

NOTICE OF CLASS ACTION SETTLEMENT

Amanda Patterson, et al. v. FinishMaster, Inc.
Superior Court of California for the County of Contra Costa, Case No. MSC19-00878

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the settlement, object to the settlement, and/or dispute the number of Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Amanda Patterson and Matthew Medina ("Plaintiffs") and Defendant FinishMaster, Inc. ("Defendant") (Plaintiffs and Defendant are collectively referred to as the "Parties") in the case entitled *Amanda Patterson, et al. v. FinishMaster, Inc.*, Contra Costa County Superior Court, Case No. MSC19-00878 (the "*Patterson* Action" or "Lawsuit"), which may affect your legal rights. On February 18, 2021, the Court granted preliminary approval of the settlement and scheduled a hearing on August 26, 2021 at 9:00 a.m. ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"**Class**" means all current and former hourly-paid and non-exempt employees in the state of California who worked for Defendant from May 3, 2015 through February 18, 2021, excluding three individuals who have already entered into individual settlements with Defendant.

"**Class Member**" means any hourly-paid and non-exempt employee who worked for Defendant in California during any portion of the Class Period.

"**Class Period**" means the period from May 3, 2015 through February 18, 2021.

II. BACKGROUND OF THE ACTION

On May 3, 2019, Plaintiff Patterson filed a Class Action Complaint for Damages against Defendant in the Contra Costa County Superior Court, thereby commencing the *Patterson* Action. On August 8, 2019, Plaintiff Medina filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. in the Ventura County Superior Court, thereby commencing the representative action entitled *Matthew Medina v. FinishMaster, Inc.*, Case No. 56-2019-00531639-CU-OE-VTA (the "*Medina* Action"). On December 30, 2019, Plaintiff Patterson filed a Second Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("Operative Complaint") in the *Patterson* Action, adding Plaintiff Medina as a named plaintiff and a cause of action under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA") to the Lawsuit. On January 24, 2020, the *Medina* Action was dismissed without prejudice.

Plaintiffs allege that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment, provide accurate wage statements, keep requisite payroll records, and reimburse business expenses, and thereby engaged in unfair business practices under the California Business and Professions Code section 17200, et seq. and conduct giving rise to civil penalties recoverable under PAGA, with respect to Plaintiffs and other putative class members. Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Lawsuit or that it violated any law, and contends that at all times it has complied with federal, state, and local laws.

The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Stipulation of Settlement and Release ("Settlement Agreement" or "Settlement").

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On February 18, 2021, the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Settlement Administrators as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Amanda Patterson and Matthew Medina as representatives of the Class (“Class Representatives”), and Plaintiffs’ attorneys, Lawyers for Justice, PC, as counsel for the Class (“Class Counsel”).

Counsel for this matter is as follows:

Attorneys for Plaintiff / Settlement Class Members: Edwin Aiwarzian Arby Aiwarzian Joanna Ghosh Lawyers for Justice, PC 410 West Arden Avenue, Suite 203 Glendale, California 91203 Tel.: (818) 265-1020 Fax: (818) 265-1021	Attorneys for Defendant FinishMaster, Inc.: Mary Dollarhide Taylor H. Wemmer DLA PIPER LLP (US) 4365 Executive Drive, # 1100 San Diego, California 92121-233 Tel: 858.677.1400 Fax: 858.677.1401
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If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Settlement (in which case you will not receive an Individual Settlement Payment), object to the Settlement, and/or dispute the Pay Periods credited to you, if you so choose, as explained more fully in Section III below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Lawsuit have merit or that Defendant has any liability to Plaintiffs or to Class Members. Plaintiffs and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members. The Court has made no ruling on the merits of the Class Members’ claims and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The maximum settlement consideration to be paid by Defendant is One Million Nine Hundred Thousand Dollars (\$1,900,000) (the “Maximum Settlement Amount”). The portion of the Maximum Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Maximum Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees in the amount of 38% of the Maximum Settlement Amount (i.e., \$722,000) plus actual litigation costs and expenses in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000) to Class Counsel (collectively, “Attorneys’ Fees and Costs”); (2) payments in the amount of Ten Thousand Dollars (\$10,000) each to Plaintiffs Amanda Patterson and Matthew Medina (i.e. \$20,000 in total) for their services in the Lawsuit (“Enhancement Payments”); (3) payment to the California Labor and Workforce Development Agency (“LWDA”) in the amount of One Hundred Twelve Thousand Five Hundred Dollars (\$112,500) for its 75% portion of the PAGA penalties (“LWDA Payment”); and (4) costs associated with administration of the Settlement, which are anticipated to be no greater than Fifteen Thousand Dollars (\$15,000), to the Settlement Administrator (“Settlement Administration Costs”). Note: a total of One Hundred and Fifty Thousand Dollars (\$150,000) from the Maximum Settlement Amount has been allocated toward penalties under the Private Attorneys General Act (“PAGA Penalties”), of which the LWDA will be paid 75% and the remaining 25% (i.e., Thirty-Seven Thousand Five Hundred Dollars (\$37,500)) will be a part of the Net Settlement Amount for distribution to Settlement Class Members.

Class Members are eligible to receive payment under the Settlement of their share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of pay periods they worked for Defendant as an hourly-paid or non-exempt employee in California during the Class Period (“Pay Periods”).

The Settlement Administrator has multiplied the Net Settlement Amount by a fraction, the numerator of which is the Class Member’s individual total Pay Periods, and the denominator of which is the total number of Pay Periods of all Class Members to yield each Class Members’ estimated Individual Settlement Payment that he or she may be eligible to receive under the Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely Request for Exclusion (“Settlement Class Members”) will be issued their Individual Settlement Payment.

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Each Individual Settlement Payment will be allocated one-third (1/3) as wages (“Wages Portion”) which will be reported on an IRS Form W2, and two-thirds (2/3) as penalties, interest, and other non-wage damages (“Non-Wages Damages”) which will be reported on an IRS Form 1099. Each Individual Settlement Payment will be subject to reduction for all applicable employee’s and employer’s share of payroll contributions and withholdings with respect to the Wages Portion of the Individual Settlement Payments.

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Pay Periods Based on Defendant’s Records

The Pay Periods of each Class Member were calculated based on Defendant’s records. According to Defendant’s records:

From May 3, 2015 through February 18, 2021, you worked for Defendant as an hourly-paid or non-exempt employee in California for [_____] Pay Periods.

If you disagree with the number of Pay Periods credited to you, you must submit a written dispute of the number of Pay Periods credited to you (“Pay Periods Dispute”) to the Settlement Administrator. The Pay Periods Dispute must: (1) contain the case name and number of the *Patterson* Action (*Patterson, et al. v. FinishMaster, Inc.*, Case No. MSC19-00878); (2) contain your full name, address, telephone number, and the last four digits of your social security number; (3) be signed by you; (4) contain a clear statement indicating that you dispute the Pay Periods credited to you and provide the number of Pay Periods that you contend should be credited to you; (5) attach documentation and/or an explanation to show that the Pay Periods credited to you are incorrect; and (6) be mailed to the Settlement Administrator at the address specified in in Section IV.B below, postmarked **on or before July 6, 2021.**

C. Your Estimated Individual Settlement Payment

As explained above, your estimated Individual Settlement Payment is based on the number of Pay Periods credited to you, based on Defendant’s records. Based on your Pay Periods:

Your Individual Settlement Payment is estimated to be \$_____. The Individual Settlement Payment is subject to reduction for the employee’s and employer’s share of taxes and withholding with respect to the Wages Portion of the Individual Settlement Payment and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Payment reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

D. Release of Claims

Upon the Effective Date, Plaintiffs and all Class Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members) will be deemed to have released and discharged the Released Parties of all Released Claims he or she may have or had.

“Released Claims” means any and all wage-and-hour claims, rights, demands, liabilities and causes of action that that were pled or could have been pled based on the factual allegations in the Operative Complaint, arising during the Class Period, including, but not limited to, statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief, for the following categories of allegations: all claims for failure to pay wages for hours worked, including regular wages and overtime premium pay; all claims for failure to pay the minimum wage in accordance with applicable law; all claims for the failure to provide compliant meal and/or rest periods and associated premium pay in accordance with applicable law; all claims for recordkeeping violations; all claims for pay stub violations; all claims for failing to timely pay wages during employment and upon termination and associated waiting time penalties; all claims for unreimbursed business expenses; all claims under the California Business and Professions Code §§ 17200 et. seq. based on the aforementioned; and all claims for civil and statutory penalties, including and not limited to those recoverable under California Labor Code § 2698 et seq. (“PAGA”), based on the aforementioned.

Questions? Please call: 1-800-523-5773

“Released Parties” means Defendant, and all of its former and present parents and subsidiaries, and their current and former officers, directors, employees, partners, shareholders and agents, and the predecessors, successors, assigns, and legal representatives of all such entities and individuals.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek Attorneys’ Fees and Costs, consisting of attorneys’ fees in an amount of up to thirty-eight percent (38%) of the Maximum Settlement Amount (i.e., up to \$722,000) and reimbursement of actual litigation costs and expenses in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000), subject to approval by the Court. All Attorneys’ Fees and Costs awarded by the Court will be paid from the Maximum Settlement Amount. Class Counsel has been prosecuting the Lawsuit on behalf of Plaintiffs and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payments to Plaintiffs

In recognition of their services in connection with the Lawsuit, Plaintiffs will each seek an Enhancement Payment in the amount of Ten Thousand Dollars (\$10,000) (for a total of \$20,000), to be paid from the Maximum Settlement Amount subject to approval by the Court. If awarded, the Enhancement Payments will be paid to Plaintiffs in addition to their Individual Settlement Payments that they are entitled to under the Settlement.

G. Settlement Administration Costs to the Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Fifteen Thousand Dollars (\$15,000) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Objections, and Pay Periods Disputes, calculating Individual Settlement Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Maximum Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Settlement.

Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will release the claims described in Section III.D above. As a Class Member, you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Settlement

If you wish to opt out of the Settlement, you must submit a valid and timely written request in writing to be excluded from the Settlement (“Request for Exclusion”) to the Settlement Administrator.

A Request for Exclusion must: (1) contain the case name and number of the *Patterson Action (Patterson, et al. v. FinishMaster, Inc., Case No. MSC19-00878)*; (2) contain your full name, address, telephone number, and the last four digits of your social security number; (3) be signed by you; (4) contain a statement clearly indicating that you wish to be excluded from the Settlement; and (5) be mailed to the Settlement Administrator, postmarked **on or before July 6, 2021**, at the following mailing address:

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

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Settlement. Any Class Member who does not submit a valid and timely Request for Exclusion will be deemed a Settlement Class Member and will be bound by all terms of the Settlement, including those pertaining to the Release of Claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

Questions? Please call: 1-800-523-5773

C. Object to the Settlement

You can object to the terms of the Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection (“Objection”) to the Settlement Administrator.

An Objection must (1) contain the case name and number of the *Patterson* Action (*Patterson, et al. v. FinishMaster, Inc.*, Case No. MSC19-00878); (2) contain your full name, address, telephone number, and the last four digits of your social security number; (3) be signed by you; (4) contain an explanation of your objection(s) to the Settlement; (5) indicate whether you are represented by counsel, and if represented by counsel, provide the name and address of said counsel; (6) indicate whether you intend to appear at the Final Approval Hearing; and (7) be mailed to the Settlement Administrator at the address listed in Section IV.B above, postmarked **on or before July 6, 2021**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 39 of the Contra Costa County Superior Court, Wakefield Taylor Courthouse, located at 725 Court Street, Martinez, California 94553, on **August 26, 2021, at 9:00 a.m.**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys’ Fees and Costs to Class Counsel, Enhancement Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear remotely if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court Records Department of the Contra Costa County Superior Court, located at 1111 Ward Street, Martinez, California 94553. Some documents and information regarding the Lawsuit can also be accessed online for free or at a minimal charge at the Contra Costa County Superior Court’s website, using the Public Case Access System, at the following web address: <http://icms.cc-courts.org/tellme/>

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: 1-800-523-5773, OR YOU MAY ALSO CONTACT CLASS COUNSEL.

Questions? Please call: 1-800-523-5773