

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

**If You Are or Were a Non-Exempt Employee of
Innovative Coatings Technology Corporation,
You May Be Eligible for a Payment from
a Class Action Settlement.**

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

- A proposed settlement has been reached in a class action lawsuit against Innovative Coatings Technology Corporation (“INCOTEC”), which alleges that the company failed to provide meal and rest breaks and failed to properly pay overtime wages and other related claims in violation of California law.
- INCOTEC denies that it did anything wrong and disputes the claims made against it. This is a settlement and is not a decision by the Court. The Court has not found that INCOTEC did anything wrong.
- **The approximate amount of your share under the settlement is stated in the Notice of Settlement Benefits enclosed herewith.**
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT THE ENCLOSED CLAIM FORM	If you no longer work for INCOTEC and wish to participate in the settlement, you must submit the completed claim form enclosed herewith, within the time allowed, as explained below. If the Court approves the settlement and it becomes final and effective, you will get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to participate in any other lawsuit against INCOTEC regarding the legal claims in this case.
OBJECT	Write to the Court about why you do not like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	If you are a current employee of INCOTEC and have not excluded yourself from the settlement and the settlement is approved by the Court, you will automatically receive the payment to which you are entitled under the settlement and will give up your right to participate in further litigation against INCOTEC about the claims in this case.

- 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 *only if* the Court approves the settlement and after appeals, if any, are resolved.

Please be patient.

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BASIC INFORMATION

1. Why did I get this notice?

A Court has authorized this notice because you have the right to know about a proposed settlement of this class action lawsuit and about all of your options before the Court decides whether to give final approval to the settlement. This notice explains the lawsuit, the settlement, and your legal rights.

Judge Sidney P. Chapin of the Bakersfield Superior Court is overseeing this case. This litigation is known as *Calzadillas et al v. Innovative Coatings Technology Corporation*, Case No. S-1500-cv-283563. The persons who sued are called the Plaintiffs and the company they sued, INCOTEC is called the Defendant.

You received this notice because INCOTEC's records indicate that you are a current or former non-exempt employee of INCOTEC who worked one or more eligible weeks between December 3, 2010 and September 21, 2016.

2. What is the lawsuit about?

The lawsuit alleges that INCOTEC failed to provide meal periods, failed to authorize and permit rest breaks and failed to properly pay overtime wages in compliance with California law. Based on those allegations, the lawsuit asserts claims for: (i) failure to provide meal breaks (Lab. Code §§ 226.7 and 512); (ii) failure to authorize and permit rest breaks (Lab. Code § 226.7); (iii) failure to pay minimum and straight time wages; (iv) failure to pay overtime compensation; (v) failure to timely pay wages upon termination of employment; (vi) failure to provide accurate statements and maintain required records; (vii) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]; and (viii) statutory penalties under the Private Attorneys General Act of 2004 (Lab. Code §§ 2698, et seq.). The First Amended Complaint in the lawsuit is posted on the website www.phoenixclassaction.com/calzadillasvinnotec.com and contains all of the allegations and claims asserted against INCOTEC.

INCOTEC denies Plaintiffs' claims and contends that it complied fully with California law and properly paid all amounts owed.

The Court has not decided which side is right.

3. Why is this a class action?

In a class action, one or more people, called Class Representatives (in this case, Luis Calzadillas and Trevin Renfro, sue on behalf of people who have similar claims. Together, all of the people with similar claims (except those who exclude themselves) are members of a "Settlement Class" and are called "Settlement Class Members."

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendant. Instead, both sides agreed to a settlement. That way, they avoid the cost and inherent uncertainty of a trial, and the people affected will get compensation. The Class Representatives and the attorneys think that the settlement is best for everyone who was injured or damaged by the practices alleged in the lawsuit.

WHO IS IN THE SETTLEMENT

If you received this Notice of the Settlement and it is addressed to you, then you are likely a Settlement Class Member. It is possible, even if you did not receive this Notice of Settlement, that you may be a Settlement Class Member, as described below.

5. How do I know if I am part of the settlement?

Everyone who fits into the following description of the “Class” and one or more of the following “Sub-Classes” is a Settlement Class Member:

Class

Any and all persons currently or formerly employed by Defendant in California on an hourly, non-exempt basis from December 2, 2010 through September 21, 2016.

It was determined that you fit within this description based on INCOTEC’s business records.

6. I’m still not sure if I am included.

If you are not sure whether you are in the Settlement Class, or have any other questions about the settlement, visit the settlement website at www.phoenixclassaction.com/calzadillasvinnotec.com or call the Settlement Administrator toll free at (800) 784-2174.

THE SETTLEMENT BENEFITS – WHAT YOU GET

7. What does the settlement provide?

Under the settlement, INCOTEC has agreed to pay \$850,000.00 (the “Gross Settlement Amount”) to: (i) make payments to eligible Settlement Class Members; (ii) pay PAGA penalties to the State of California in the amount of \$7,500.00; (iii) pay all applicable employee tax withholdings; (iv) pay all employer-paid payroll taxes, including the employer FICA, FUTA and SDI contributions; (v) pay the costs of the Court-appointed Settlement Administrator, who is charged with providing notice to the Settlement Class and administering the settlement; (vi) pay any special service payments that the Court may award to the Class Representative for bringing the lawsuit; and (vii) pay the attorneys’ fees and reimbursement of litigation costs that the Court may award to the attorneys who prosecuted this litigation on behalf of the Settlement Class.

Payments to each Settlement Class Member will be based on a formula that allocates the Settlement Fund *after* the payment of applicable PAGA penalties, deducting the costs of providing notice and administering the settlement, taxes, the service payment awarded to the Class Representative by the Court and the attorneys’ fees and reimbursement of costs awarded by the Court. The amount remaining after deducting these costs from the Settlement Fund is called the Net Settlement Amount.

The Settlement Administrator will allocate the Net Settlement Amount across all Participating Settlement Class Members (i.e., Settlement Class Members who have not opted-out of the settlement) based on the following distribution formula:

[The Net Settlement Amount] divided by [the aggregate total of all eligible weeks worked by all Participating Settlement Class Members] multiplied by [the number of eligible weeks worked by the individual Participating Settlement Class Member.]

The Net Settlement Amount allocated to each Participating Class Member pursuant to the above formula is called the “Settlement Share.”

Fifty percent (33.3%) of the Settlement Share to each Participating Class Member will be allocated as wages and fifty percent (67.7%) of the will be allocated as penalties and interest. The employee and employer portions of the taxes on the wage portion of the Settlement Share to each Participating Class Member will be withheld in accordance with applicable law. To the extent necessary to ensure the payment of all such tax obligations, the payment you will receive under the settlement will be reduced by any such required tax obligations.

8. How much will my payment be?

It is not possible to know at this point exactly how much any Settlement Class Member’s payment will be, since the amount of payment will depend on factors that are not presently known, including: (i) the number of Settlement Class Members who ultimately participate in the settlement; (ii) the ultimate costs of providing notice and administrating the settlement; and (iii) the amount that the Court ultimately awards as a service payment to the Class Representative and in attorneys’ fees and costs.

The approximate amount of your share of the Net Settlement Amount has been calculated using the formula identified in response to Question 7 based on a 100% participation by all Settlement Class Members, an estimated of cost of \$15,000 for providing notice and administrating the settlement claims, payment of \$7,500 in PAGA penalties, a service payment of \$5,000 to each Class Representative, payment of \$5,000 to each Class Representative for releasing any and all claims they may have against INCOTEC, and an award of attorney’s fees of \$297,500.00 and reimbursement of litigation costs of up to \$15,000.

The estimated amount of your share of the Net Settlement Amount, based on the above assumptions, is stated on the Notice of Settlement Benefits that is included with this Notice.

9. When will I receive my payment?

Settlement Class Members, who do not opt-out of the settlement and are entitled to a payment based on the distribution formula explained in response to Question 7, will receive their payments by check only after the Court grants final approval to the settlement and after any appeals are resolved (see “The Final Approval Hearing” below). If there are appeals, resolving them can take time. Please be patient.

10. What I am giving up to stay in the Settlement Class?

Unless you exclude yourself from the settlement, you cannot sue INCOTEC, or be part of any other lawsuit against INCOTEC about the issues in this case. Unless you exclude yourself, all of the decisions by the Court will bind you. The Stipulation of Settlement is available at www.phoenixclassaction.com/calzadillasvinnotec.com and fully describes the claims that you give up if you remain in the settlement.

HOW TO RECEIVE PAYMENT

11. How can I receive a payment?

Settlement Class Members who are current employees of INCOTEC who do not opt-out of the settlement will receive payments from the settlement automatically. They do not have to do anything in order to receive that payment. As long as you do not exclude yourself from the Settlement (*see* Question 12), the payment will be made automatically by check mailed to you at the address INCOTEC has on file or at such updated address as the Settlement Administrator can identify. Please contact the Settlement Administrator if you change your address.

Settlement Class Members who are former employees of INCOTEC who do not opt-out of the settlement will receive payments if they mail in the fully filled out claim form provided herein to the Settlement Administrator by March 4, 2017.

You can also contact the Settlement Administrator by email at classmember@phoenixclassaction.com or by phone at (800) 784-2174.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want money from this settlement, but you want keep your right to sue (or continue to sue) INCOTEC about the legal issues in this case, then you must take steps to “opt out.” This is called excluding yourself – or is sometimes referred to as “opting out” of the Settlement Class.

12. How do I get out of the settlement?

If you are a Settlement Class Member and do NOT wish to remain part of the Settlement Class, you may elect to exclude yourself (“opt-out”) provided that such request is made in writing and postmarked on or before March 4, 2017. **Do not submit a request to exclude yourself if you want to obtain compensation under the Settlement.** Persons who exclude themselves from the Settlement will not be entitled to share in the benefits of the settlement and they will not be bound by any orders or judgment rendered in this case. If you do not exclude yourself from the Settlement Class by the deadline, you will be bound by the Settlement Agreement, including the release and dismissal, and any consequences the settlement might have on your right to any legal relief not sought in this action. In making a decision whether to remain a Settlement Class Member or to exclude yourself from the Class, please carefully review this notice.

To request exclusion you must submit the exclusion form provided herewith and mailed by March 4, 2017 to the Settlement Administrator. Your request for exclusion must be signed, dated and mailed by First Class U.S. Mail, or the equivalent, to:

INCOTEC Settlement Administrator
c/o Phoenix Class Action Settlement Administrators
P.O. Box 7208
Orange, CA. 92863

Your request for exclusion must be postmarked no later than March 4, 2017. **If you submit a Request for Exclusion which is not postmarked by March 4, 2017, your Request for Exclusion will be rejected and you will be bound by the release and all other Settlement terms.**

If the request for exclusion is sent from within the United States it must be sent through the United States Postal Service by First Class Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Request for Exclusion.

Any person who submits a complete and timely request for exclusion shall, upon receipt, no longer be a member of the Settlement Class, shall be barred from participating in any portion of the settlement, and shall receive no benefits from the settlement. Any such person, at his or her own expense, may pursue any claims he or she may have against INCOTEC.

13. If I do not exclude myself, can I sue INCOTEC for the same thing later?

No. Unless you exclude yourself, you give up the right to sue INCOTEC for the claims that the Settlement resolves. You must exclude yourself from the Settlement Class in order to try to maintain your own lawsuit.

14. If I exclude myself, can I get money from this settlement?

No. You will not get a payment if you exclude yourself from the settlement.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court has appointed the law firm of Rastegar Law Group A.P.C. to represent you and all Settlement Class Members. Together, the lawyers are called Class Counsel and can be reached at:

CLASS COUNSEL
Farzad Rastegar, Esq. Thomas S. Campbell, Esq. Rastegar Law Group, A.P.C. 22760 Hawthorne Boulevard, Suite 200 Torrance, CA 90505 Telephone: (310) 961-9600 Facsimile: (310) 961-9094

You will not be charged for contacting these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

16. How will the lawyers be paid?

Class Counsel intend to request up to \$297,500.00 (35 percent of the Gross Settlement Amount) for attorneys' fees, plus reimbursement of the costs and expenses of up to \$15,000 for prosecuting the class action. The fees and expenses awarded by the Court will be paid out of the Settlement Fund. The Court will decide the amount of fees to award. Class Counsel will also request that special service payment of \$5,000 be paid from the Gross Settlement Amount to each Class Representative for their service as representatives on behalf of the whole Settlement Class. Class Counsel will also request that each Class Representative be paid \$5,000.00 for their releasing all the individual claims they may have against INCOTEC beyond those contained in the complaint filed in this case to be paid from the Gross Settlement Amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

17. How do I tell the Court that I don't like the settlement?

If you are a member of the Settlement Class, you can object to any part of the settlement, the settlement as a whole, Class Counsel's requests for fees and expenses, and/or the special service payments to the Class Representatives. However, if the Court rejects your objection, you will still be bound by the terms of the settlement. You will not be allowed to object if you have submitted a valid and timely request for exclusion.

To object, you must check the box marked "I object" on the claim form you will send to the administrator, and also submit a letter that includes the following to the three addresses below:

- Your full name, current address, and telephone number;
- A statement saying that that you object to settlement in *Calzadillas et al v. Innovative Coatings Technology Corporation*, Case No. S-1500-cv-283563;
- The reasons you object to the Settlement, along with any supporting materials;
- Whether you intend to appear at the final fairness hearing with or without separate counsel;
- If you intend to appear at the fairness hearing with separate counsel, the names of all attorneys who will separately represent you; and
- Your signature.

You must mail your objection to each of the following three addresses, and your objection must be postmarked by March 4, 2017.

THE COURT	CLASS COUNSEL	COUNSEL FOR DEFENDANT
Clerk of the Court Department 4 Bakersfield Superior Court 1415 Truxtun Avenue, Bakersfield, California 93301	Farzad Rastegar RASTEGAR LAW GROUP, APC 22760 Hawthorne Boulevard, Suite 200 Torrance, CA 90505	Randall S. Leff ERVIN COHEN & JESSUP LLP 9401 Wilshire Boulevard, Ninth Floor Beverly Hills, CA 90212-2974

Any member of the Settlement Class who does not make and serve his or her written objections in the manner provided above shall be deemed to have forever waived such objections and shall be foreclosed from making any objections to the settlement, by appearance or otherwise.

If you file your objections but the Court approves the settlement as proposed, you will still be eligible for settlement payment.

18. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you do not exclude yourself. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to.

19. When and where will the Court decide whether to approve the settlement?

The Court has scheduled a Final Approval Hearing on April 4, 2017 at 8:30a.m. at Department 4 of the Bakersfield Superior Court, located at 1415 Truxtun Avenue, Bakersfield, California 93301. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check www.phoenixclassaction.com/calzadillasvinnotec.com for updates.

At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. The Court will also consider any request by Class Counsel for attorney's fees and expenses as well as the request for the award of payments to the Class Representatives. If there are objections, the Court will consider them at that time. After the hearing, the Court will decide whether to approve the settlement. We do not know how long the decision will take.

20. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense.

21. May I speak at the hearing?

You may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must send a letter saying that you intend to appear and wish to be heard. Your Notice of Intention to Appear must include the following:

- Your name, address, and telephone number;
- A statement that this is your "Notice of Intention to Appear" at the Final Approval Hearing for the settlement in *Calzadillas et al v. Innovative Coatings Technology Corporation*, Case No. S-1500-cv-283563;
- The reasons you want to be heard;
- Copies of any papers, exhibits or other evidence or information that you will present to the Court; and
- Your signature.

You must send copies of your Notice of Intention to Appear, postmarked by March 4, 2017, to all three addresses listed in response to Question 19. You cannot speak at the hearing if you exclude yourself from the settlement.

GETTING MORE INFORMATION

22. How do I get more information?

This notice summarizes the proposed settlement. More details are in the Stipulation of Settlement. For a complete, definitive statement of the settlement terms, refer to the Stipulation of Settlement at www.phoenixclassaction.com/calzadillasvinnotec.com. You also may write with questions to the Settlement Administrator at:

INCOTEC Settlement Administrator
c/o Phoenix Class Action Settlement Administrators
P.O. Box 7208
Orange, CA. 92863

You can also contact the Settlement Administrator by email at classmember@phoenixclassaction.com or by phone at (800) 784-2174.

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION