

[CLASS MEMBER NAME]

EDGAR MARISCAL v. ARIZONA TILE, LLC

United States District Court for the Central District of California

Case No.: 8:20-cv-02071-JLS-KES

If you are a current or former employee of ARIZONA TILE, LLC (“Defendant”), a class action lawsuit may affect your rights and you may be entitled to benefits under the proposed settlement.

You are not being sued. A court authorized this notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.

- This lawsuit involves a class defined as:
All persons who are employed or have been employed by Arizona Tile, LLC as non-exempt, hourly employees in the State of California during the Class Period.
These individuals are referred to as “Class Members”.
The “Class Period” means the time period from September 15, 2016 to October 21, 2021.
- You are receiving this Notice because the Defendant’s records reflect that you may be a Class Member.
- Plaintiff in this class action alleges claims against Arizona Tile, LLC for failure to properly pay regular, minimum, and overtime wages, failure to provide proper meal periods and to pay meal period premiums, failure to provide proper rest periods and pay rest period premiums, failure to timely pay wages upon termination of employment, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, failure to reimburse business expenses, unfair business practices violation of California Business and Professions Code § 17200 *et seq.*, and civil penalties under the Labor Code Private Attorneys General Act of 2004 based on these alleged violations of the Labor Code and Wage Order.
- Arizona Tile, LLC denies these allegations and contends that it has complied with the requirements of California law.
- There has been a settlement that affects your rights. Although the Court has authorized the Parties to provide this notice of the proposed settlement, the Court has expressed no opinion on the merits of Plaintiff’s claims or Arizona Tile LLC’s defenses.
- You will not be penalized or retaliated against by Arizona Tile, LLC for participating in this class action settlement. If you are currently employed by Arizona Tile, LLC, your employment will not be affected in any way. Current employees of Arizona Tile, LLC who choose to participate in the settlement will not be required to resign and can continue to work for Arizona Tile, LLC.
- You have several options available to you:

DO NOTHING	By doing nothing, you will receive a share of the settlement proceeds, and you will give up any rights to sue for Released Claims (defined below).
ASK TO BE EXCLUDED (OPT OUT)	Exclude yourself from the settlement. Keep your rights to file a separate claim against Arizona Tile, LLC. If you ask to be excluded, you will not receive a share of the settlement proceeds, but you keep any rights you may have to bring your own suit against Defendant.
OBJECT	Object to the terms of the proposed settlement.

**Your options are explained in this notice.
To opt out or object, you must act by June 12, 2023.**

1. Why did I get this notice?

A proposed settlement has been reached in a class action lawsuit that was brought on behalf of Arizona Tile, LLC’s employees. You have received this notice because Arizona Tile, LLC’s records indicate that you are a Class Member. This means you are eligible to participate in and receive a payment from this settlement.

2. What is this lawsuit about?

This lawsuit was filed September 15, 2020 on behalf of all persons who are employed or have been employed as an hourly employee by Arizona Tile, LLC in the State of California. The Second Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, Cal. Labor Code § 2698, et seq. (“Operative Complaint”) asserts the following allegations on behalf of all proposed class members: failure to properly pay regular, minimum, and overtime wages, failure to provide proper meal periods and to pay meal period premiums, failure to provide proper rest periods and pay rest period premiums, failure to timely pay wages upon termination of employment, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, failure to reimburse business expenses, unfair business practices violation of California Business and Professions Code § 17200 et seq., and civil penalties under the Labor Code Private Attorneys General Act of 2004 based on these alleged violations of the Labor Code and Wage Order.

3. Has the Court decided who is right?

No. The Court has made no decision regarding the merits of Plaintiff’s allegations or Arizona Tile, LLC’s defenses.

4. Why did this case settle?

The Parties reached a settlement in order to avoid the risk and expense of further litigation. Plaintiff and his attorneys believe the proposed settlement is fair, adequate and in the best interest of all Class Members given the outcome of their investigation, the time and resources required in connection with further litigation, the risks as to the outcome, and the uncertainty in the law governing some of the claims presented. Although Arizona Tile, LLC disputes Plaintiff’s claims and maintains that it has complied with all of its legal obligations toward its employees, Arizona Tile, LLC has also concluded that further litigation would be protracted and expensive and would also divert management and employee time.

5. What are the terms of the settlement and how much will I receive?

The Gross Settlement Amount to be paid by Defendant under the proposed settlement is \$2,500,000. Under the proposed settlement, the following amounts will be deducted before any payments are made to Class Members, subject to final approval by the Court:

Class Representative Service Award:	\$7,500
Class Counsel Fees:	\$875,000
Class Counsel Costs:	\$25,000
LWDA Payment:	\$112,500
Settlement Administrator Costs:	\$15,000
Anticipated Net Settlement Amount	\$1,465,000

After these deductions, it is anticipated that there will be \$1,465,000 available to be divided amongst the Class Members receiving this notice (“Net Settlement Amount”). Only those Class Members who do not submit a valid and timely Request for Exclusion (“Participating Class Members”) will be entitled to payment of a *pro rata* rate of the Net Settlement Amount.

Participating Class Members will be paid on a pro-rata basis. The Individual Settlement Payment of a Participating Class Member that performed work for Defendant on a full-time basis will be based on the number of workweeks during which he or she performed work for Defendant during the Class Period (“Compensable Workweeks”) in proportion to the aggregate number of workweeks worked by all Participating Class Members during the Class Period. The Individual Settlement Payment of a Participating Class Member that performed work for Defendant on a part-time basis will be based on his or her number of Compensable Workweeks, pro-rated by the percentage of hours out of 40 hours he or she averaged per week, in proportion to the aggregate number of workweeks worked by all Participating Class Members during the Class Period.

This means that your anticipated payment is “pro rata” and will be based upon the number of Compensable Workweeks you worked for Arizona Tile, either on a full-time basis or a part-time basis, during the time period from September 15, 2016 to October 21, 2021.

All Individual Settlement Payments will be allocated as follows: 20% wages and 80% interest, penalties, and non-wage damages.

According to Arizona Tile, LLC’s records, you performed work for Defendant on a part-time basis and the average number of hours you performed work for Defendant per week totals ____ hours. If you disagree with this information and would like someone to look into the matter, please follow the procedure below. Based on these Compensable Workweeks, your estimated settlement amount is \$_____.

6. What if I disagree with the number of workweeks shown above and/or the average number of hours I performed work for Defendant per week if I performed work for Defendant on a part-time basis?

If you believe the information in this notice is incorrect regarding the number of Compensable Workweeks attributed to you

and/or the average number of hours you performed work for Defendant per week on a part-time basis, you will need to write a letter setting forth the number of Compensable Workweeks and/or the average number of hours you performed work for Defendant per week that you believe are correct. You must mail your letter to:

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

The letter disputing the number of Compensable Workweeks and/or your average number of hours per week must: (1) contain your full name, address, and telephone number; (2) contain a statement expressing that you dispute the number of Compensable Workweeks credited to you and/or that you dispute the average number of hours you performed work for Defendant per week, and, if available, to attach documentation and/or an explanation to show contrary information; (3) be signed by you; and (4) be postmarked or fax stamped by June 12, 2023 and returned to the Settlement Administrator at the specified address or fax number above.

Class Counsel and the Settlement Administrator will work together in good faith and do their best to promptly resolve the dispute based on available records. In the event they are unable to resolve any dispute, the Settlement Administrator shall review all information, material and documents and make a decision regarding the dispute.

7. What do I have to do to receive a share of the settlement?

If you wish to receive an award under the terms of this settlement, you do not have to do anything. However, please make sure the Settlement Administrator always has your current home address on file to ensure you receive your settlement share. If you move, call the Settlement Administrator to provide your new address.

8. What rights am I giving up?

The claims you will Release by doing nothing are: All causes of action and factual or legal theories that were alleged in the Operative Complaint or reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint, including all of the following claims for relief: (a) failure to pay all regular wages, minimum wages and overtime wages due; (b) failure to properly calculate the regular rate of pay for payment of overtime wages; (c) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (d) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (e) failure to pay all wages timely during employment; (f) failure to pay all wages timely at the time of termination; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to keep required payroll records; (i) failure to reimburse business expenses; (j) 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; (k) 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; (l) any other claims or penalties under the wage and hour laws pleaded in the Operative Complaint; and (m) all damages, penalties, interest and other amounts recoverable based on the claims, causes of action, or legal theories of relief pleaded in the Operative Complaint (collectively, the “Released Claims”).

9. What if I do not wish to be involved?

Anyone not wishing to participate in the settlement may exclude himself or herself (“opt out”) by completing, signing, and faxing or mailing a letter indicating that they do not want to participate in the settlement to the Settlement Administrator, Phoenix Class Action Administration Solutions, by June 12, 2023 (“Request for Exclusion”).

Settlement Administrator
c/o Phoenix Class Action Administration Solutions
P.O. Box 7208
Orange, CA 92863
Fax Number: (949) 209-2503

The Request for Exclusion: (1) must contain your name, address, and telephone number; (2) a statement expressing that you want to be excluded from the settlement; (3) must be signed by you; and (4) must be postmarked or fax stamped by June 12, 2023 and returned to the Settlement Administrator at the specified address or fax number above. The Request for Exclusion will be deemed invalid if it does not contain your name, address, signature, and a statement requesting exclusion.

Anyone who submits a timely and valid Request for Exclusion shall not be deemed a Participating Class Members and will not receive any payment as part of the settlement. Such persons will keep any rights to sue Arizona Tile, LLC separately about the claims made in this lawsuit. An individual who submits a valid Request for Exclusion may not object to the settlement.

10. What if I have an objection to the settlement?

A class member may object to the settlement in writing or in person. Written objections and all supporting briefs or other materials must be submitted to the Settlement Administrator no later than June 12, 2023.

The Notice of Objection must be signed by the Class Member and state: (1) the full name of the Class Member; (2) the basis for the objection; and (3) if the Class Member intends to appear at the Final Approval Hearing.

Any Class Member may make an objection at the Final Approval Hearing with or without filing or serving any written objection. The Class Member may appear personally or through an attorney, at his or her own expense, at the Final Approval Hearing to present his or her objection directly to the Court. The Final Approval Hearing will be held in Courtroom 8A of the United States District Court for the Central District of California, located at 350 West 1st Street Los Angeles, CA 90012 on September 8, 2023, at 10:30 a.m. (Pacific Time).

Any attorney who will represent an individual objecting to this settlement who has not filed a written objection must file a notice of appearance with the Court and serve Class Counsel and counsel for Arizona Tile, LLC no later than the June 12, 2023.

Any Class Member who fails to submit a timely written objection or to present an objection in person at the Final Approval Hearing shall be deemed to have waived any objections and shall be foreclosed from making any objection to the settlement whether by appeal or otherwise.

11. Do I need a lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. However, if you want your own lawyer, you are free to hire one at your own expense.

The below are Class Counsel and Defendant's Counsel in this case:

<u>Class Counsel:</u> LAWYERS for JUSTICE, PC Edwin Aiwasian edwin@calljustice.com Arby Aiwasian arby@calljustice.com Joanna Ghosh joanna@calljustice.com 410 West Arden Avenue, Suite 203 Glendale, California 91203 Telephone: (818) 265-1020 Facsimile: (818) 265-1021	<u>Counsel for ARIZONA TILE, LLC</u> OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C. EVAN R. MOSES evan.moses@ogletree.com AARON H. COLE aaron.cole@ogletree.com ANDREW B. LEVIN andrew.levin@ogletree.com 400 South Hope Street, Suite 1200 Los Angeles, CA 90071 Telephone: 213.239.9800 Facsimile: 213.239.9045
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12. What happens next in the case?

The settlement has only been preliminarily approved. The Court will hold a hearing in Courtroom 8A of the United States District Court for the Central District of California, located at 350 West 1st Street Los Angeles, CA 90012 on September 8, 2023, at 10:30 a.m. (Pacific Time), to consider any objections and determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for Attorneys' Fees and Costs, Plaintiff's Service Award, the LWDA Payment, and the Settlement Administrator Costs. The date of the hearing may change without further notice to you. It is not necessary for you to appear at this hearing.

13. How can I receive more information?

This notice is a summary of the basic terms of the settlement. For further information, you may also telephone the Settlement Administrator, Phoenix Class Action Administration Solutions (listed above), or Class Counsel (listed above). You may also visit the following website at which you can access certain documents relating to the settlement by entering the name of this lawsuit: <https://www.phoenixclassaction.com/mariscal-v-arizona-tile/>. This website will contain up-to-date information regarding the Final Approval Hearing.

Please do not telephone the Court, the Office of the Clerk, or Arizona Tile's counsel for information regarding this settlement.