

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

**SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF SANTA CLARA**

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

**ATTENTION: IF YOU HAVE WORKED AT QUALITY FIRST HOME IMPROVEMENT, INC., AS A NON-EXEMPT EMPLOYEE DURING THE PERIOD JUNE 17, 2016, TO JULY 1, 2022, YOU ARE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.**

**ATTENTION: IF YOU HAVE WORKED AT QUALITY FIRST HOME IMPROVEMENT, INC., AS A NON-EXEMPT EMPLOYEE DURING THE PERIOD JUNE 17, 2019, TO JULY 1, 2022, YOU ARE ENTITLED TO A SHARE OF A PROPOSED PAGA REPRESENTATIVE SETTLEMENT.**

**TO UNDERSTAND YOUR RIGHTS, READ THIS NOTICE CAREFULLY.**

- A proposed class and PAGA action settlement (“the Settlement”) has been reached between plaintiff LUWANA DIANE MAHLER (“Plaintiff”), on behalf of herself and the below-defined Class Members and PAGA Class Members, and Defendant QUALITY FIRST HOME IMPROVEMENT, INC. (“Defendant”).
- The Settlement resolves a putative class and representative action alleging that Defendant: failed to pay minimum wage and/or overtime wages for all hours worked; failed to provide reimbursement for business-related expenses; failed to provide proper meal and rest periods; failed to provide accurate itemized wage statements; failed to timely pay final wages; engaged in unfair competition; and violated the Private Attorneys General Act of 2004 (the “Action”).
- Defendant has denied, and continues to deny, the factual allegations and legal claims asserted in the Action and believes that Plaintiff’s claims have no merit. Defendant does not admit to liability on any of the factual allegations or claims asserted in the Action, or that the Action can or should proceed as a class or representative action.
- After extensive negotiations, the Parties have come to this proposed settlement based upon all known facts and circumstances, including the various risks and uncertainties related to continued litigation.
- The Settlement for the Class Members provides for settlement payments based on the number of work weeks you worked for Defendant as a non-exempt employee, at any time from June 17, 2016, to July 1, 2022.
- The Settlement for the PAGA Class Members provides for settlement payments based on the number of pay periods you worked for Defendant as a non-exempt employee, at any time from June 17, 2019, to July 1, 2022.

**Your estimated minimum settlement payment and covered work weeks worked during the relevant period are printed on the enclosed sheet.**

<b>OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT</b>	
<b>DO NOTHING</b>	Subject to the Court’s final approval of the Settlement, you will receive a settlement payment at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator). In exchange, you will give up your claims in this case within the scope of the release set forth below.
<b>EXCLUDE YOURSELF</b>	If you submit a Request for Exclusion, you will <u>not</u> receive a settlement payment, but you will keep your claims against Defendant. You are not permitted to object to the Settlement if you exclude yourself from the Settlement.
<b>OBJECT</b>	If you wish to object to the Settlement, you must submit a written Notice of Objection and supporting papers to the Settlement Administrator that is postmarked or faxed no later than September 1, 2023.

- **These rights and options, and how to exercise them, are explained in more detail in this notice.**
- **The Court handling this case still has to decide whether to grant final approval of the Settlement. Settlement payments will only be issued if the Court grants final approval of the Settlement.**
- **Additional information regarding the Settlement is available through the Settlement Administrator, Class Counsel, or Defendant’s counsel, whose contact information is provided in this notice.**

## **BASIC INFORMATION**

### **1. Why did I get this notice?**

Defendant's records show that you have worked for them as a non-exempt employee at some point from June 17, 2016, to July 1, 2022. This notice explains the Action, the Settlement, and your legal rights.

### **2. What is the Action about?**

The lawsuit is known as *means Noe Alcazar v. Quality First Home Improvement, Inc.*, and is pending in the Superior Court of California for the County of Santa Clara, Case No. 20CV367311 (the "Action").

The Action involves claims under California's wage and hour laws. Plaintiff worked for Defendant as a non-exempt employee. She alleges that Defendant violated California law by failing to: properly pay minimum wage and overtime compensation for all hours worked; provide compliant meal and rest periods and pay meal or rest period premiums; failure to reimburse necessary business expenses; failure to provide compliant itemized wage statements; and pay timely final wages upon separation of employment. Plaintiff further claims that Defendant engaged in unfair competition and violated the California Private Attorneys General Act of 2004 ("PAGA"). As a result, Plaintiff alleges that she and the Settlement Class (defined in response to Question 4 below) are entitled to recover unpaid wages, interest, and statutory and civil penalties.

Defendant denies all of Plaintiff's claims and denies that it violated the law in any way. The Court has not decided whether there is any merit to Plaintiff's claims. However, both Plaintiff and Defendant believe that the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the of the Settlement Class members.

### **3. Why is this lawsuit a class action?**

In a class action, one or more people called the "Plaintiff" sues on behalf of people who the Plaintiff alleges have similar claims. All of these people are part of a putative "class" or putative "class members." If the Court certifies the putative class, the Court resolves the issues for all class members, except for those who exclude themselves from the class. On April 21, 2023, the Theodore C. Zayner issued an order conditionally certifying the Settlement Class for purposes of settlement only.

### **4. Who is in the Settlement Class?**

"Class Members" or the "Settlement Class Members" means all former non-exempt employee who have worked for Defendant in California at any time between June 17, 2016 to July 1, 2022.

"PAGA Class Members" means all former non-exempt employee who have worked for Defendant in California at any time between June 17, 2019 to July 1, 2022.

### **5. Why is there a settlement?**

After conducting substantial fact discovery, including but not limited to reviewing policies, payroll records, time records, and emails, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean that any law was broken. Defendant denies all the claims asserted in the Action, denies that it has violated any laws, and believes it has at all times paid its nonexempt employees correctly and fully complied with all applicable laws. Plaintiff and his lawyers think the Settlement is in the best interests of all Settlement Class Members.

## **THE SETTLEMENT BENEFITS—WHAT YOU GET**

### **6. What does the settlement provide?**

Under the terms of the Settlement, Defendant agrees to pay a Class Settlement Amount of \$1,000,000.00. Deducted from this Class Settlement Amount will be sums approved by the Court for attorneys' fees (not to exceed 1/3 of the maximum Class Settlement Amount), or \$333,333.33, attorneys' actual costs (not to exceed \$25,000.00), Class Representative Enhancement Payment to the Plaintiff for her service to the Settlement Class (not to exceed \$7,500.00), an amount of \$75,000 in satisfaction of claims for alleged PAGA civil penalties (where \$56,250.00 will be paid to the State of California Labor and Workforce Development Agency and \$18,750 will be distributed to the PAGA Class Members), and the fees and expenses of the Settlement Administrator, Phoenix Class Action Administrator Solutions, estimated not to exceed \$11,500.00 (The Settlement Administrator will distribute the remaining Net Settlement Amount to Settlement Class Members who do not opt out ("Participating Class Members") pursuant to the formula described below.

Individual Settlement Payment: The Net Settlement Amount will be distributed to Participating Class Members as follows:

Compensable work weeks will be all work weeks Participating Class Members worked for Defendant between June 17, 2016, to July 1, 2022. The dollars per compensable Work Week (“Work Week Value”) will be calculated by dividing the Net Settlement Amount by the total number of Work Weeks worked by the Participating Class Members. The Work Week Value will be multiplied by the number of Work Weeks worked as a member of the Settlement Class during the period from June 17, 2016, to July 1, 2022 to determine the distribution for the Participating Class Member. The number of weeks worked will be calculated by Phoenix Class Action Administrator Solutions, based on the start and end dates of each individual’s employment during the period from June 17, 2016, to July 1, 2022.

To determine each PAGA Class Member’s individual settlement amount, Phoenix Class Action Administrator Solutions will use the following formula: Individual Settlement Payment = (Individual Pay Period ÷ Total Pay Periods of PAGA Class Members) × (\$18,750).

20% of the Individual Settlement Award paid to each Participating Class Member shall be reported on an IRS Form W-2 as alleged unpaid wages subject to all applicable tax withholdings. 80% of the Individual Settlement Award paid to each Participating Class Member shall be reported on an IRS Form 1099 as alleged non-wage penalties and interest not subject to payroll tax withholdings. Each Participating Class Member will be responsible for correctly characterizing the compensation for tax purposes and for payment of any taxes on any amount received. Defendant will be responsible for paying its share of payroll taxes.

Your estimated minimum settlement payment is \$<<ClassAmt>> and your covered Work Weeks worked between June 17, 2016, to July 1, 2022 are <<TotalWeeks>>. To the extent you dispute the number of Work Weeks, you must make your dispute (“Work Week Dispute”) in writing and send it to the Settlement Administrator via fax or mail. Your Work Week Dispute must be postmarked or faxed no later than September 1, 2023 (the “Response Deadline”) to:

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

Your estimated minimum settlement payment is \$<<PAGAAmt>> and your covered Pay Periods worked between June 17, 2019, to July 1, 2022 are <<PAGAPayPeriods>>.

Your Dispute must be postmarked or faxed no later than September 1, 2023 (the “Response Deadline”) to:

Phoenix Settlement Administrators  
P.O. Box 7208  
Orange, CA 92863

Your Work Week Dispute must be in writing and contain: (a) your full name, signature, address, telephone number, and the last four digits of your Social Security number; (b) the number of Work Weeks you contend is correct; and (c) any evidence supporting your contention. Defendant’s records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator will resolve and decide all Work Week Disputes, and its decisions will be final and non-appealable. The Settlement will become final on the Effective Date.

Under California law, there is no statutory right for any Settlement Class Member to object to, opt out of, or otherwise exclude himself or herself from the settlement of the PAGA claims. Accordingly, any timely objection or exclusion from the Settlement submitted by you shall be construed as relating only to the putative class action claims and shall have no effect whatsoever on the settlement of the PAGA claims.

## **7. What am I giving up in exchange for the settlement benefits?**

In exchange for the settlement payment, each member of the Settlement Class who does not submit a valid Request for Exclusion (defined in response to Question 10 below), *i.e.*, Participating Class Members, will release Defendant QUALITY FIRST HOME IMPROVEMENT, INC. and its past, present, and future parents, subsidiaries, divisions, affiliates, predecessors, successors, and assigns, and each of their past, present, and future shareholders, owners, officers, directors, employees, agents, trustees, attorneys, representatives, administrators, fiduciaries, beneficiaries, subrogees, executors, partners, privies, and any other individual or entity which could be liable for any include all claims, debts, liabilities, demands, obligations, damages, and actions or causes of action of any kind, arising under state, federal or local law, whether statutory, common law, or administrative law, at any time during the Class Period, that were or

could have been asserted based on the factual allegations in the Operative Complaint or based on any facts discovered in the course of the Action, including (without limitation), claims for failure to pay minimum or overtime wages, failure to provide meal and rest periods or to pay meal and rest period premiums, failure to reimburse necessary business expenses, failure to pay all wages due to discharged or quitting employees, failure to provide accurate itemized wage statements; claims under California Labor Code sections 201 to 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698 et seq., 2802, and the Wage Orders promulgated thereunder, California Business and Professions Code section 17200, et seq. and claims for injunctive relief, punitive damages, interest, fees, and costs. (collectively, “Released Claims”).

Plaintiff, the PAGA Class Members, the LWDA, and the State of California will fully release and discharge the Released Parties from any and all PAGA Claims asserted in the April 4, 2022 Notice of Labor Code Violations and PAGA Penalties sent to the LWDA and the Operative Complaint for the entire PAGA Claims Period. This release will be binding on all PAGA Class Members regardless of if they submitted a valid and complete Request for Exclusion.

### **HOW TO GET A SETTLEMENT PAYMENT**

#### **8. How do I get a settlement payment?**

Subject to the Court’s final approval of the terms of the Settlement, you will automatically be sent a settlement payment at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator) in exchange for which you will release the Released Parties for any of the Released Claims (as defined in Section 7 above).

#### **9. When will I get my check?**

Checks will be mailed to Participating Class Members eligible to receive benefits under the Settlement after the Court grants “final approval” of the Settlement. Please also be advised that you will only have 180 days from the date that the checks are issued to cash them. If you do not cash your check within 180 days of the date of its issuance, your Individual Settlement Payment shall be voided. The funds from all checks that are not cashed within 180 days will be transmitted to California’s Unclaimed Property Fund in your name. Please note that in the event that you do not cash your Individual Settlement Payment check, you shall nevertheless remain bound by the Settlement.

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

#### **10. How do I ask the Court to exclude me from the Settlement Class?**

If you do not wish to participate in the Settlement, you must send a written Request for Exclusion to the Settlement Administrator to “opt out” of the Settlement. The Request for Exclusion must be in writing and must: (a) include the case name and number (provided at the beginning of this Notice); (b) contain your full name, address, telephone number, and the last four digits of your Social Security number; (c) clearly state that you do not wish to be included in the Settlement; and (d) be signed. The Request for Exclusion must be postmarked or faxed no later than the Response Deadline, September 1, 2023 to:

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

The date of the fax, email or postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement will be deemed a “Participating Class Member” and will be bound by all terms of the Settlement if the Settlement is granted final approval by the Court.

#### **11. If I exclude myself, can I get anything from the settlement?**

No. If you ask to be excluded, and the Settlement is granted final approval by the Court, you will not get a settlement payment and you will not be bound by the Settlement. You are also prohibited from objecting to the Settlement if you exclude yourself from the Settlement.

## **OBJECTING TO THE SETTLEMENT**

### **12. How do I object to the Settlement?**

If you believe the proposed Settlement is not fair, reasonable, or adequate in any way, you have several options that you may use to object to it or express any concerns. To object, you may appear in person at the Final Approval Hearing and state your objections to the Court, you can have an attorney object for you, or you can submit a simple written statement of objection to the Settlement Administrator. The written objection must be faxed, emailed or postmarked no later than the Response Deadline, September 1, 2023 to:

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

If you submit a written objection to the proposed Settlement, it must include: (a) the case name and number (provided at the beginning of this Notice); (b) your full name, signature, address, telephone number, and the last four digits of your Social Security number, (c) a written statement of all grounds for your objection accompanied by any legal support for your objection, (d) copies of any papers, briefs, or other documents upon which your objection is based; (e) the identity of your attorney, if you are represented by counsel; and (f) whether you wish to be heard at the Final Approval Hearing. If you fail to object in the manner and by the deadline specified in this Notice, your written objection will be rejected and the Court may find that you have waived your objection. However, in the discretion of the Court, any Participating Class Member, or person purporting to object on behalf of any Participating Class Member, may be received or considered by the Court at the Final Approval Hearing, regardless of whether a written notice of objection is filed or delivered to the Settlement Administrator.

### **13. What's the difference between objecting and asking to be excluded?**

Objecting is simply telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. By submitting an objection you are not excluding yourself from the Settlement; you will remain eligible to receive monetary compensation from the Settlement and be bound by the Settlement if the Court grants final approval. Please note that you cannot both object to the Settlement and exclude yourself from the Settlement. You can only choose one of those options (but you can also choose to do nothing if you have no objections and just want to get a payment).

## **IF YOU DO NOTHING**

### **14. What happens if I do nothing at all?**

If you do nothing, you will automatically receive a payment from this Settlement as described above and you will be bound by the release of claims, subject to the Court's final approval of the terms of the Settlement.

## **THE COURT'S FINAL APPROVAL HEARING**

The Court will hold a hearing to decide whether to approve the Settlement. If you have not asked to exclude yourself from the Settlement, you may attend and you may ask to speak, but you don't have to.

### **15. When and where will the Court decide whether to approve the settlement?**

The Court will hold a Final Approval/Settlement Fairness Hearing on October 18, 2023 at 1:30 p.m. in Department 19 at the Superior Court of California for the County of Santa Clara, located at located at 191 North First Street, San Jose, California 95113. Class members may appear at the final approval hearing remotely using the Microsoft Teams link for Department 19 (Afternoon Session). Instructions for appearing remotely are provided at [https://www.scscourt.org/general\\_info/ra\\_teams/video\\_hearings\\_teams.shtml](https://www.scscourt.org/general_info/ra_teams/video_hearings_teams.shtml) and should be reviewed in advance. Class members who wish to appear remotely are encouraged to contact class counsel at least three days before the hearing if possible, so that potential technology or audibility issues can be avoided or minimized. The hearing may be moved to a different date and/or time without additional notice. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will only listen to people who have asked to speak at the hearing. The Court will also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

If the Court grants Final Approval of the Settlement, the Order granting Final Approval and entering a Judgment will be posted on a website created by the Settlement Administrator for this case for a period of at least 90 days following the entry of that Order in the Court record. That website is: <https://www.phoenixclassaction.com/quality-first-home-improvement/>.

#### **16. Do I have to come to the hearing?**

No. Class Counsel and Defendant's counsel will answer any questions the judge may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay (at your own expense) your own lawyer to attend, but it is not required.

If you want to appear at the Final Approval Hearing in person, please note that face coverings/masks and social distancing are mandatory to enter all Santa County courthouses. Alternatively, you may appear at the final approval hearing remotely using the Microsoft Teams link for Department 19 (Afternoon Session). Instructions for appearing remotely are provided at [https://www.scscourt.org/general\\_info/ra\\_teams/video\\_hearings\\_teams.shtml](https://www.scscourt.org/general_info/ra_teams/video_hearings_teams.shtml) and should be reviewed in advance. Class members who wish to appear remotely are encouraged to contact class counsel at least three days before the hearing if possible, so that potential technology or audibility issues can be avoided or minimized. Finally, the most up to date information regarding Santa Clara County Superior Court's COVID-19 safety measures can be found online at: [https://www.scscourt.org/general\\_info/news\\_media/covid19.shtml](https://www.scscourt.org/general_info/news_media/covid19.shtml).

#### **17. May I speak at the hearing?**

If a Participating Class Member wishes to appear at the Final Approval Hearing and orally present his or her objection to the Court, the Court will determine whether and for how long any Participating Class Member may be received or considered by the Court at the Final Approval Hearing, regardless of whether a written notice of objection is filed or delivered to the Parties.

### **GETTING MORE INFORMATION**

#### **18. How do I get more information?**

This Settlement Notice is only a summary of the Action and the Settlement. Class Members should contact the Settlement Administrator at (800) 523-5773 with any concerns or questions regarding the Settlement. You may also refer to the pleadings, the JOINT STIPULATION OF CLASS ACTION AND PAGA ACTION SETTLEMENT AND RELEASE attached to the Declaration of Kane Moon in Support of Plaintiff's Motion for Preliminary Approval, and other papers filed in the Action, which may be inspected at any time during regular business hours at the Office of the Clerk for the Superior Court of California for the County of Santa Clara, 191 North First Street San Jose, CA 95113.

In the event of a conflict between the terms of this notice and the Settlement, the terms of the Settlement will govern.

All inquiries by Class Members regarding this Notice and/or the Settlement should be directed to the Settlement Administrator or Class Counsel for Plaintiff, at the addresses set forth below.

#### Class Counsel

KANE MOON, ESQ.  
kane.moon@moonyanglaw.com  
LILIT TER-ASTVATSATRYAN, ESQ.  
lilit@moonyanglaw.com  
**MOON & YANG, APC**  
1055 W. Seventh Street, Suite 1880  
Los Angeles, CA 90017  
Telephone: (213) 232-3128  
Facsimile: (213) 232-3125

#### Settlement Administrator

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

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH QUESTIONS.**