

CLASS NOTICE

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in the class action lawsuit entitled *Josue Avalos v. Kenwood Floors, Inc.*, California Superior Court, County of Los Angeles, Case No.: 21STCV29962 (the “Action”).

According to Kenwood Floors, Inc.’s (“Defendant”) records, you have been identified as a member of the Class, and therefore are receiving this Notice. Also according to Defendant’s records, your estimated share of the “Net Settlement Amount” is \$___ and your share of the Private Attorneys General Act (“PAGA”) Payment is \$___. Your settlement payment is only an estimate; it may be higher or lower than estimated. See below for additional details.

Your options are further explained in this Notice. To exclude yourself from, or object to the Settlement, you must take action by certain deadlines. If you want to participate in the Settlement as proposed, you don’t need to do anything to obtain your share of the settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	If you do nothing, you will be considered part of the Settlement Class and will receive settlement benefits. You will also give up your rights to pursue a separate legal action against <i>Kenwood Floors, Inc.</i> (“Defendant”), for the claims released under the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	If you do not wish to participate in the Settlement, you may exclude yourself by submitting a written request to be excluded. However, if you do so, you will not receive any payment under the Settlement.
OBJECT	To object to the Settlement, you may object orally at the Final Approval Hearing, or you may write to the Settlement Administrator about why you don’t like the Settlement. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following Class:

All non-exempt employees who worked for Defendant in California from August 13, 2017 through April 10, 2022 (“Class Period”).

According to Defendant’s records, you are a member of the Class (a “Class Member”).

Also according to Defendant’s records, you were employed from June 9, 2020 to April 10, 2022, and are therefore a PAGA Aggrieved Employee as well.

What is this case about?

In the Action, Plaintiff alleges on behalf of himself and the Class the following claims against Defendant: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to pay timely wages; (6) failure to pay all wages owed and due at termination of employment; (7) failure to maintain required records; (8) failure to provide accurate itemized wage statements; (9) failure to indemnify for necessary business expenditures; (10) violation of the California Unfair Competition Law; and (11) and violation of the PAGA.

Defendant denies any and all wrongdoing and maintains that it has complied with all laws alleged to have been violated. Defendant notes that this Settlement was established specifically to avoid the cost of proceeding with litigation and does not constitute an admission of liability by Defendant. The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses, however, the Court has granted preliminary approval of this Settlement.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys and a mediator. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff and Class Counsel believe this Settlement is in the best interests of the Class.

Who are the attorneys in this Lawsuit?

Class Counsel

THE LAW OFFICE OF SCOTT ERNEST WHEELER

Scott Ernest Wheeler
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Defendant's Counsel

BALLARD ROSENBERG GOLPER & SAVITT, LLP

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What will I receive under the Settlement?

Subject to final Court approval, Defendant will pay the total sum of \$70,000 (the "Gross Settlement Amount"). It is estimated that, subject to Court approval, after deducting the attorney's fees and costs, service awards to Plaintiff, payment to the California Labor and Workforce Development Agency ("LWDA") and Aggrieved Employees for PAGA penalties, and settlement administration costs from Gross Settlement Amount, there will be a Net Settlement Amount of at least \$9,240.00.

From this Net Settlement Amount, Individual Settlement Payments will be paid to each Class Member who does not opt out of the Settlement Class ("Settlement Class Member"). The Net Settlement Amount shall be divided among all Settlement Class Members based on the ratio of the number of Compensable Workweeks worked by each Settlement Class Member to the total number of Workweeks worked by all Settlement Class Members, calculated based on Defendant's records.

According to Defendant's records, during the period of August 13, 2017, through April 10, 2022, you worked ___ Compensable Workweeks in California, and therefore, your settlement payment as a Class Member is estimated to be \$_____.

According to Defendant's records, during the period of June 9, 2020, through April 10, 2022, you worked ___ Compensable Workweeks in California, and therefore, your PAGA penalty payment is estimated to be \$_____.

Your settlement payment is only an estimate. Your actual settlement payment may be higher or lower than estimated.

If you wish to dispute the number of Compensable Workweeks credited to you, you must submit a written dispute to the Settlement Administrator at P.O. Box 7208, Orange, CA 92863 by mail, postmarked no later than July 10, 2023, or by e-mail to notice@phoenixclassaction.com. The dispute must: (1) contain your full name, current address, telephone number, the last four digits of your Social Security number or full employee ID number; (2) contain the case name and case number; (3) contain a clear statement explaining that you wish to dispute the number of Compensable Workweeks and the basis for your dispute; and (4) be signed by you. You may also wish to attach any documentation in support of your dispute.

When and how will I receive payment?

If the Court grants final approval of the Settlement, and only after the Effective Date of the Settlement defined below, the Settlement Administrator will send you a settlement check. The settlement approval process takes time so please be patient.

Any settlement payment checks mailed to you under the Settlement shall remain negotiable for 180 days. If you do not negotiate (e.g., cash or deposit) a settlement check within this time period, you will be unable to receive those funds, but you will remain bound by the terms of the Settlement. **Contact the Settlement Administrator if you change your address or other any other contact information changes.**

Any funds that are not timely negotiated by Settlement Class Members will be paid to in the name of the Class Member to the State of California Controller's Unclaimed Property division.

The settlement payment issued to you will be allocated as follows: thirty-three percent (33%) as wages, sixty-seven percent (67%) as penalties and interest. The wage portion of the Individual Settlement Payment shall be subject to withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payment. None of the Parties or attorneys make any representations concerning the tax implications of this payment. Settlement Class Members may wish to consult with their own tax advisors concerning the tax consequences of the Settlement.

How will the lawyers be paid and how will other funds under the Settlement be distributed?

Class Counsel will ask the Court to award attorneys' fees up to \$23,310 (1/3 of the Gross Settlement Amount) and reimbursement of reasonable litigation costs of up to \$17,500. In addition, Class Counsel will ask the Court to authorize Class Representative Service Award payments of up to \$6,000 for his efforts in representing the Class. The cost of administering the Settlement will not exceed \$4,950. A payment in the amount of \$9,000 will also be made to the LWDA for its share of PAGA penalties, while \$3,000 will be paid to PAGA Aggrieved Employees. Any of these amounts not awarded by the Court will be included in the Net Settlement Amount and will be distributed to Settlement Class Members.

What claims are being released by the proposed Settlement?

As of the Effective Date of the Settlement, Settlement Class Members shall fully and finally release and discharge Released Parties, from August 13, 2017 through April 10, 2022, in exchange for the consideration provided under this Settlement, Settlement Class Members shall fully and finally release and discharge Released Parties, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action, pleaded or that could have been pleaded based on the facts and claims asserted in the operative Complaint, including: any and all claims for: (a) failure to prove meal periods; (b) failure to provide rest breaks; (c) failure to overtime wages; (d) failure to pay minimum wages; (e) failure to pay timely wages; (f) failure to pay all wages owed and due upon termination; (g) failure to maintain required records; (h) failure to furnish accurate itemized wage statement; (i) failure to provide reimbursement for employment-related expenses; (j) violation of California Business & Professions Code section 17200, *et seq.*; and (k) violation of California Private Attorneys' General Act, California Labor Code § 2699, *et seq.*, predicated on any of the violations of the California Labor Code and applicable IWC Wage Order alleged in the Operative Complaint or the subject LWDA exhaustion letter. This release shall apply to all claims arising at any point during the Class Period.

In addition, PAGA Aggrieved Employees, as of the Effective Date, means all claims for civil penalties only under the PAGA that Plaintiff, on behalf of himself, the State of California, and all PAGA Aggrieved Employees, disclosed in Plaintiff's LWDA letter, and that Plaintiff and PAGA Aggrieved Employees are fully and irrevocably releasing the Released Parties from, in exchange for the consideration provided by this Settlement. PAGA Aggrieved Employees will only release claims alleged in, or that could have been alleged, based on the facts asserted in Plaintiff's LWDA letter or within the operative Complaint. In particular, the released claims include the underlying purported violations for failure to provide meal and rest periods to non-exempt employees, in violation of Labor Code §§ 226.7, 510, 512, 1194, 1197 and Wage Order No. 4-2001, §§ 11-12; failure to pay one additional hour of compensation to non-exempt employees at their regular rate of pay for each workday that a meal or rest period is not provided, in violation of Labor Code § 226.7 and Wage Order No. 4-2001, §§ 11(B) and 12(B); failure to pay non-exempt employees overtime wages, and failure to properly calculate overtime wages and minimum wages, in violation of Labor Code §§ 510, 1194, 1198, and Wage Order No. 4-2001, § 3; failure to pay non-exempt employees the unpaid balance of the full amount of overtime compensation, including interest, in violation of Labor Code § 1194; failure to timely pay non-exempt employees all wages due, in violation of Labor Code § 204; willful failure to pay discharged or quitting non-exempt employees all wages due, in violation of Labor Code §§ 201-203; failure to provide accurate itemized wage statements to non-exempt employees in violation of Labor Code §§ 226, 1174, and 1174.5; and failure to maintain required records of non-exempt employees, in violation of Labor Code §§ 1174, 1174.5, and Wage Order No. 4-2001, § 7.

"Effective Date" means the later of: (a) the Court's final approval of the settlement if no objections by or on behalf of Class Members have been filed and not withdrawn; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed; and (d) the Gross Settlement Amount is fully funded.

"Released Parties" collectively mean: Defendant and its respective past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, and any individual or entity which could be jointly liable with any of the foregoing under contract, common law, or pursuant to California Labor Code section 558.1 (including, without limitation, Ken Peng).

What are my options?

You have several options under this Settlement. You may: (A) remain in the Class and receive payment under the Settlement; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement.

OPTION A. Remain in the Class. If you remain in the Class, you will receive payment and be represented by Class Counsel. If you wish to remain in the Class and be eligible to receive a payment under the Settlement, you do *not* need to take any action. By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

OPTION B. If You Do Not Want To Be Bound By The Settlement. If you do not want to be part of the Settlement, you must mail a Request for Exclusion to the Settlement Administrator at P.O. Box 7208, Orange, CA 92863 or e-mail a Request for Exclusion to notice@phoenixclassaction.com. Your Request for Exclusion must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; and (3) a clear statement you are electing to be excluded from the Settlement; and (4) be signed by you. In order to be timely, your Request for Exclusion must be postmarked, or e-mailed, on or before July 10, 2023. If you do not submit a valid and timely Request for Exclusion, your Request for Exclusion will be rejected, you will be deemed a member of the Settlement Class, and you will be bound by the release of Released Claims as described above. If you submit a valid and timely Request for Exclusion, you will *not* be entitled to any payment as a Class Member from the Net Settlement Amount but you will preserve all of the legal claims asserted in this Action against Defendant. If you are a PAGA Aggrieved Employee, you will still receive a PAGA payment and be subject to the PAGA release outlined above.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you can appear at the Final Approval Hearing and make an oral objection. If you wish to object in writing, you must mail to the Settlement Administrator at P.O. Box 7208, Orange, CA 92863, a written statement of objection, or e-mail the written objection to notice@phoenixclassaction.com. The written objection must: (1) contain your full name, address, and telephone number, the last four digits of your social security number; (2), contain the case name and case number; (3) the dates of your employment with Defendant; (4) state the basis for the Objection, including any legal briefs, papers or memoranda in support of the Objection; and (5) be signed by you. In order to be timely, the written objection must be postmarked, or e-mailed, on or before July 10, 2023. Class Counsel will provide the Court with your written objection prior to the Final Approval Hearing. You can also hire an attorney at your own expense to represent you in your objection.

You cannot object to the Settlement if you request exclusion from the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a final approval hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement and the plan of distribution of the payments described herein, on October 27, 2023, in Department 1 of the Los Angeles Superior Court, Spring Street Court House, located at 312 N Spring St, Los Angeles, CA 90012. The final approval hearing may be continued without further notice to Class Members unless filed an objection to the Settlement. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. For more complete information, the pleadings and other records in this litigation may be examined during regular court hours at the Los Angeles Superior Court Spring Street Court House, located at 312 N Spring St, Los Angeles, CA 90012. A copy of the Settlement Agreement was filed on October 21, 2022, and is attached to the Declaration of Scott Ernest Wheeler In Support of Plaintiff's Motion for Preliminary Approval, and a copy of the Amended Settlement Agreement is attached the Supplemental Declaration of Scott E. Wheeler In Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement, which was filed on April 11, 2023. You can also visit the Court's website at: www.lacourt.org for more information, including obtaining a copy of the Settlement Agreement and the Court's updated COVID-19 protocol.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE