Settlement and Date for Final Approval Hearing ("Class Notice"), and other documents submitted

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in support of the Motion for Preliminary Approval, hereby **ORDERS**, **ADJUDGES AND DECREES THAT**:

- 1. The definitions set out in the Settlement Agreement are incorporated by reference into this Order; all terms defined therein shall have the same meaning in this Order.
- 2. The Court certifies the following settlement class ("Settlement Class" or "Settlement Class Members) for the purpose of settlement only: all current and former non-exempt employees of who worked in California for defendant USG Ceilings Plus, LLC ("Defendant") at any time during the period from December 14, 2017 through December 31, 2022 ("Class Period").
- 3. The Court preliminarily appoints named plaintiff Eduardo Gomez Mireles as Class Representative, and David D. Bibiyan, and Jeffrey D. Klein, of Bibiyan Law Group, P.C., as Class Counsel.
- 4. The Court preliminarily approves the proposed class settlement upon the terms and conditions set forth in the Settlement Agreement. The Court finds, on a preliminary basis, that the settlement appears to be within the range of reasonableness of settlement that could ultimately be given final approval by the Court. It appears to the Court on a preliminary basis that the settlement amount is fair, adequate and reasonable as to all potential class members when balanced against the probable outcome of further litigation relating to liability and damages issues. It further appears that extensive and costly investigation and research has been conducted such that counsel for the parties at this time are reasonably able to evaluate their respective positions. It further appears to the Court that the settlement at this time will avoid substantial additional costs to all parties, as well as the delay and risks that would be presented by the further prosecution of the Action. It further appears that the settlement has been reached as the result of intensive, non-collusive and arms-length negotiations utilizing an experienced third-party neutral.
- 5. The Court approves, as to form and content, the Class Notice that has been submitted herewith.
- 6. The Court directs the mailing of the Class Notice by first-class mail to the Class Members by July 28, 2023 in accordance with the procedures set forth in the Settlement Agreement.

 The Court finds that dissemination of the Class Notice set forth in the Settlement Agreement

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complies with the requirements of law and appears to be the best notice practicable under the circumstances.

- 7. The Court hereby preliminarily approves the definition and disposition of the Gross Settlement Amount of \$1,500,000.00, which is inclusive of: attorneys' fees of up to one-third (1/3) of the Gross Settlement Amount, which, if not escalated pursuant to the Settlement Agreement, amounts to \$500,00.00, in addition to actual costs incurred of up to \$25,000.00; service award of up to \$7,500.00 to Plaintiff; costs of settlement administration of no more than \$8,250.00 and Private Attorneys' General Act of 2004 ("PAGA") penalties in the amount of \$40,000.00, of which \$30,000.00 (75%) will be paid to the Labor and Workforce Development Agency ("LWDA") and \$10,000.00 to "Aggrieved Employees," defined as Class Members working for Defendant at any time during the period from December 15, 2020 through the end of the Class Period ("PAGA Period") in the State of California.
- 8. The Gross Settlement Amount expressly excludes Employer Taxes, which will be paid separately and apart by Defendant on the wages portion of the Gross Settlement Amount.
- 9. Defendant shall pay the Gross Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Settlement Administrator within 45 days after the Court's final approval of the Settlement.
- 10. Class Member's "Workweeks" shall mean the number of weeks that a Settlement Class Member was employed by and worked for the Defendant in a non-exempt position during the Class Period in California, based on hire dates, re-hire dates (as applicable), leave of absence dates (as applicable) and termination dates (as applicable), based on the information stored in Defendant's HRIS system.
- 11 The Gross Settlement Amount is based on Defendant's representation that there are no more than 31,747 Workweeks worked by Class Members during the Class Period. In the event the number of actual Workweeks worked increases by more than 10% or 3,174 Workweeks worked, then the Gross Settlement Amount shall be increased proportionally by the Workweeks worked in the Class Period in excess of 34,921 Workweeks multiplied by the Workweek Value. The Workweek Value shall be calculated by dividing the originally agreed-upon Gross Settlement

Defendant, the Settlement Administrator shall mail the Class Notice in English and Spanish to the

Settlement Class Members via first-class regular U.S. Mail using the most current mailing address

Within seven (7) calendar days or soon thereafter of receiving the Class List from

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17. "Response Deadline" means the deadline for Settlement Class Members to mail any Requests for Exclusion, Objections or Workweek Disputes to the Settlement Administrator, which is September 28, 2023. The date of the postmark shall be the exclusive means for determining whether a Request for Exclusion, Objection or Workweek Dispute was submitted by the Response Deadline.

- 18. Any Settlement Class Member may request exclusion from (i.e., "opt out" of) the Settlement by mailing a written request to be excluded from the Settlement ("Request for Exclusion") to the Settlement Administrator, postmarked on or before the Response Deadline.
- 19. Any Settlement Class Member who does not opt out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all terms of the Settlement, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if Final Order Approving Settlement is granted.
- 20. Only Participating Class Members may object to the Settlement. In order for any Settlement Class Member to object to this Settlement in writing, or any term of it, he or she must do so by mailing a written objection to the Settlement Administrator at the address or phone number provided on the Class Notice no later than the Response Deadline. Class Counsel and Defendant's counsel may respond to objections, if any, no later than October 16, 2023.
- 21. Participating Class Members may (though are not required to) appear at the Final Fairness and Approval hearing, either in person or through the objector's own counsel.
- 22. If a Class Member submits both an Objection and a Request for Exclusion, the Request for Exclusion will control and the Objection will be void.
- 23. All papers filed in support of final approval, including supporting documents for attorneys' fees and costs, shall be filed by August 28, 2023.
- A Final Fairness and Approval Hearing shall be held with the Court on October 25, 2023 at 10:00 a.m. in Department 6 of the above-entitled Court to determine: (1) whether the proposed settlement is fair, reasonable and adequate, and should be finally approved by the Court; (2) the amount of attorneys' fees and costs to be awarded to Class Counsel; (3) the amount of service

award to the Class Representative; (4) the amount to be paid to the Settlement Administrator; and (5) the amount to be apportioned to PAGA and/or paid to the LWDA and Aggrieved Employees.

- 25. Within seven (7) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- Aggrieved Employees will receive an Individual PAGA Payment. Individual Settlement Payment and Individual PAGA Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Within seven (7) calendar days after expiration of the 180-day period, checks for such payments shall be canceled and funds associated with such checks shall be considered unpaid, unclaimed or abandoned cash residue pursuant to Code of Civil Procedure section 384 ("Unpaid Residue"). The Unpaid Residue plus accrued interest, if any, as provided in Code of Civil Procedure section 384, shall be transmitted to Legal Aid at Work, 180 Montgomery Street, Suite 600, San Francisco, California 94104, the *cy pres* recipient, for use in Los Angeles County.
- 27. In the event the settlement does not become effective in accordance with the terms of the Settlement, or the settlement is not finally approved, or is terminated, cancelled or fails to become effective for any reason, this Order shall be rendered null and void and shall be vacated, and the parties shall revert to their respective positions as of the entry of the Settlement Agreement.

IT IS SO ORDERED.

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Dated:

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Elihu M. Berle

Judge of the Superior Court Elihu M. Berle / Judge

EXHIBIT 1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE FOR FINAL APPROVAL HEARING

Gomez Mireles v. USG Ceilings Plus, LLC et. al.

(County of Los Angeles, California Superior Court Case Nos. 21STCV45606 and 22STCV06160)

As a current or former hourly-paid California employee of USG Ceilings Plus, LLC and you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement fund.

You have received this Notice of Class Action Settlement because the records of USG Ceilings Plus, LLC ("Defendant") show you are a "Class Member," and therefore entitled to a payment from this class action Settlement. Class Members are all persons who currently work or formerly worked for Defendant, as non-exempt employees in the State of California at any time from December 14, 2017 through December 31, 2022 ("Class Period" or "Settlement Period).

- The settlement is to resolve a class action lawsuit, *Eduardo Gomez Mireles v. USG Ceilings Plus, LLC et. al.* pending in the Superior Court of California for the County of Los Angeles, Case Numbers 21STCV45606 and 22STCV06160 (the "Lawsuits"), which alleges that Defendant: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to pay all wages due upon separation from employment; (6) failed to provide accurate wage statements; (7) failed to timely pay wages during employment; (8) failed to reimburse employees for business expenses; (9) failed to provide compensation for unused paid vacations; and (10) engaged in unfair competition. Based on these and other alleged Labor Code violations, Plaintiffs also seek penalties under the California Labor Code Private Attorney Generals Act ("PAGA").
- On _______, 2023 the Los Angeles County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendant vigorously denies the claims in the Lawsuit and contends that they fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT			
DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.		
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you worked from December 15, 2020 through December 31, 2022, ("PAGA Period") as a hourly-paid employee of Defendant, as well, then you will be deemed an "PAGA Group Member" and you will still receive your share of the proceeds available from the settlement of the PAGA Released Claims, defined below, (your		

	"Individual PAGA Payment") even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, Phoenix Class Administration Solutions, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for October 25, 2023 at 10:00 a.m. in Department 6 of the Los Angeles County Superior Court, Spring Street Courthouse located at 312 North Spring Street, Los Angeles 90012.

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 10:00 a.m. on October 25, 2023, in the Los Angeles County Superior Court, Spring Street Courthouse located at 312 North Spring Street, Los Angeles 90012, in Department 6. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendant's' records show that you currently work, or previously worked, for Defendant as a non-exempt employee in the State of California at some point during the Class Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

What Is This Case About?

Eduardo Gomez Mireles was a non-exempt employee of Defendant. He is the "Plaintiff" in this case and is suing on behalf of himself and Class Members for Defendant's alleged failure to pay overtime and minimum wages, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to pay all wages due upon termination or resignation from employment, failure to issue compliant and accurate wage statements, failure to pay due wages upon separation, failure to reimburse for business expenses, failure to pay unused vacation time and unfair competition.

Based on these and other alleged Labor Code violations, Plaintiffs also seek to recover penalties under the California Labor Code Private Attorney Generals Act.

Defendant denies all of the allegations made by Plaintiff and denies that it violated any law. The Court has made no ruling on the merits of Plaintiff's claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiff and Defendant have agreed to settle this case on behalf of themselves and Class Members and PAGA Group Members for the Gross Settlement Amount of \$1,500,000.00, unless that amount increases pursuant to the terms of the Settlement Agreement. The Gross Settlement includes: (1) Administration Costs up to \$(2) a service payment of up to \$7,500.00 to Plaintiff Eduardo Gomez Mireles, for his time and effort in pursuing this case and in exchange for a broader release of claims against Defendant; (3) up to 33.33% of the Gross Settlement Amount in attorneys' fees which, unless escalated pursuant to the Settlement Agreement, shall amount to \$500,000.00; (4) up to \$(4) up to \$(5) up to

Defendant represents that there are no more than 31,747 Workweeks worked by Class Members in the Class Period. In the event the number of Workweeks worked by Class Members during the Class Period increases by more than 10%, or 3,174 Workweeks worked, then the Gross Settlement Amount shall be increased proportionally by the Workweeks worked in the Class Period in excess of 34,921 Workweeks multiplied by the Workweek Value. The Workweek Value shall be calculated by dividing the originally agreed-upon Gross Settlement Amount (\$1,500,000.00) by 31,747 Workweeks. The Parties agree that the Workweek Value amounts to and the settlement amounts to \$47.25 per Workweek (\$1,500,000.00 / 31,747 Workweeks). Thus, for example, should there be 35,000 Workweeks worked by Class Members in the Class Period, then the Gross Settlement Amount shall be increased by \$3,732.75 ((35,000 Workweeks – 34,921 Workweeks) x \$47.25 per Workweek).

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks worked by Class Members in a non-exempt position for Defendant in California during the Class Period ("Eligible Workweeks"). Specifically, Class Members' payments will be calculated by dividing the number of Eligible Workweeks attributed to the Class Member by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (Individual's Eligible Workweeks ÷ total Settlement Class Eligible Workweeks) x Net Settlement Amount. In addition, Class Members who worked during the PAGA Period (*i.e.*, PAGA Group Members) will receive a *pro rata* share of the \$10,000.00 allocated as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each PAGA Group Member during the PAGA Period. The estimate range of possible recoveries is between \$[Low Estimate] and \$[High Estimate].

Defendant's records indicate that you worked [Eligible Workweeks] as an hourly-paid employee in California during the Class Period and [Eligible Workweeks] during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [\$Estimated Award] and your estimated payment as an PAGA Group Member would be [\$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than September 28, 2023. Please include any documentation you have that you contend supports your dispute.

Tax Reporting

100% of the payments for PAGA penalties to PAGA Group Members will be allocated as penalties reported on IRS Form 1099. Twenty percent (20%) of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and eighty percent (80%) will be allocated as penalties and interest reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Your check will be valid for 180 days after issuance. After 180 days, uncashed checks will be cancelled and the funds associated will be transmitted to Legal Aid at Work, 180 Montgomery Street, Suite 600, San Francisco, California 94104, the *cy pres* recipient, for use in Los Angeles County.

Your Options Under the Settlement

Option 1 – Do Nothing and Receive Your Payment

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (i.e., your share of the Net Settlement Amount) because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the settlement, you will be bound by the entire release in the settlement and receive a your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an PAGA Group Members. In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had upon final approval of this Settlement and payment by Defendant to the Settlement Administrator.

"Released Claims" means, for the duration of the Class Period, the release includes, for Participating Class Members: (1) all claims for failure to pay overtime wages; (2) all claims for failure to pay minimum wages; (3) all claims for failure to provide meal periods or compensation in lieu thereof; (4) all claims for failure to provide rest periods or compensation in lieu thereof; (5) all claims for failure to pay all wages due upon termination; (6) all claims for failure to provide accurate wage statements; (7) all claims for failure to timely pay wages during employment; (8) all claims for failure to indemnify for all necessary expenditures or losses; (9) all claims for failure to provide compensation for unused paid vacations; and (10) all claims asserted through California Business & Professions Code section 17200, et seq. arising out of the Labor Code violations referenced in the Complaint (the "Class Released Claims").

PAGA Class Members (and, to the extent permitted by law, the State of California), the release includes for the duration of the PAGA Period, all claims asserted in the PAGA Notice and in the complaint filed in the PAGA Action, for PAGA civil penalties, pursuant to Labor Code sections 210, 226.3, 558, 1174.5, 1197.1 and 2699, in connection with alleged violations of Labor Code sections 96, 98.6, 200, 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 232, 232.5, 246, et seq., 432, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198.5, 2699 et seq., 2802, and 2810.5 (the "PAGA Released Claims"). The Class Released Claims and PAGA Released Claims shall be referred to herein as the "Released Claims".

"Released Parties" refers to Defendant USG Ceilings Plus, LLC. Nancy Mercolino and each of their past, present and future respective subsidiaries, dba's, affiliates, parents, insurers and reinsurers, and company-sponsored employee benefit plans of any nature, and their successors and predecessors in interest, including all of their officers, directors, shareholders, exempt employees, agents, principals, heirs, representatives, accountants, auditors, consultants, attorneys, administrators, fiduciaries, trustees and agents.

Option 2 – Opt Out of the Settlement

If you do not wish to receive your Individual Settlement Payment or release the Class Released Claims, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must expressly and clearly indicate that you do not want to participate in the Settlement, and you desire to be excluded from the Settlement. The written request for exclusion must include your name, Social Security Number, and the following statement: "Please exclude me from the Settlement Class in the *Gonez Mireles v. USG Ceilings Plus, LLC et. al.* matter" or a statement of similar meaning. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail to the address below.

Phoenix Class Administration Solutions [Add Mailing Address]

Your written request for exclusion must be mailed to the Administrator not later than September 28, 2023.

The proposed settlement includes the settlement of the PAGA Released Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are a PAGA Group Member, you will still receive your Individual PAGA Payment and will be deemed to have released the PAGA Released Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Class Released Claims.

Option 3 – Submit an Objection to the Settlement

If you wish to object to the Settlement, you may submit an objection in writing stating why you object to the Settlement. Your written objection must provide your name, address, the last four digits of your Social Security Number, signature, and a statement of the reason(s) why you believe that the Court should not approve the Settlement. Your written objection must be mailed the Administrator no later than September 28, 2023. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Final Approval Hearing

You may, if you wish, also appear at the Final Approval Hearing set for October 25, 2023 at 10:00 a.m. in the Los Angeles County Superior Court, Spring Street Courthouse located at 312 North Spring Street, Los Angeles 90012, in Department 6, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may attend this hearing virtually by audio or video at https://my.lacourt.org/laccwelcome. You may also retain an attorney to represent you at the Hearing at your own expense.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at [PHONE NUMBER] or Class Counsel, whose information appears below:

BIBIYAN LAW GROUP, P.C. David D. Bibiyan (SBN 287811) david@tomorrowlaw.com
Jeffrey D. Klein (SBN 297296) jeff@iomorrowlaw.com 8484 Wilshire Boulevard, Suite 500 Beverly Hills, California 90211 Tel: (310) 438-5555; Fax: (310) 300-1705

You may also visit the Settlement Administrator's website at [WEBSITE] to gain access to key documents in this case, including the Operative Complaint, Settlement Agreement, the Class Notice, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Los Angeles County Superior Court, Spring Street Courthouse located at 312 North Spring Street, Los Angeles 90012, during regular business hours of each court day. You may also obtain these documents through the Court's website at https://www.lacourt.org/casesummary/ui/.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

> PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT, OR DEFENDANT'S ATTORNEYS WITH INQUIRIES.

PROOF OF SERVICE 1 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES 2 3 I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the within action; my business address is 8484 Wilshire Blvd, Suite 500, Beverly Hills, California 90211. 4 5 On June 29, 2023, I caused a true and correct copy of the foregoing document(s) described as [PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND CERTIFYING CLASS FOR SETTLEMENT PURPOSES ONLY to be served by electronic transmission via Case Anywhere to the parties and/or counsel who are registered to use Case Anywhere and set forth in the below service list: 8 9 Jody A. Landry, Bar No. 125743 Brittany McCarthy, Bar No. 285947 ilandry@littler.com 10 bmccarthy@littler.com Littler Mendelson, P.C. 11 501 W. Broadway, Suite 900 San Diego, California 92101.3577 12 13 Counsel for Defendant USG Ceilings Plus, LLC 14 I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct 15 Executed on June 29, 2023, at Beverly Hills, California. 16 17 18 /s/ Jennifer Echeverria Jennifer Echeverria 19 20 21 22 23 24 25 26 27 28