("Class Settlement Amount") for the Putative Class Members individual settlement payments, the Employers' and the Putative Class Members' share of taxes, the Class Representative's Service Enhancement Payment, Claims Administrator expenses, and attorneys' fees and costs. If eligible, Putative Class Members may participate in the Settlement. Putative Class Members will not pay any out-of-pocket costs.

All Putative Class Members who do not timely submit a correctly completed Request for Exclusion Form to the Claims Administrator are considered "Qualified Putative Class Members."

There was a hearing on April 12, 2016 in the Superior Court of California for the County of Riverside. Judge Craig G. Reimer conditionally certified a class action against Defendants and directed that you receive this Notice.

A. Payments From Class Settlement Amount

The Court has preliminarily approved the following amounts to be funded from the Class Settlement Amount. All of the foregoing payments are subject to final approval from the Court.

1. Fee and Cost Award for Class Counsel

Class Counsel will request attorneys' fees in the amount of up to Two Hundred Sixty Six Thousand Dollars (\$266,666.00), which represents 33% of the Class Settlement Amount. Class Counsel will also request reimbursement of litigation costs and expenses up to Fifteen Thousand Dollars (\$15,000.00). The Court will not determine the amount of fees and costs until the Final Approval Hearing. The attorneys' fees and costs request shall compensate Class Counsel for the work they have performed and the expenses they have incurred in this Action. Putative Class Members are not personally responsible for any of Class Counsel's attorneys' fees and costs.

2. Service Enhancement Payment to the Class Representative

Class Counsel will also seek an enhanced recovery of no more than Seven Thousand Five Hundred Dollars (\$7,500.00) (“Service Enhancement Payment”) for Mr. Perez for acting as Class Representative on behalf of the Settlement Class. This will be in addition to whatever payment he is otherwise entitled to as a Qualified Putative Class Member. If approved by the Court, this amount will be paid from the Class Settlement Amount for his risk and service on behalf of the Settlement Class which included, among other things, reviewing documents, participating in meetings with Class Counsel, participating in settlement negotiations, and performing other services of that nature.

3. Class Action Administration Costs

Class Action Administration Costs not exceeding Nineteen Thousand Dollars (\$19,000.00) to the Claims Administrator, Phoenix Settlement Administrators, for its services, including but not limited to distributing Class Notices and Request for Exclusion Forms to Putative Class Members, processing Request for Exclusion Forms, calculating Settlement Payments, and distributing such Settlement Payments to the Qualified Putative Class Members.

4. PAGA Penalties

Defendants shall pay Two Thousand Five Hundred Dollars (\$2,500.00) for settlement of claims brought under PAGA. The PAGA payment shall be allocated as follows: One Thousand Eight Hundred Seventy Five Dollars (\$1,875.00) (75%) to the California Labor & Workforce Development Agency (“LWDA”), and Six Hundred Twenty Five Dollars (\$625.00) (25%) to the Qualified Putative Class Members.

The difference between the Class Settlement Amount and the above payments will be the Net Settlement Amount, which is the portion of the Class Settlement Amount eligible for distribution to Qualified Putative Class Members. All of the foregoing payments are subject to final approval from the Court.

B. Additional Payments From the Net Settlement Amount

In addition, the Court has preliminarily approved the following amounts to be funded from the Net Settlement Amount. The difference between the Net Settlement Amount and the below additional payments will be the amount distributed directly to Qualified Putative Class Members.

1. Qualified Putative Class Members Share of Payroll Taxes

Each Qualified Putative Class Members’ share of payroll taxes that it is required to withhold for wage payments as a matter of law shall be paid from the Net Settlement Amount.

2. Employers’ Share of Payroll Taxes

The Employers’ share of payroll taxes for wage payments to the Qualified Putative Class Members, as required as a matter of law shall be paid from the Net Settlement Amount.

C. Release of Claims

Upon final approval of the Settlement, each Putative Class Member who does not properly complete and submit the attached Request for Exclusion Form is deemed to fully release and discharge Defendants along with any and all of their respective officers, directors, employees and agents (“Released Parties”), from all claims and causes of action alleged in this Action. These claims include but are not limited to all of the following claims from February 21, 2010 to the date of Preliminary Approval of Class Settlement.

1. Any claims for unpaid wages (including but not limited to overtime pay, minimum wage, regular wages, salary, bonuses, commissions, vacation or paid time off, missed meal period pay, missed rest period pay, failure to pay wages of terminated or resigned employees, , or other benefits), and claims for interest, penalties, or premiums in connection therewith, as well as any claims under the California Labor Code, California Wage Orders, alleged in the First Amended Complaint and those based on the facts alleged in the First Amended Complaint;

2. Any claims for failure to comply with the employee itemized wage statement provision under California Labor Code section 226;
3. Any claims for failure to keep accurate payroll records under California Labor Code section 1174, et seq.;
4. Any claims under California Business and Professions Code section 17200 et seq., including, but not limited to claims for injunctive relief, declaratory relief, restitution, or fraudulent business practices alleged in the First Amended Complaint and those based on the facts alleged in the First Amended Complaint;
5. All claims for failure to reimburse for necessary business expenses (California Labor Code section 2802);
6. Any claims under PAGA arising out of the wage, hour and payroll practices alleged in the First Amended Complaint and those based on the facts alleged in the First Amended Complaint, including, but not limited to, claims against individual principals under California Labor Code section 558; and
7. Any and all other claims under California common law, the California Labor Code, California Wage Orders, the California Business and Professions Code asserted in the First Amended Complaint and those based on the facts alleged in the First Amended Complaint (all of the above in Section II. C. of this Notice are collectively referred to as “Released Claims”).

The Released Claims do not include a release of any *other* rights you have or the claims you may have as an employee or former employee of the Employers. The Released Claims are specifically limited to the claims set forth above.

III. IF I CHOOSE NOT TO REQUEST TO BE EXCLUDED, HOW IS MY SHARE OF THE SETTLEMENT CALCULATED?

Each Qualified Putative Class Member shall receive a Settlement Payment, which is a share of the Net Settlement Amount. The payment for each Qualified Putative Class Member is based on the number of Qualifying Workweeks worked by that person during the Class Period. A “Qualifying Workweek” is defined as any week or partial week an employee worked for West Coast Drywall, Inc. and/or Royal West Drywall, Inc. in California between February 21, 2010 and April 20, 2016.

The Settlement Payment for each individual Qualified Putative Class Member shall be calculated by first aggregating the total number of Qualifying Workweeks that all Qualified Putative Class Members were employed. The percentage obtained by dividing the number of Qualifying Workweeks for an individual Qualified Putative Class Member by the aggregate of the total number of Qualifying Workweeks for all Qualified Putative Class Members shall be used to calculate that individual Qualified Putative Class Member’s relative share of the Net Settlement Amount. This percentage will be multiplied by the Net Settlement Amount to determine that individual’s Settlement Payment. Settlement payments to individual Qualified Putative Class Members are estimated to range from \$ 11.68 to \$ 3,689.43 depending on the number of Qualifying Workweeks worked. The average Qualified Putative Class Member’s recovery is estimated to be approximately \$ 302.63

Below this paragraph, this Notice lists the number of Qualifying Workweeks that you worked during the Class Period, based on West Coast Drywall’s business records. If you believe that the number of Qualifying Workweeks listed on this Notice is incorrect, you must send a letter to the Claims Administrator not later than forty five (45) days after the Notice Packet is first mailed out with the attached document(s) indicating what you believe to be the correct number of Qualifying Workweeks. You must also send any documents or other information that support your belief. The Claims Administrator will resolve any dispute regarding the number of Qualifying Workweeks you worked based on West Coast Drywall’s records and any information that you provide.

YOUR NUMBER OF QUALIFYING WORKWEEKS IS: <<CM WorkWeek>>

For purposes of tax payment obligations, 33 1/3% of the amounts distributed to each Qualified Putative Settlement Class Member shall be treated as wages (subject to all required withholdings) 33 1/3% will constitute interest and 33 1/3% will constitute penalties. An IRS Tax Form W-2 will be issued to each Qualified Putative Class Member with regard to the portion of the Settlement Payments attributable to wages and an IRS Tax Form 1099 will be issued to each

Qualified Putative Class Member with regard to the remaining portion of the Settlement Payments. Qualified Putative Class Members should consult with their tax advisors concerning the tax consequences of the payments that they receive under the settlement.

IV. WHAT ARE MY RIGHTS AND OPTIONS AS A CLASS MEMBER?

You have three options under this Settlement, each of which is discussed below: (A) Request to be Excluded from the Settlement, (B) Object to the Settlement, or (C) Do nothing.

A. If You Want To Exclude Yourself From The Settlement

If you do not wish to participate in the Settlement, you must submit a Request for Exclusion Form online not later than forty five (45) days after the Notice Packet is first mailed out (“Exclusion Period.”) or via US Mail bearing a postmark date on or before the final date of the Exclusion Period. The Request for Exclusion Form must: (1) legibly state your name, the last four digits of your Social Security number, address and telephone number, (2) state that wish to be excluded from the Settlement, (3) be dated, and (4) be signed by you under penalty of perjury. The Request for Exclusion Form must be made individually and cannot be made on behalf of a group of employees or on behalf of other Putative Class Members. If you chose to exclude yourself from the Settlement, you will not receive money from the settlement. The Request for Exclusion Form can be submitted online to www.phoenixclassaction.com/PerezvWestCoastDrywall or you can submit a Request for Exclusion Form to the Claims Administrator at the following address:

Javier Perez v West Coast Drywall, Inc. et al., Settlement Administrator
c/o Phoenix Settlement Administrators
P.O Box 7208
Orange, CA 92863

The judgment will bind all Putative Class Members who do not properly submit and complete a Request for Exclusion Form. Please see the attached the Request for Exclusion Form for more detail.

B. If You Want To Object To The Settlement

You may object, personally or through an attorney, to the proposed Settlement, by mailing your completed Notice of Objection to Class Action Settlement Form (“Notice of Objection”) enclosed to the Court at the following address:

Clerk of the Superior Court
County of Riverside
4050 Main Street
Riverside, CA 92501

Even if you do not appear at the fairness hearing, the Court may still consider your objection. The envelope with your Notice of Objection form to the Court must bear a postmark date on or before the final date of the Exclusion Period and copies of the Notice of Objection must be sent on the same date to:

Attorneys for Plaintiff Perez and Class Members:

Kevin Mahoney, Esq.
Mahoney Law Group, APC
249 E. Ocean Boulevard, Suite 814
Long Beach, CA 90802

Attorneys for Defendants:

Teresa M. Beck, Esq.
Paul James, Esq.
Lincoln, Gustafson & Cercos
550 West C Street, Suite 1400
San Diego, CA 92101

If you do not comply with this procedure, you may not be entitled to be heard at the fairness hearing or to otherwise contest the approval of the Settlement, or to appeal from any related orders or judgments of the Court. If you submit a valid and timely Request for Exclusion Form, you cannot object to the Settlement.

C. If You Choose To Do Nothing

If you do nothing, and the Court approves the Settlement, you will be bound by the terms of the Settlement and the release and you will receive money under the Settlement.

V. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will conduct a final approval hearing on August 11, 2016 at 8:30 a.m. in Department 5 of the Superior Court of California, located at 4050 Main Street, Riverside, CA 92501. At that hearing, the Court will determine whether the Settlement should be finally approved. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs, and the Service Enhancement Payment to be paid to the Class Representative, and other payments discussed above. **IF YOU HAVE FILED A TIMELY OBJECTION TO CLASS ACTION SETTLEMENT FORM, IT IS NOT NECESSARY FOR YOU TO APPEAR AT THE HEARING TO HAVE YOUR OBJECTION CONSIDERED BY THE COURT.**

VI. WHAT IF I NEED MORE INFORMATION?

The foregoing is only a summary of the litigation and the proposed Settlement and does not purport to be comprehensive. For a more detailed statement of the matters involved in the litigation and the proposed Settlement, you may refer to the pleadings, the Motion for Preliminary Approval of Class Action Settlement, Declaration of Kevin Mahoney in Support of Class Action Settlement, Joint Stipulation of Class Settlement, and other papers filed in the litigation, which may be inspected at the Office of the Clerk of the Riverside Superior Court, located at 4050 Main Street, Riverside, CA 92501 during regular business hours of each Court day. You may also view these documents at <http://www.riverside.courts.ca.gov/publicaccess>.

The current version of the Settlement Agreement is attached as an exhibit to the Third Amended Declaration of Kevin Mahoney In Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement filed on April 15, 2016.

In addition, if you have any questions, please contact the Claims Administrator at 1-888-613-5553, toll free. You may also contact Class Counsel, Kevin Mahoney, at 562-590-5550 to ask about the West Coast Drywall Class Action Settlement.

PHOENIX SETTLEMENT ADMINISTRATORS

Address: P.O. Box 7208
Orange, CA 92863
Telephone: (800) 784-2174

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH INQUIRIES ABOUT THE SETTLEMENT