

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

Surveillance Security Wage and Hour Cases,
Judicial Council Coordination Proceeding No. 4969

If you have worked as a security guard for Surveillance Security, Inc., you may be entitled to receive money from a class action settlement.

*The California Superior Court, County of Los Angeles authorized this notice.
This is not a solicitation from a lawyer.*

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of employees of Surveillance Security, Inc. (“Defendant”) who have worked as security guards. The proposed settlement will resolve all Released Claims (defined below) against Defendant. A hearing addressing the fairness, adequacy, and reasonableness of the settlement will be held on October 18, 2019 at 11:00 a.m. to determine whether the settlement should receive the Court’s final approval.

This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described below) no later than September 9, 2019 otherwise you will be bound by the terms of the settlement.

1. PURPOSE OF THIS NOTICE

The Court has ordered that this Notice be sent to you because you have been identified as a member of the class by Defendant’s records. The purpose of this notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

2. PERSON ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

The people eligible to receive a settlement payment are all persons who were employed as security guards by Defendant in California during the Class Period. The Class Period is from October 4, 2013 through May 22, 2019.

3. DESCRIPTION OF THE ACTION

Two former employees of Defendant (called “Plaintiffs”) filed class action complaints against Defendant in the Sacramento County Superior Court on October 4, 2017 and in the Los Angeles County Superior Court on December 4, 2017. Their complaints allege that they and other guards employed by Defendant were not paid for all of the time they worked, were not paid overtime, were not provided with compliant meal and rest breaks, were not paid all amounts due at separation, were not provided with sick leave, were not provided compliant wage statements, and were not reimbursed for expenses incurred. Based on these facts and others, the complaints allege causes of action for: (1) failure to pay wages earned, (2) failure to provide meal breaks; (3) failure to provide rest breaks, (4) failure to pay wages due at time of discharge, (5) violation of section 9 of the applicable Wage Order, (6) failure to provide sick leave, (7) failure to reimburse necessary expenditures, (8) unfair business practices, (9) failure to pay overtime premium rates, (10) failure to provide compliant wage statements, and (11) for recovery of civil penalties under the California Labor Code Private Attorneys’ General Act, Cal. Labor Code §§2698-2699.5 (PAGA).

Defendant denies all of Plaintiff’s allegations. Among other things, Defendant contends that all employees have been properly compensated, that all employees were provided with the opportunity to take compliant meal and rest breaks, and that employees were reimbursed for all expenses.

The Court has made no ruling on the merits of the alleged claims or the defenses asserted by Defendant. The Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for October 18, 2019 at 11:00 a.m (the “Final Approval Hearing”).

FOR MORE INFORMATION CALL 1-800-533-5773.

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

Attorneys representing the employees (“Class Counsel”) are:

Aaron C. Gundzik Rebecca G. Gundzik Gartenberg Gelfand Hayton LLP 15260 Ventura Blvd., Suite 1920 Sherman Oaks, CA 91403 Telephone: (213) 542-2100 Facsimile: (213) 542-2101	Galen Shimoda Justin Rodriguez Shimoda Law Corp. 9401 E. Stockton Blvd., Suite 200 Elk Grove, CA 95624 Telephone: (916) 525-0716 Facsimile: (916) 760-3733
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Attorneys representing Defendant are:

Aaron H. Cole Ogletree, Deakins, Nash, Smoak & Stewart, P.C. 400 South Hope Street, Suite 1200 Los Angeles, CA 90071 Telephone: 213-330-0811 Fax: 213-239-9045	
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5. THE TERMS OF THE PROPOSED SETTLEMENT

The following is a summary of the settlement. The specific and complete terms of the proposed Settlement are stated in the Stipulation of Class Action Settlement (“Settlement Agreement”), a copy of which is filed with the Court. You can obtain a copy of the Settlement Agreement from Class Counsel (see contact information in Section 4 above) or review it on the following website: www.phoenixclassaction.com.

Defendant has agreed to pay \$368,908.50 in two payments (due on about October 15, 2019 and July 15, 2020) to settle any and all obligations for the claims alleged in the lawsuit. However, the settlement amount will be reduced to \$294,057.50 if Defendant pays that amount in a single payment (due on about October 15, 2019). The amount that Defendant will pay for the settlement is called the Gross Settlement Amount. The Gross Settlement Amount will be used to cover all payments to the settlement class, settlement administration costs, attorneys’ fees and costs, a service and release payment to the Plaintiffs and funds owed to the state of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the Net Settlement Amount) will be distributed to class members who do not timely submit Requests for Exclusion, as discussed below.

(a) Attorneys’ Fees and Costs: Class Counsel has worked on this matter without compensation and has advanced funds to pay for expenses necessary to prosecute the class action. Accordingly, under the settlement, Class Counsel may request up to \$122,969.50 if Defendant pays the full Gross Settlement Amount of \$368,908.50, to compensate them for their work on the case. If Defendant pays the discounted Gross Settlement Amount of \$294,057.50, Class Counsel may request up to \$98,019.16. Class Counsel will also request payment of their reasonable costs and expenses incurred in the litigation, not to exceed \$18,000. Subject to court approval, the attorneys’ fees and costs will be deducted from the Gross Settlement Amount.

(b) Service and Release Payment: The two Plaintiffs who brought the class actions are each requesting a service and release payment in the amount of \$7,500, for a total of \$15,000, in addition to the amounts they will receive as members of the class, to compensate them for undergoing the burden and expense of bringing and prosecuting the action, and for the broader release of claims they are required to execute. Subject to court approval, the service and release payments will be deducted from the Gross Settlement Amount.

(c) Settlement Administration Costs: The Settlement Administrator, Phoenix Settlement Administrators, has advised the parties that the settlement administration costs will be \$12,000. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.

(d) Payment to State of California: A total of \$10,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes penalties to the state for alleged violations of the California Labor Code. Of this amount, \$7,500 (75%) will be paid to the California Labor & Workforce Development Agency (“LWDA”) and \$2,500 (25%) will

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distributed to class members as part of the Net Settlement amount discussed below. Subject to court approval, the \$7,500 payment to the LWDA will also be deducted from the Gross Settlement Amount.

(e) Payments to Settlement Class Members: The remainder of the Gross Settlement Amount (called the Net Settlement Amount) will be distributed to class members who do not exclude themselves from the settlement (called Settlement Class Members). The amount of each Settlement Class Member's share of the Net Settlement Amount will be calculated by dividing the individual's total workweeks during the Class Period by the total workweeks for all Settlement Class Members during the Class Period and multiplying that fraction by the Net Settlement Amount.

6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant's records, you worked a total of «Work_Weeks» weeks during the Class Period. Under the settlement, if Defendant pays the discounted amount of \$294,057.50, you will receive approximately «Est_Settlement_Amount__294k». If Defendant pays the full amount of \$368,908.50, you will receive approximately «Est_Settlement_Amount__368k». These estimated amounts may increase or decrease based on various factors, including the number of class members who submit Requests for Exclusion, the amounts approved by the Court for attorneys' fees and costs, settlement administration costs, service and release payment to Plaintiffs, payments to the LWDA, and disputes by other class members regarding their work weeks during the Class Period. **To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

7. PAYMENT SCHEDULE

The Settlement Administrator will send out settlement checks to class members after the settlement is finally approved and after Defendant has funded the settlement. If Defendant pays the discounted Gross Settlement Amount of \$294,057.50, you will receive one payment, which will be made shortly after final approval of the settlement. If Defendant pays the full Gross Settlement Amount of \$368,908.50, your share of the settlement will be made in two separate payments. The first payment will be made shortly after final approval of the settlement. The second payment will be made approximately nine months after the first payment is made.

You will have 180 days after the Settlement Administrator mails each of your settlement checks to cash each one; otherwise the check will be voided and the amount of your settlement payment will be sent to state of California's Unclaimed Property Fund, as provided for in Title 10 of Part 3 of the California Code of Civil Procedure, beginning with Code of Civil Procedure section 1300, so that Settlement Class Members may later claim such funds. For tax purposes, twenty-five percent (25%) of your settlement payment shall be attributed to wages and reported on a W-2 form; twenty-five percent (25%) as reimbursement of expenses; twenty-five percent (25%) as penalties; and twenty-five percent (25%) as interest. The amount of expense reimbursement, interest, and penalties will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

8. RELEASE OF CLAIMS

Unless you submit a valid Request for Exclusion (described below), upon Defendant's funding of the settlement, you will release Defendant, its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers from all causes of action and factual or legal theories that were alleged in the Complaints or reasonably could have been alleged based on the facts and legal theories contained in the Complaints, including all of the following claims for relief: (a) failure to pay all regular wages, minimum wages and overtime wages due; (b) failure to provide or pay sick leave; (c) failure to properly calculate the regular rate for overtime pay or sick leave pay (d) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (e) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (f) failure to reimburse business expenses; (g) failure to provide complete, accurate or properly formatted wage statements; (h) waiting time penalties that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (i) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (j) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (k) any

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other claims or penalties under the wage and hour laws pleaded in the Action; and (l) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. This release is for conduct occurring from October 4, 2013 through the date that the Court gives final approval to the settlement. The claims covered by this release are referred to as the “Released Claims.”

9. YOUR OPTIONS

As a member of the class you have four options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

(a) You Can Do Nothing.

If you do nothing, you will remain a member of the settlement class and will receive a settlement payment. You will also be bound by the release of claims set forth in Section 8 above. The payment will remain valid and negotiable for one hundred eighty (180) days from the date of the issuance. This deadline to cash the payment shall not be extended for you absent Court Order.

(b) You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.

You can contest the number of workweeks identified for you in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of your position. The statement must also include your full name, current address and telephone number, and must identify this case (*Surveillance Security, Inc.*, JCCP No. 4969). You must provide written documentation supporting the number of weeks you believe that you worked and/or the amount you were paid in settlement; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than **September 9, 2019**. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. The Settlement Administrator will mail you its final determination.

(c) You Can Exclude Yourself from the Settlement Class.

If you do not want to remain a member of the settlement class, you can request exclusion (i.e., opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section 11 below. The deadline to postmark a Request for Exclusion is **September 9, 2019**. A Request for Exclusion is a written statement unambiguously requesting to be excluded from the settlement class. The Request for Exclusion must include the case name (*Surveillance Security, Inc.*, JCCP No. 4969), your name, current address and telephone number, and the last four digits of your social security number (for verification purposes). You must also sign the Request for Exclusion. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before the deadline, will not be valid.

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section 8 above; however, you will not receive any money under the settlement. You will also be barred from objecting to this settlement. By opting out of the settlement class, you will retain whatever rights or claims you may have against Defendant.

If you do not submit a timely and valid Request for Exclusion from the settlement class by the deadline specified above, then you will be bound by all terms and conditions of the settlement if it is approved by the Court and by the judgment, and you will receive a settlement payment.

(d) You Can Object to the Settlement.

If you are a member of the settlement class who does not submit a Request for Exclusion from the settlement, you may object to the settlement by sending your written objections to the Settlement Administrator at the address specified in Section 12 below. The deadline to file and postmark objections is **September 9, 2019**. Only class members who have not requested exclusion may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (*Surveillance Security, Inc.*, JCCP No. 4969).

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If you fail to mail a timely written objection, you will be deemed to have waived any objections you may have to the settlement and will be foreclosed from making any objection to the settlement, unless the Court orders otherwise.

If you object to the settlement and if the Court approves the settlement notwithstanding your objections, you will be bound by the terms of the settlement and be deemed to have released all of the Released Claims as set forth in Section 8 above, and you will not be permitted to file a Request for Exclusion.

10. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release payment to the Plaintiff, and Class Counsel's request for attorneys' fees and costs, and other issues will be held on October 18, 2019 at 11:00 a.m., in Department 6 of the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, CA 90012. The Final Approval Hearing may be continued to another date without further notice. You are not required to appear at the Final Approval Hearing to participate in, opt out of or object to the settlement. However, any class member may attend the hearing and be heard by the court. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time.

11. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a class member for participating in the settlement.

12. ADDITIONAL INFORMATION.

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file at the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 N. Spring Street, Los Angeles, CA 90012. You may also contact the Settlement Administrator as follows:

Surveillance Security Wage and Hour Cases

c/o Phoenix Settlement Administrators

P.O. Box 7208

Orange, CA 92863

Telephone: (800) 523-5773

Facsimile: (949) 209-2503

Email: notice@phoenixclassaction.com

Website: <http://www.phoenixclassaction.com/surveillance-security-wage-and-hour-cases/>

You may also contact Class Counsel at the address and telephone number provided in Section 4 above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

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