

CALIFORNIA SUPERIOR COURT, COUNTY OF LOS ANGELES

If you performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. Floor Covering, Inc. (“J.W.”) and S.P. Carpet Pros, Inc. (“Carpet Pros”), on Home Depot jobs, at any time between March 8, 2012 through March 20, 2023, you may be entitled to payment from a settlement in a class action lawsuit.

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

The class action settlement described below will resolve claims brought on behalf of persons who performed flooring installation work as installers or helpers in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, for unpaid regular and overtime wages, missed meal and rest periods, untimely final wages, inaccurate wage statements, false time statements, failure to reimburse expenses, unfair competition, fraud/misrepresentation, insufficient funding of contracts, and negligence. Although the court has not determined whether the claims have merit, and J.W., Carpet Pros, and Home Depot (collectively, “Defendants”) deny that they violated the law, the settlement provides monetary compensation to resolve these claims.

The proposed settlement has two main parts: (1) a class settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Your legal rights are affected whether you act or not. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	<p>Receive compensation, but lose the right to bring a separate lawsuit.</p> <p>If you do nothing, you will receive compensation for the claims asserted in the lawsuit. You will also give up your right to sue any Defendant separately for the claims alleged in the lawsuit. Your Individual Class Payment will be based on the amount of time you performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, between March 8, 2012 through March 20, 2023. Your Individual PAGA Payment (if any) will be based on the amount of time you performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, between January 15, 2015 through March 20, 2023.</p>
ASK TO BE EXCLUDED FROM CLASS SETTLEMENT BUT NOT PAGA SETTLEMENT	<p>Receive no Individual Class Payment. Keep your right to bring a separate lawsuit.</p> <p>If you ask to be excluded from the class settlement you will not receive an Individual Class Payment for the class claims in the settlement, but you will retain the right to file your own claim. You cannot be excluded from the PAGA portion of the proposed settlement. Defendants must pay Individual PAGA Payments to all aggrieved employees and such employees must give up their rights to pursue Released PAGA Claims (defined below).</p>
OBJECT TO CLASS SETTLEMENT BUT NOT PAGA SETTLEMENT	<p>Object to the class settlement.</p> <p>If you wish to object to the class settlement, you must remain a member of the class. You cannot object to the class settlement if you ask to be excluded from it.</p>

- These rights and options—**and the deadlines to exercise them**—are explained in this notice.
- The Court presiding over this case has not yet decided whether to finally approve the settlement. You will receive the payments described in this notice only if the Court finally approves the settlement and after all objections and appeals, if any, are resolved.

BASIC INFORMATION

1. Why Did I Get This Notice?

Defendants’ records indicate that you were eligible to perform flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, at some time between March 8, 2012 and March 20, 2023. You are therefore a member of a proposed class action lawsuit alleging claims for unpaid regular and overtime wages, missed meal and rest periods, untimely final wages, inaccurate wage statements, false time statements, failure to reimburse expenses, unfair competition, fraud/misrepresentation, insufficient funding of contracts, and negligence.

This notice describes the class action lawsuit, the proposed settlement of the lawsuit, and your legal rights and options. If the Court approves the settlement, you will receive the Individual Class Payment described in this notice (after any objections and appeals are resolved), unless you exclude yourself from the class settlement, and you will receive the Individual PAGA Payment described in this notice (if eligible and after any objections and appeals are resolved).

The Court presiding over the case is the Superior Court of California for the County of Los Angeles, and the case is known as *Ugarte v. Professional Flooring Installation, Inc., et al.*, Case No. BC613043.

2. What Is This Lawsuit About?

Plaintiffs Jaime Ugarte (“Ugarte”) and Julian Pineda (“Pineda”) (collectively, “Plaintiffs”) allege claims against Defendants for unpaid regular and overtime wages, missed meal and rest periods, untimely final wages, inaccurate wage statements, false time statements, failure to reimburse expenses, unfair competition, fraud/misrepresentation, insufficient funding of contracts, and negligence. Plaintiffs also allege a claim for civil penalties under California’s Private Attorneys General Act (“PAGA”). The court has not determined whether the claims in this lawsuit have merit. Each Defendant denies that it engaged in, or is responsible for, any wrongful conduct or violated the law in any way, and contends that its policies and practices comply with all legal requirements.

3. Why Is This A Class Action?

In a class action lawsuit, one or more persons, called plaintiffs or class representatives, sue on behalf of other people (“class members”) who have similar claims. If the Court certifies a class, then the claims of all class members are resolved in a single lawsuit. The Court has not yet determined if the claims can proceed as a class action, but Plaintiffs and Defendants are requesting that the Court certify a class for purposes of the settlement.

4. Why Is There A Settlement?

The Court has not decided in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, all parties avoid the risks and cost of a trial, and class members will receive an Individual Class Payment. Plaintiffs and their attorneys think the settlement is best for the proposed class.

WHO IS IN THE SETTLEMENT

5. How Do I Know If I Am Part Of The Settlement?

You are eligible for an Individual Class Payment if you performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, between March 8, 2012 and March 20, 2023. You are eligible for an Individual PAGA Payment if you performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, between January 15, 2015 and March 20, 2023 (“aggrieved employees”).

THE TERMS OF THE SETTLEMENT

6. What Does The Settlement Provide?

The settlement provides an Individual Class Payment for each person who performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, between March 8, 2012 and March 20, 2023, based on their inclusion in either (i) the database compiled for California workers indicating that an individual maintained an active badge during the period from March 8, 2012 through March 20, 2023 (the “Class Badge Data”), or (ii) J.W.’s or Carpet Pros’ records indicating that an individual who is not reflected in the Class Badge Data performed flooring installation work in California on Home Depot jobs during the relevant period (“Class Service Provider Records”), and who does not exclude himself or herself from the settlement. Additionally, the settlement provides an Individual PAGA Payment for each person who performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, between January 15, 2015 and March 20, 2023, based on their inclusion in either (i) the database compiled for California workers indicating that an individual maintained an active badge during the period from January 15, 2015 through March 20, 2023 (the “PAGA Badge Data”); or (ii) J.W.’s or Carpet Pros’ records indicating that an individual who is not reflected in the PAGA Badge Data performed flooring installation work in California on Home Depot jobs during the relevant period (“PAGA Service Provider Records”). The settlement provides for a total Gross Settlement Fund of \$3,200,000 to resolve all of the claims asserted in the lawsuit as well as claims for certain fees and expenses. Approximately \$2,039,685.11 will be paid to the class for the class settlement (“Net Settlement Amount”). This is the approximate amount that will remain after the payment of fees and costs to Class Counsel, settlement administration costs, enhancement payments for Plaintiffs, Individual PAGA Payments, and penalties payable to the California Labor Workforce Development Agency from the Gross Settlement Fund, should those be approved by the Court. This amount is an estimate only. The actual Net Settlement Amount available for distribution will depend on the amounts that the Court approves for attorneys’ fees, costs, enhancement payments, and settlement administration costs. The total amount of PAGA civil penalties to be paid from the Gross Settlement Amount is \$20,000—25% will be paid to the aggrieved employees (\$5,000) and 75% will be paid to the LWDA (\$15,000) in settlement of PAGA claims.

The entirety of the Net Settlement Amount will be distributed to class members based on the length of time they performed flooring installation work as an installer or helper for or on behalf of either or both J.W. and Carpet Pros on Home Depot jobs. Uncashed checks will be sent to the California State Controller’s Office in the name of and for the benefit of Settlement Class Members who do not opt out. The 25% of the PAGA penalties (\$5,000) will be distributed to aggrieved employees based on the length of time they performed flooring installation work as an installer or helper for or on behalf of either or both J.W. and Carpet Pros on Home Depot jobs. The value of any settlement checks from the amount allocated to the aggrieved employees that are not cashed shall be submitted to the California State Controller’s Office in the name of and for the benefit of such aggrieved employees.

You do **not** have to file a claim form to receive your payments under the settlement.

7. What Claims Does The Settlement Release?

If the settlement is approved, all class members who do not submit a timely request for exclusion will waive their claims against Defendants. This means that, if you do not timely exclude yourself from the settlement, you cannot sue any Defendant or be part of any other lawsuit against any Defendant alleging the same claims as this lawsuit. If the settlement is approved, all aggrieved employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the class settlement. The specific releases are follows:

Released Class Claims. After the judgment is final and Defendants have fully funded the Gross Settlement Fund, Plaintiffs and all Class Members (including any assigned agents/representatives) who do not submit a valid and timely Request for Exclusion shall, for the period March 8, 2012 through March 20, 2023, fully and finally waive, release, and forever discharge Defendants from any and all claims (i) asserted in the Action, or (ii) arising from, or derivative of, the claims or factual allegations asserted in the Action, including those concerning any Defendant’s practices regarding payment of wages, meal and rest periods, final pay, wage statements, time statements, and expense reimbursement. The released class claims include, but are not limited to, any claims, rights, demands, liabilities, and causes of action of any kind or nature in law or in equity, under any theory, whether contract, common law, constitutional, statutory or otherwise, of any jurisdiction, foreign or domestic, whether known or unknown,

anticipated or unanticipated, for unpaid regular and overtime wages, missed meal and rest periods, untimely final wages, inaccurate wage statements, false time statements, failure to reimburse expenses, unfair competition, fraud/misrepresentation, insufficient funding of contracts, and negligence, and for damages, restitution, penalties, interest, costs, attorneys' fees, expenses, equitable relief, injunctive relief, and any other relief premised on the alleged violations.

Released PAGA Claims. After the judgment is final and Defendants have fully funded the Gross Settlement Fund, Plaintiffs and all aggrieved employees (including any assigned agents/representatives) shall, for the period January 15, 2015 through March 20, 2023, fully and finally waive, release, and forever discharge Defendants from any and all claims for PAGA penalties predicated on the alleged California Labor Code violations (i) asserted in the Action, or (ii) arising from, or derivative of, the claims or factual allegations asserted in the Action, including those concerning any Defendant's practices regarding payment of wages, meal and rest periods, final pay, wage statements, time statements, and expense reimbursement. The released PAGA claims include all claims for penalties, attorneys' fees, litigation costs, interest, and any other relief available under PAGA that Plaintiffs alleged in the Action or could have sought based on the claims and factual allegations alleged in the Action.

8. What Fees Will Be Paid From The Settlement Amount Before Payments Are Made To Class Members?

Subject to Court approval, the following payments will be paid from the total Gross Settlement Fund before Individual Class Payments are made to class members:

- Fees and costs incurred by a neutral company, Phoenix Class Action Administration Solutions (the "settlement administrator"), estimated not to exceed \$38,755.00, for processing the settlement, including sending this Notice, processing requests for exclusion, and calculating and distributing settlement payments.
- Attorneys' fees for Class Counsel of \$1,066,560, plus out-of-pocket costs incurred in litigating this lawsuit of approximately \$20,000.00. These amounts are intended to compensate and reimburse Class Counsel for their work litigating the case and obtaining the settlement, and the work remaining to be performed to complete the settlement process.
- Service Awards of \$7,500 to compensate Ugarte and Pineda, respectively, for their services on behalf of the Class in initiating and prosecuting the Action.
- A payment of \$20,000 for the State's portion of the settlement allocated to claims brought under PAGA—25% will be paid to the aggrieved employees (\$5,000) and 75% will be paid to the LWDA (\$15,000).

9. How Much Is My Settlement Payment?

If you do not opt out of the class, you will receive an Individual Class Payment based on the number of workweeks you performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, between March 8, 2012 through March 20, 2023, as calculated based on the Class Badge Data or Class Service Provider Records. If eligible, you will also receive an Individual PAGA Payment based on the number of workweeks you performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot Jobs, between January 15, 2015 through March 20, 2023, as calculated based on the PAGA Badge Data or PAGA Service Provider Records. Persons who performed flooring installation work as an installer or helper in California for longer periods of time are entitled to a greater share of the settlement funds than those who worked for shorter periods of time.

Based on the Class Badge Data or Class Service Provider Records, the total number of weeks you performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, during the applicable time period is estimated to be ("Your Class Workweeks"), and your estimated Individual Class Payment is \$<<Class Amt>>.

Based on the PAGA Badge Data or PAGA Service Provider Records, the total number of weeks you performed flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, during the applicable time period is estimated to be ("Your PAGA Workweeks"), and your estimated Individual PAGA Payment is \$<<PAGA Amt>>.

The amounts in this section are estimates only. The payments you actually receive will depend on the amounts the Court approves for attorneys' fees, costs, enhancement payments, and settlement administration costs. If no amount

is stated for your Individual PAGA Payment, then according to Defendants' records you are not eligible for an Individual PAGA Payment under the settlement because you didn't perform flooring installation work as an installer or helper in California for or on behalf of either or both J.W. and Carpet Pros, on Home Depot jobs, during the period from January 15, 2015 through March 20, 2023. You should speak with your own accountant or other tax professional about the tax implications of your settlement payment(s).

10. What If The Information About My Workweeks Is Incorrect?

The number of Your Class Workweeks and Your PAGA Workweeks shown above is based on the Class Badge Data or Class Service Provider Records, or PAGA Badge Data or PAGA Service Provider Records, respectively, and is presumed to be accurate. If you disagree with the numbers shown for Your Class Workweeks or Your PAGA Workweeks, you may dispute those numbers by writing to the settlement administrator at the following address no later than **July 24, 2023**:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
(800) 523-5773

In your note to the settlement administrator, you must explain why you believe the numbers are incorrect. Please be sure to include any supporting documentation (such as payment history reports, W-2's, or tax or other records that support your position). The settlement administrator will make a final determination regarding your settlement share after reviewing your submission.

11. What Am I Giving Up To Stay In The Class And Get Compensation?

Unless you exclude yourself, you will be part of the settlement class, which means that you cannot file your own lawsuit or be part of any other lawsuit or proceeding that makes the same claims as this case. It also means that all of the Court's orders will apply to you and legally bind you. If you are part of the settlement class, you shall be deemed to have released Defendants (and any of their respective affiliates, employees, directors, officers, shareholders, agents, attorneys, successors and assigns) from any and all claims of any kind that were, or could have been, asserted in this lawsuit based on the allegations regarding unpaid regular and overtime wages, missed meal and rest periods, untimely final wages, inaccurate wage statements, false time statements, failure to reimburse expenses, unfair competition, fraud/misrepresentation, insufficient funding of contracts, and negligence. You cannot be excluded from the PAGA portion of the proposed settlement. Defendants must pay Individual PAGA Payments to all aggrieved employees and such employees must give up their rights to pursue Released PAGA Claims (defined above).

EXCLUDING YOURSELF FROM THE CLASS SETTLEMENT

12. How Do I Exclude Myself From This Class Settlement?

To exclude yourself from the class settlement, you must send a letter by U.S. mail (or express mail carrier) stating that you wish to be excluded from the settlement class in *Ugarte v. Professional Flooring Installation, Inc., et al.*, Case No. BC613043. You must include your full name, address, telephone number, and signature. Your request must be postmarked no later than **July 24, 2023**, and sent to:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
(800) 523-5773

You cannot exclude yourself on the phone or by email. If you exclude yourself because you may wish to file your own lawsuit, be aware that there is a time limit to file your claims.

13. If I Don't Exclude Myself, Can I Sue For the Same Claims Later?

No. Unless you exclude yourself, you are giving up the right to sue any Defendant for the claims covered by this settlement.

14. If I Exclude Myself, Can I Still Get A Settlement Payment?

If you exclude yourself from the settlement, you will not receive the Individual Class Payment described above. You will still receive the Individual PAGA Payment described above (if any).

THE LAWYERS SEEKING TO REPRESENT YOU

15. Do I Have A Lawyer In This Case?

Arns Davis Law is seeking to represent you and all settlement class members. If the Court approves the representation, Arns Davis Law will become "Class Counsel." 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 will ask the Court for attorneys' fees of up to \$1,066,560 of the Gross Settlement Fund. Class Counsel will also seek reimbursement from the Settlement Fund for expenses they incurred in pursuing the lawsuit, such as filing fees, expert fees, and travel expenses. Class Counsel will file an application to the Court no later than July 10, 2023, setting forth the actual amount of attorneys' fees and expenses they will be seeking from the Gross Settlement Fund for their work on behalf of the class members. You can obtain a copy of Class Counsel's application for attorneys' fees and expenses after July 10, 2023, by contacting Class Counsel.

17. Will There Be Enhancement Payments To The Named Plaintiffs?

The settlement also provides that Ugarte and Pineda may seek an enhancement payment of up to \$17,500 and \$7,500, respectively. The enhancement payments are intended to compensate Plaintiffs for initiating the lawsuit, investing their time to assist with the case, and providing information and assistance to Class Counsel.

OBJECTING TO THE SETTLEMENT

18. How Do I Object To The Settlement?

If you wish to object to the settlement, or to Plaintiffs' requests for attorneys' fees, costs or enhancement payments, you may send a letter stating your objection. You should reference the case *Ugarte v. Professional Flooring Installation, Inc., et al.*, Case No. BC613043, and include your full name, address, telephone number, and signature, and the reasons you object to the settlement. If you intend to appear at the fairness hearing through an attorney, you should also list the attorney(s) representing you who will appear at the fairness hearing. For a written objection to be considered, you must send it to the following address, postmarked no later than **July 24, 2023**:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
(800) 523-5773

Alternatively, you may appear, or through your own attorney, at the hearing on August 1, 2023, to state your objection to the Court (even if you did not submit a written objection). See below, paragraph no. 21, for information on the Court's current social distancing procedures for attendance at hearings. You cannot exclude yourself from the class settlement if you wish to object.

19. What Is The Difference Between Objecting And Excluding Myself?

By objecting, you are informing the Court that you do not like some aspect of the settlement. You can object only if you stay in the settlement class.

If you exclude yourself, you are informing the Court that you do not want to be part of the class settlement. If you exclude yourself, you cannot object because the case no longer affects you.

THE COURT’S FAIRNESS HEARING

20. When And Where Will The Court Decide To Approve The Settlement?

The Court will hold a fairness hearing on December 12, 2023, in Department 14, Superior Court of California for the County of Los Angeles, 312 North Spring Street, Los Angeles, CA 90012, to consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will then decide whether to finally approve the settlement. The Court will also decide on the amount of fees and costs to be paid to Class Counsel and how much the named Plaintiffs will receive as enhancement payments.

21. Do I Have To Come To The Hearing?

No. Class Counsel will answer any questions the Court may have, but you are welcome to attend the hearing at your own expense. The Court’s remote appearance technology, LACourtConnect, is available for appearances in Civil matters. To register to appear remotely, visit <https://my.lacourt.org/laccwelcome>. If you choose to attend the hearing in person, please note that face masks are strongly recommended inside all Los Angeles County courthouses in alignment with Los Angeles County Department of Public Health guidance. If you submit a written objection to the settlement, you do not have to attend the hearing. As long as your objection is received on time, the Court will consider it.

22. May I Speak At The Hearing?

If you do not exclude yourself from the class settlement, you may ask the Court’s permission to speak at the hearing about the settlement or your objection.

IF YOU DO NOTHING

23. What Happens If I Do Nothing At All?

If you do nothing, you will receive your Individual Class Payment and Individual PAGA Payment (if any) if the Court approves the settlement.

GETTING MORE INFORMATION

24. Are There More Details About The Settlement?

This notice summarizes the settlement. More details are in the formal settlement agreement. You can get a copy of the settlement agreement or the notice of final judgment by writing to the settlement administrator at the address below or visiting the following website: <http://www.phoenixclassaction.com/ugarte-v-carpet-pros/>. You can also get a copy of the settlement agreement or notice of final judgment by visiting the Clerk’s Office (Room 255 at the Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012), but you are encouraged to schedule an appointment beforehand by calling the courthouse at (213) 310-7000. **Please do not contact the Court with questions.**