

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT
SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF SANTA CLARA

Samonte v. Velodyne Lidar, Inc., Case No. 20CV366914

PLEASE READ THIS NOTICE

A class and representative action under the Private Attorneys General Act, California Labor Code sections 2699, *et seq.* (“PAGA”) against Defendant Velodyne Lidar, Inc. (“Velodyne”) has been preliminarily approved for settlement. In the lawsuit, plaintiff Lucita F. Samonte (“Plaintiff”) alleged that Velodyne failed to properly compensate Class Members for all hours worked, failed to provide Class Members with compliant meal and/or rest periods or compensation in lieu thereof, failed to provide accurate wage statements, failed to timely pay all wages owed during employment and upon termination, failed to maintain accurate payroll records, and violated section 17200, *et seq.* of California’s Business and Professions Code. Velodyne denies Plaintiff’s allegations and contends that it complies with applicable law.

“Class” or “Class Member(s)” are defined as: all persons who are employed or have been employed by Velodyne in the State of California as hourly-paid or non-exempt employees at any time during the period from June 8, 2016 to October 4, 2021 (“Class Period”). This definition includes “Severance Class Members” (i.e., former hourly-paid or non-exempt employees with whom Defendant entered into severance agreements as of August 5, 2021).

You have been identified by Velodyne’s records as a Class Member in the above-entitled action, and as such, you are subject to the terms of the Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or “Settlement Agreement”) preliminarily approved by the Court. Please read this notice carefully. It may affect your legal rights.

YOUR LEGAL RIGHTS AND OPTIONS WITH RESPECT TO THE SETTLEMENT	
Participate in the Settlement	If you want to remain in the Class, be bound by the Settlement and receive your Individual Settlement Payment and, if eligible, PAGA Payment , then you do not need to do anything.
Exclude Yourself From the Settlement	If you do not want to be bound by the Settlement, you should follow the instructions in Section 6 to exclude yourself. If you exclude yourself, you will not receive your Individual Settlement Payment, and you will not release the Settled Claims against Released Parties defined in Section 4 below. If this Settlement is approved by the Court and you are a PAGA Member, you will receive your PAGA payment and release the Settled PAGA Claims even if you exclude yourself from the Settlement.
Object to the Settlement	If you want to object to the Settlement, you should follow the instructions in Section 7. If you object, you will still be bound by the terms of the Settlement, if approved by the Court.

1. WHY DID I GET THIS NOTICE?

You have received this Notice because Velodyne’s records reflect that you are a Class Member as defined above. This Notice provides you with information about (1) the terms of the Settlement, including the claims that are being released, (2) the total monetary amount of the Settlement, (3) your estimated Individual Settlement Payment, provided you remain a “Settlement Class Member” (i.e., a Class Member who does not request to be excluded from the Settlement), and (4) where to find additional information regarding the case and the Settlement.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you do nothing, then you will be automatically included in the Settlement and do not need to take any further action to receive a payment.

2. WHAT IS THIS CASE ABOUT?

The Class Action Complaint was filed on June 8, 2020 in the Superior Court of California, County of Santa Clara, commencing the lawsuit entitled *Samonte v. Velodyne Lidar, Inc.*, Case No. 20CV366914 (the “Action”). On October 13, 2020, Plaintiff filed a First Amended Class Action and Representative Action Complaint (“Operative Complaint”), adding claims against Velodyne under PAGA.

The Operative Complaint in the Action alleges that Velodyne: (1) failed to pay minimum and straight time wages for all hours worked; (2) failed to properly pay all overtime wages; (3) failed to provide compliant meal periods or compensation in lieu thereof; (4) failed to provide rest breaks or compensation in lieu thereof; (5) failed to timely pay all compensation due upon termination or resignation; (6) failed to provide compliant wage statements; (7) engaged in unfair competition in violation of Business and Professions Code sections 17200, *et seq.*; and (10) owes civil penalties under the PAGA.

The resolution of the PAGA claims (“PAGA Settlement”) includes any Class Members who are employed or have been employed by Defendant in the State of California during the time period from June 8, 2019 through October 4, 2021 (“PAGA Members”).

Velodyne denies any liability or wrongdoing of any kind. Velodyne contends, among other things, that it complied at all times with the California Labor Code, all IWC Wage Orders, and the Business and Professions Code, that employees were correctly and timely paid all wages, and that meal periods and rest breaks are provided as required by applicable law.

The Court has not ruled on the merits of Plaintiff’s claims. By preliminarily approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case on the merits. Rather, the Court has determined only that there is sufficient evidence to determine, on a preliminary basis, that the proposed Settlement is fair, adequate, and reasonable and that any final determination of those issues will be made at the final approval hearing. Velodyne reserves the right, if for any reason the Settlement fails, to contest any factual or legal allegations, including to contest whether the Action should proceed as a class or representative action.

3. THE SETTLEMENT TERMS AND CALCULATION OF INDIVIDUAL SETTLEMENT PAYMENTS AND PAGA PAYMENTS

Without admitting any wrongdoing, and to avoid the business disruptions caused by litigating these claims, Velodyne has agreed to pay a Maximum Settlement Amount of Seven Hundred and Eighty-Five Thousand Dollars and Zero Cents (\$785,000.00) to settle the Action.

The following amounts will be paid from the Maximum Settlement Amount:

- Service Payment to Plaintiff Lucita F. Samonte for her services as Class Representative in the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00);
- Attorneys’ Fees not to exceed Two Hundred and Sixty-One Thousand Six Hundred and Sixty-Six Dollars and Sixty-Seven Cents (\$261,666.67), which is 33.33% of the Maximum Settlement Amount) to Class Counsel and up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00) for reimbursement of litigation costs and expenses (“Attorneys’ Costs”);
- The amount of Eighty Thousand Dollars and Zero Cents (\$80,000.00) allocated to the payment of civil penalties under PAGA (the “PAGA Allocation”);
- The costs associated with administration of the Settlement, estimated to be Fifteen Thousand Dollars and Zero Cents (\$15,000.00) (“Settlement Administration Costs”).

The amount remaining from the Maximum Settlement Amount after the above deductions is called the “Net Distribution Fund.”

The Settlement Administrator will allocate Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) out of the Net Distribution Fund to Severance Class Members, which amount will be apportioned equally amongst all Severance Class Members who do not request to be excluded from the Settlement. Severance Class Members will not be entitled to any amounts in addition to the above (with the exception of any *pro rata* payments they receive on account of being PAGA Member(s)).

The remainder of the Net Distribution Fund will be allocated to all Settlement Class Members (other than Severance Class Members) on a *pro rata* basis, based on their number of Qualifying Workweeks. Each such payment is called an “Individual Settlement Payment” and will be calculated as follows:

1. The Settlement Administrator will determine the number of workweeks worked by Settlement Class Members (excluding Severance Class Members) during the Class Period (“Qualifying Workweeks”);
2. The Settlement Administrator will determine the value of a single Qualifying Workweek by dividing the Net Distribution Fund by the total number Qualifying Workweeks worked by all Settlement Class Members (excluding Severance Class Members).
3. Each Settlement Class Member (excluding Severance Class Members) shall receive a gross Individual Settlement Payment equal to his or her Qualifying Workweeks multiplied by the value of a single Qualifying Workweek.

PAGA Payment: A total of Eighty Thousand Dollars and Zero Cents (\$80,000) of the Maximum Settlement Amount has been allocated to the PAGA Settlement. Of this amount, 75% (i.e., \$60,000.000) will be paid to California’s Labor & Workforce Development Agency, and 25% (i.e., \$20,000.000) (the “Net PAGA Distribution Amount”) will be paid on a *pro-rata* basis to PAGA Members.

1. The Settlement Administrator will determine the number of workweeks worked by PAGA Members during the period from June 8, 2019 to October 4, 2021 (“Qualifying PAGA Workweeks”);
2. The Settlement Administrator will determine the value of a single Qualifying PAGA Workweek by dividing the Net PAGA Distribution Amount by the total number Qualifying PAGA Workweeks worked by all PAGA Members.
3. Each PAGA Member shall receive a PAGA Payment equal to his or her Qualifying PAGA Workweeks multiplied by the value of a single Qualifying PAGA Workweek.

You have been credited with ___ Qualifying Workweeks. Based on these Qualifying Workweeks, your gross Individual Settlement Payment, prior to any applicable withholdings, is estimated to be \$_____.

You have been credited with ___ PAGA Qualifying Workweeks. Based on these PAGA Qualifying Workweeks, your PAGA Payment is estimated to be \$_____.

If you dispute the above information, you may submit a written dispute to the number of Qualifying Workweeks and/or Qualifying PAGA Workweeks allocated to you (“Dispute”) to the Settlement Administrator. Your Dispute must (1) contain your name, address, and telephone number and the case name and number of the Action (i.e., *Samonte v. Velodyne Lidar, Inc.*, Superior Court of California, County of Santa Clara, Case No. 20CV366914); (2) be signed by you; (3) be postmarked or fax stamped on or before **August 1, 2022** and returned to the Settlement Administrator at the address or fax number listed below; (4) clearly state the number of Qualified Workweeks and/or Qualified PAGA Workweeks you believe is correct; and (5) attach any documentary evidence you have to prove the number of contented Qualified Workweeks and/or Qualified PAGA Workweeks.

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com

Thirty-Three and One-Third percent (33.33%) of each Individual Settlement Payment will be allocated to wages and subject to all applicable employee state and federal tax withholdings; Thirty-Three and One-Third percent (33.33%) of each Individual Settlement Payment will be considered penalties and Thirty-Three and One-Third percent (33.33%) of each Individual Settlement Payment shall be allocated to interest and any other non-wage related amount. The amount allocated as wages will be reported on an IRS form W-2, and the remaining amount allocated as penalties, liquidated damages, interest and other non-wage payments will be reported on an IRS form 1099. One hundred percent (100%) of each PAGA Payment will be allocated as penalties and be reported on an IRS form 1099.

In addition to the Maximum Settlement Amount, Velodyne will pay all employer-payroll taxes and contributions in connection with the portion of the Settlement allocated towards wages.

Class Members are responsible for paying taxes on any amounts received. This Notice is not tax advice and you should consult your tax advisor. Checks will be valid and negotiable for one hundred and eighty (180) days; after that, checks will become void and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within one hundred and eighty (180) days of mailing, or are returned to the Settlement Administrator, will be cancelled and the Settlement Administrator shall send the funds associated with uncashed checks to the Katherine and George Alexander Community Law Center, a jointly-selected non-profit organization. Class Members who do not timely cash their checks should contact the administrator to determine how they can obtain their payment. **Class Members will be bound by the Settlement even if they do not cash their settlement checks.**

4. WHAT AM I RELEASING AS A CLASS MEMBER UNDER THE SETTLEMENT?

If you do nothing, you will receive your Individual Settlement Payment.

If and when the Court grants final approval of the Settlement, as of the Effective Date (as defined in the Agreement), all Class Members who do not opt out of the Settlement (i.e., all Settlement Class Members) do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all Settled Claims against any and all Released Parties.

“Released Parties” means Defendant and each of its officers, directors, members, partners, owners, shareholders, employees, former employees, agents, servants, attorneys, assigns, affiliates, independent contractors, volunteers, predecessors, successors, parent companies and organizations, insurers, and any and all other persons, firms and corporations in which Defendant may have an interest.

“Settled Claims” are all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, arising during the Class Period that each Class Member had, now has, or may hereafter claim to have against the Released Parties and that were asserted in the Operative Complaint, or that could have been asserted in the Operative Complaint based on any of the facts alleged in the Operative Complaint, regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law. The Settled Claims specifically include, but are not limited to claims for: (1) Violation of California Labor Code §§ 510 and 1198 (failure to pay overtime wages); (2) Violation of California Labor Code §§ 226.7 and 512(a) (failure to provide compliant meal periods and associated premiums); (3) Violation of California Labor Code § 226.7 (failure to provide compliant rest periods and associated premiums); (4) Violation of California Labor Code §§1194, 1194.2, 1197, and 1197.1 (failure to pay minimum and straight time wages); (5) Violation of California Labor Code §§ 201, 202 and 203 (failure to timely pay final wages); (6) Violation of California Labor Code § 204 (failure to timely pay wages during employment); (7) Violation of California Labor Code § 226(a) (failure to provide compliant wage statements); (8) Violation of California Labor Code § 1174(d) (failure to keep requisite payroll records); (9) Violation of California Labor Code §§ 2800 and 2802 (failure to reimburse business expenses); (10) Violation of California Business & Professions Code §§ 17200, *et seq.*; (11) incorporated or related claims asserted through the Private Attorneys General Act (“PAGA”) for any of the above alleged California Labor Code violations.

5. WHAT AM I RELEASING AS A PAGA MEMBER UNDER THE SETTLEMENT?

As of the Effective Date, and after payment of all funds due under the terms of the Settlement, all PAGA Members, do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties of and from any and all Settled PAGA Claims.

“Settled PAGA Claims” means any of the Settled Claims that may serve as a basis for any claim under the Private Attorneys General Act for any of the alleged California Labor Code violations and any of the violations of the California Labor Code and/or Wage Orders alleged within the Operative Complaint filed in the Action.

Released Parties is defined in Section 4 of this Notice, above.

PAGA MEMBERS CANNOT OPT-OUT OR EXCLUDE THEMSELVES FROM THE PAGA SETTLEMENT OR THE RELEASE OF SETTLED PAGA CLAIMS, AND THEY WILL RECEIVE A PAGA PAYMENT EVEN IF THEY OPT-OUT OF THE CLASS SETTLEMENT.

6. WHAT IF I DON'T WANT TO PARTICIPATE IN THE CLASS SETTLEMENT?

You have the right to request exclusion from the Settlement as a Class Member and with regards to the settlement of Settled Claims, but you are not able to exclude yourself as a PAGA Member. To exclude yourself as a Settlement Class Member, you should submit a written request for exclusion to the Settlement Administrator (“Opt Out Request”) at the address or fax number listed in Section 3 of this Notice, above.

A valid and complete Opt Out Request must (1) contain your name, and (2) be postmarked or fax stamped on or before **August 1, 2022** and returned to the Settlement Administrator at the specified address or fax number listed in Section 3 of this Notice, above

It is your responsibility to ensure that the Settlement Administrator timely receives your request to be excluded from the Settlement. Unless you timely request to be excluded from the Settlement, you will be bound by the judgment upon final approval of the Settlement.

Class Members who request to be excluded from the Settlement will NOT receive their Individual Settlement Payment, and will not release any of the Settled Claims. However, Class Members who are also PAGA Members will receive their PAGA Payment and will release the Settled PAGA Claims regardless of whether they submit an Opt Out Request.

7. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Settlement Class Member may object to the Settlement or to any settlement term. If the Court denies approval of the Settlement, no payments will be sent out and the Action will continue.

If you wish to object, you may submit your objection in writing to the Settlement Administrator (“Objection”) at the specified address or fax number listed in Section 3 of this Notice, above. A valid and timely Objection should (1) contain your name and (2) be postmarked or fax stamped on or before **August 1, 2022** and returned to the Settlement Administrator at the specified address or fax number listed in Section 3 of this Notice, above.

If you wish to object, you may also appear at the final approval hearing to make an oral objection, whether or not you submit a written objection.

Filing an objection will *not* exclude you from the Settlement. If the Court grants final approval of the Settlement, you will still receive an Individual Settlement Payment and you will be barred from pursuing the Settled Claims. **Do not file both an Objection and Opt Out Request.**

8. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on September 6, 2022 at 1:30 p.m. in Department 3 of the Superior Court of the State of California, County of Santa Clara, located at 191 North First Street, San Jose, CA 95113.

Class members may appear at the final approval hearing either in person in the courtroom or by telephone via CourtCall. Class members who wish to appear by CourtCall should contact class counsel at least three days before the hearing, if possible, to arrange a telephonic appearance. Any CourtCall fees for an appearance by an objecting class member will be paid by class counsel.

9. WHO ARE THE ATTORNEYS?

Attorneys for Plaintiff and the Class are:

Kane Moon, Esq.

Allen Feghali, Esq.

Enzo Nabiev, Esq.

MOON & YANG, APC

1055 W. Seventh St., Suite 1880

Los Angeles, California 90017

Tel: (213) 232-3128

Fax: (213) 232-3125

Attorneys for Velodyne are:

Daniel F. Pyne, Esq.

Jennifer S. Coleman, Esq.

Elaisha Nandrajog, Esq.

HOPKINS & CARLEY

70 South First Street

San Jose, California 95113-2406

Tel: (408) 286-9800

Fax: (408) 998-4790

The Court has decided that the Attorneys for Plaintiff and the Class are qualified to represent the Settlement Class Members. Other than the Attorneys' Fees and Attorneys' Costs approved by the Court, which will be paid out of the Maximum Settlement Amount, you will not be charged for their services.

10. SHOULD I GET MY OWN LAWYER?

You do not need to get your own lawyer. If you want your own lawyer to speak for you or appear in Court, you have the right to hire one, but you will have to pay for that lawyer yourself.

11. FURTHER INFORMATION

The foregoing is only a summary of the Settlement. For the precise terms and conditions of the Settlement and other important case documents, please see the settlement agreement available at <http://www.phoenixclassaction.com/>, by contacting class counsel at the address or telephone number provided in Section 9, or by visiting the office of the Clerk of the Superior Court of the State of California, County of Santa Clara, located at 191 North First Street, San Jose, CA 95113, or the Court's websites www.sceffiling.org and www.scscourt.org.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.