

**NOTICE OF CLASS ACTION SETTLEMENT  
("NOTICE")**

*Leonel Merida v. All-Pro Enterprises, Inc.*  
Case No. BC667384

312 North Spring Street  
Los Angeles, CA 90012

**If you are a current or former non-exempt employee of ALL PRO ENTERPRISES, INC., from July 3, 2013 through March 8, 2018, a class action settlement described in this letter may affect your rights. Please read this Notice carefully.**

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

**WHY ARE YOU RECEIVING THIS NOTICE?**

- A former All-Pro Enterprises, Inc. employee filed a lawsuit against All-Pro Enterprises, Inc.
- All-Pro Enterprises, Inc. denies any liability.
- The Parties to the lawsuit have reached a proposed settlement, and the Court has given its preliminary approval to the terms of the settlement. The Court has not decided that All-Pro Enterprises, Inc. did anything wrong.
- **Based on All-Pro Enterprises, Inc.'s records, you are one of the current or former All Pro Enterprises, Inc. employees who is eligible to participate in the settlement. This proposed settlement could affect your legal rights, and you have a choice to make now:**

<b>Your Legal Rights and Options in this Lawsuit</b>	
<b>Do Nothing</b>	If you wish to receive your share of the settlement proceeds, you do not need to take any action. A settlement check will be sent to you. You will release your right to sue All-Pro Enterprises, Inc. separately about the same legal claims in this lawsuit.
<b>Ask to be Excluded</b>	If you ask to be excluded, you will not receive a settlement check. You will keep any rights to sue All-Pro Enterprises, Inc. separately about the same legal claims in this lawsuit. You must ask to be excluded by March 27, 2019.
<b>Object</b>	Write to the Settlement Administrator about why you think the settlement should not be approved or appear at the Final Approval Hearing and ask to be heard as to why you think the settlement should not be approved.

***ALL-PRO ENTERPRISES, INC. WILL NOT RETALIATE AGAINST ANY CLASS MEMBER FOR EXERCISING ANY OF THEIR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT***

**Your options and your deadlines to act are explained in this notice.**

## **BASIC INFORMATION**

### **1. WHY DID I GET THIS NOTICE?**

You received this notice because All-Pro Enterprises, Inc.'s records show that you currently work, or previously worked for All-Pro Enterprises, Inc., as a non-exempt employee at some time since July 3, 2013 through March 8, 2018. In other words, you are part of a "class" of employees on whose behalf Leonel Merida filed a class action lawsuit. The Parties to the lawsuit have reached a proposed settlement of the case, but the settlement must be approved by the Court. Judge Ann I. Jones of the Los Angeles County Superior Court is overseeing the proposed settlement of this class action and has given *preliminary* approval of the settlement so that you could receive this notice and learn about how it might affect your rights. The lawsuit is known as *Leonel Merida v. All-Pro Enterprises, Inc.*, Case No. BC667384. You can access the documents on the Settlement Administrator's website at <http://www.phoenixclassaction.com/merida-v-all-pro-enterprises/>.

### **2. WHAT IS THIS LAWSUIT ABOUT?**

This lawsuit is about whether Defendant engaged in the following: 1) Failure to Pay Minimum Wages and Overtime Wages; (2) Failure to Provide Meal Periods; (3) Failure to Provide Rest Periods; (4) Failure to Pay Wages Upon Ending Employment; (5) Failure to Pay All Wages During Employment; (6) Failure to Issue Accurate Itemized Wage Statements (Labor Code § 226); (7) Unfair Competition (*Business and Professions Code* § 17200, *et seq.*); and (8) Violation of the California Labor Code Private Attorney's General Act (Labor Code § 2698-2699) (the "Action"). If you want to learn more about the claims in this case, you may view a copy of the Complaint at <http://www.phoenixclassaction.com/merida-v-all-pro-enterprises/>.

### **3. HAS THE COURT DECIDED WHO IS RIGHT?**

As part of the settlement, All-Pro Enterprises, Inc. denies that it violated any part of California law in the way that it provided the Class Members meal and rest periods, in the way that it paid the Class Members, and in the way that it reported the earnings and other required information on wage statements or "paystubs" that it provided to Class Members. The Court will not decide whether Plaintiff or All-Pro Enterprises, Inc. is correct. By giving preliminary approval to the settlement, the Court is not suggesting that the Plaintiff will win or lose this case. The Court's role in evaluating the settlement is to decide whether the terms of the settlement appear to be fair to the Class based on the strengths and weaknesses of Plaintiff's claims, whether a settlement on behalf of all of the Class Members is appropriate based on the types of claims in Plaintiff's Complaint, and whether Plaintiff and his lawyers will fairly represent the Class Members.

### **4. WHAT IS A CLASS ACTION AND WHO IS INVOLVED?**

In a class action lawsuit, a "Class Representative" (in this case Leonel Merida) sues on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." The Class Representative and all Class Members like them are called the Plaintiffs. The companies they sued are called the Defendants. In a class action, one court resolves the issues for everyone in the Class, except for those people who choose to exclude themselves from the Class.

### **5. WHAT IS THE TIME PERIOD TO WHICH THIS CLASS ACTION APPLIES?**

This Class Action applies to all non-exempt employees of All-Pro Enterprises, Inc. employed at some time since July 3, 2013 through March 8, 2018. This time period is known as the "Class Period." As described below, the Class Period is used to determine the amount of each Class Member's share of the Settlement.

### **6. WHY IS THIS LAWSUIT A CLASS ACTION?**

While All-Pro Enterprises, Inc. disputes this case, a preliminary settlement has been reached and the Court has stated that this lawsuit can be settled as a class action because:

- There are current or former All-Pro Enterprises, Inc. employees who worked as non-exempt employees;
- There are legal questions and facts that are common to each of them that would justify a settlement on behalf of the entire Class;
- Leonel Merida's claims are typical of the claims of the rest of the Class;
- Mr. Merida and his lawyers who will represent the Class will fairly and adequately represent the Class' interests;
- Settling this lawsuit as a class action would be more efficient than having many individual lawsuits; and
- The terms of the settlement (described below in Parts 8 and 9) and the amounts to be paid appear to be fair and adequate based on the strengths and weaknesses of Plaintiff's claims.

More information about why the Court has preliminarily allowed the parties to proceed with settling this lawsuit as a class action is available in the Court's Preliminary Approval Order, which is available at <http://www.phoenixclassaction.com/merida-v-all-pro-enterprises/>.

#### **7. IS THERE ANY MONEY AVAILABLE NOW?**

No money is available now because the Court has only given *preliminary* approval to the settlement. The Court has not yet decided to give *final* approval to the settlement. The Court will not decide whether to give final approval to the settlement until the Class Members have received notice of the lawsuit and had the opportunity to decide whether to participate in the settlement. If the Court grants final approval of the settlement, settlement funds will be paid to the Class Members.

### **THE TERMS OF THE SETTLEMENT**

#### **8. HOW MUCH IS THE TOTAL SETTLEMENT?**

All-Pro Enterprises, Inc. has agreed to pay a total of Two Hundred Ninety Thousand Dollars 00/100 cents (\$290,000.00) in settlement of Plaintiff's claims. This is referred to as the "Gross Settlement Value." Under the terms of the settlement, All-Pro Enterprises, Inc. has agreed to pay this total sum through an agreed upon payment schedule, and no part of the Gross Settlement Value will be returned to All-Pro Enterprises, Inc.

#### **9. HOW MUCH OF THE SETTLEMENT WILL GO TO THE CLASS MEMBERS?**

Certain deductions will be made from the Gross Settlement Value. The amount remaining after these deductions is referred to the "Net Settlement Value." The Net Settlement Value is the amount that will be divided amongst the Class Members, known as the Net Settlement Value.

Each of the deductions from the Gross Settlement Value listed below will be requested and the Court will decide how much to award at the time of final approval. The Court has preliminarily approved each of the following deductions from the Gross Settlement Value:

- Attorneys' fees **not to exceed** Ninety-Six Thousand Six Hundred Sixty-Six and 66/100 dollars (\$96,666.66), which is 1/3<sup>rd</sup> of the Gross Settlement Amount, and costs of up to twelve thousand dollars (\$12,000.00). **However, the Court will not approve the attorneys' fees amount until the final approval hearing;**
- Payment to the Settlement Administrator **not expected to exceed** Fifteen Thousand Dollars (\$15,000.00) for the costs of sending notice out to the Class Members, responding to Class Member inquiries and distributing settlement funds to the Class Members if the Court gives its final approval to the settlement;
- Payment to the Class Representative **not to exceed** Seven Thousand Five Hundred Dollars (\$7,500.00) as an incentive for the filing of this lawsuit, for the risks incurred by Plaintiff in bringing the lawsuit, and for Plaintiff's participation in this lawsuit in assisting Class Counsel. **The Court will not approve the amount of the incentive award until the final approval hearing;** and

- Payment to the California Labor and Workforce Development Agency (“LWDA”) of Seven Thousand Five Hundred Dollars (\$7,500.00), paid to the LWDA pursuant to California Labor Code Section 2699(i), which represents the LWDA’s share of the civil penalties obtained by Plaintiff under the terms of the Settlement for violations of the California Labor Code, and Two Thousand Five Hundred Dollars (\$2,500.00), which represents the Class Members share of the civil penalties obtained by Plaintiff pursuant to California Labor Code Section 2699(i).

Each of the above amounts is deducted from the Gross Settlement Value, and the remaining amount (Net Settlement Value) is to be distributed to all of the Class Members. Based on the above deductions to which the Parties agree under the Settlement, the Parties estimate the Net Settlement Value to be One Hundred Fifty-Six Thousand Three Hundred Thirty-Three dollars and thirty-four cents (\$151,333.34).

Defendants will be funding this settlement within fourteen (14) days of after the court gives a Final Approval of the Settlement. The Net Settlement Value will be disbursed to Class Members within fifteen (15) days of the Settlement being funded.

### **10. WHAT ARE THE TAX CONSEQUENCES IF I CHOOSE TO RECEIVE MY SHARE OF THE SETTLEMENT?**

Neither the lawyers for the Class Members nor All-Pro Enterprises, Inc. make any representations to you concerning the tax consequences of this Settlement or your participation in it, and you are encouraged to speak with your own personal tax advisor prior to acting in response to this Notice.

Please be advised that the tax withholdings will be reported to the appropriate taxing authority whether you cash the check or not. For the portion of the individual settlement that each Class Member receives pursuant to 1099, taxes will not be withheld from this portion. However, taxes may need to be paid and each person should consult an accountant or other tax advisor in connection with funds received under the settlement.

For purposes of the Class Members’ individual settlement payment, the “Net Settlement Allocation” shall be as follows: (“Net Settlement Allocation”):

- (1) 20% as wages;
- (2) 40% as penalties; and
- (3) 40% as interest.

Participating Class Members will receive an Individual Settlement Payment. Individual Settlement Payment checks shall remain valid and negotiable for one hundred and eighty (180) calendar days after the date of their issuance. Within ten (10) calendar days after the expiration of the 180-day period, upon the Court’s order, pursuant to California Code of Civil Procedure section 384, the total amount of these unclaimed funds, plus any interest the Court orders, shall be paid to the Legal Aid Foundation of Los Angeles.

### **11. WHAT RIGHTS AM I RELEASING UNDER THE SETTLEMENT?**

If you choose to do nothing in response to this Notice, you will receive your share of the Settlement as described above. In exchange for your share of the Settlement, you will be releasing your right to bring your own lawsuit against All-Pro Enterprises, Inc. Specifically, “Upon the Final Effective Date, Named Plaintiffs and all members of the Settlement Class, except those that make a valid and timely request to be excluded from the Settlement Class and Resolution, waive, release, discharge, and promise never to assert in any forum any and all wage-related claims against Defendant, Defendant’s parents, owners, subsidiaries, affiliates, payroll providers, professional employer organizations, their insurers, attorneys and all agents thereof, that were alleged in the Litigation or which could have been alleged in the Litigation based on the facts asserted in the Litigation, including but not limited to claims during the Settlement Period for: unpaid minimum wages, unpaid overtime wages, and/or any deduction(s) from wages; meal and rest breaks; wage statement violations; failure to timely pay wages; separation pay violations (Labor Code Section 203); unfair business practices; and PAGA; and any other applicable provisions of state or federal law, including the applicable IWC wage order(s) but not including the Fair Labor Standards Act, based on the facts alleged or which could have been alleged in the Litigation.

With respect to only those members of the Settlement Class who deposit or cash his/her settlement check, the released claims shall also include any and all claims under the Fair Labor Standards Act or that could have been asserted under federal law based on the facts alleged in the Litigation or that arise from the allegations pled in the Litigation. The Settlement check will include language on the back of the check that states “by depositing and/or cashing this settlement check you have affirmatively opted-in to the class and agree to release all claims for unpaid wages under federal law,” or similar language upon agreement of the Parties. This release is limited to the “Settlement Period” of July 3, 2013 through March 8, 2018.”

**You may view the full text of the Release to which you will be subject if you receive your share of the Settlement at <http://www.phoenixclassaction.com/merida-v-all-pro-enterprises/>.**

## **12. WHAT RIGHTS WILL I RETAIN EVEN IF I RECEIVE MY SHARE OF THE SETTLEMENT?**

Even if you choose to receive your share of the Settlement, you are **not** releasing All Pro Enterprises, Inc., or any other person or entity from claims for workers’ compensation, unemployment, or disability benefits.

### **YOUR RIGHTS AND OPTIONS**

You have to decide whether to stay in the Class or ask to be excluded from the Settlement.

## **13. WHAT HAPPENS IF I DO NOTHING AT ALL?**

You don’t have to do anything if you want to receive your share of the Settlement. You will automatically receive a check with your share of the Settlement so long as the Court gives its *final* approval to the Settlement and the Settlement Administrator has your current address. Keep in mind that if you receive your share of the Settlement, you may only be able to sue for wage and hour violations that occurred after March 8, 2018. You will be legally bound by each of the Orders the Court issues and judgments the Court makes with respect to this Settlement.

If for any reason the Court decides not to give final approval to the Settlement, the Settlement will be void and you will not receive your share of the Settlement. You will also retain any rights you may have had if Plaintiff’s lawsuit had never been filed. Under the terms of the Settlement, if the Court does not give final approval to the Settlement for any reason, the parties to the lawsuit will continue with the lawsuit.

## **14. HOW DO I ASK THE COURT TO EXCLUDE ME FROM THE SETTLEMENT IF I DO NOT WANT TO PARTICIPATE?**

If you want to be excluded from the Settlement, you must send a letter by fax, mail or email expressing your intent to opt-out of the Settlement in *Leonel Merida v. All Pro Enterprises, Inc.*, Case No. BC667384 and not receive your share of the Settlement. Be sure to include your name, signature, address, telephone number, and last four digits of your Social Security Number. You must fax or mail your exclusion request, postmarked no later than March 27, 2019, to:

***Merida v. All Pro Enterprises, Inc.***  
c/o Phoenix Settlement Administrators  
PO Box 7208  
Orange, CA 92863  
Fax: (949) 209-2503  
Email: [notice@phoenixclassaction.com](mailto:notice@phoenixclassaction.com)

If you send a request for exclusion to the Claims Administrator at the physical address or email address listed above within the deadline identified above, indicating that you want to opt-out of the settlement in this case, **you will not be eligible** to receive any of the benefits under the Settlement. You will, however, retain whatever legal rights you may have against Defendant. If you exclude yourself from the settlement you **CANNOT** object to the Settlement.

## **15. CAN I OBJECT TO THE SETTLEMENT?**

Yes, however, only if you have not opt out of the Settlement, you may object to the Settlement, and/or Class Counsel's request for attorneys' fees and costs, either personally or through an attorney at your own expense, by mailing a written objection to the Claims Administrator at the address set forth above in Part 14.

All objections must be signed and must include your name and address, and the name and case number of the Action: *Leonel Merida v. All Pro Enterprises, Inc.*, Case No. BC667384. All objections must be mailed or emailed to the Claims Administrator, no later than **March 27, 2019**. Even if you have not complied with the written objection procedures, you may appear, either personally or through an attorney, at your own expense, at the Final Approval Hearing that is discussed in Part below. Your objection should clearly explain why you object to the proposed Settlement. Even if you do not personally appear or through an attorney, the Court will still consider your objection.

Even if you mail an objection, if the Court gives its final approval to the Settlement you will receive your share of the Settlement and you will be subject to the release described in Part 11 unless you also timely mail a letter to the Settlement Administrator indicating that you want to be excluded from the Settlement, as described in Part 14.

### **THE LAWYERS IN THIS CASE**

#### **16. DO I HAVE A LAWYER IN THIS CASE?**

The Court has decided that the attorneys of Mahoney Law Group, APC, at 249 E. Ocean Boulevard, Suite 814 Long Beach, CA 90802 may represent you and all Class Members. Attorney Kevin Mahoney and the attorneys of the Mahoney Law Group, APC are called "Class Counsel."

#### **17. SHOULD I GET MY OWN LAWYER?**

You do not need to hire your own lawyer because Class Counsel is working on your behalf. You may retain your own lawyer at your own expense. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

#### **18. HOW WILL THE LAWYERS BE PAID?**

If Class Counsel get money or benefits for the Class, they may ask the Court for fees and expenses. You won't have to pay these fees and expenses. The fees and expenses that the Parties have agreed that Class Counsel may request are identified above at Part 9. If the Court grants Class Counsel's request, the fees and expenses will be deducted from the Gross Settlement Value.

### **IMPORTANT FUTURE DATES**

#### **19. WHAT HAPPENS NEXT?**

The Court has scheduled a Final Fairness Hearing for May 21, 2019 at 11:00 a.m. at the Los Angeles Superior Court, Department 11, located at 312 North Spring Street Los Angeles, CA 90012. At the Final Fairness Hearing, the Court will decide whether or not to grant final approval of the Settlement. At the same place and immediately following the Final Fairness Hearing, the Court will also rule on the Settlement Class Representative's request for attorney's fees, litigation costs, and incentive award. You have the right, but are not required, to appear personally or through an attorney of your choosing, at your own expense, to object to or express your views regarding the Settlement and the requested attorney's fees, costs and service award. If the Court grants final approval of the Settlement, Notice of the Entry of Judgment will be posted on the Settlement Administrator's website at <http://www.phoenixclassaction.com/merida-v-all-pro-enterprises/>.

## GETTING MORE INFORMATION

### 20. ARE MORE DETAILS AVAILABLE?

This Notice only summarizes the Action, the Settlement, and other related matters. There are a variety of ways that you can request more information.

- You may refer any questions about the lawsuit and the Settlement to the Settlement Administrator by calling (800) 523-5773, or by calling Class Counsel at (562) 590-5550. You may also email Class Counsel at [kmahoney@mahoney-law.net](mailto:kmahoney@mahoney-law.net).
- You may visit <http://www.phoenixclassaction.com/merida-v-all-pro-enterprises/> to view documents filed in this matter, including the Complaint, Settlement Agreement, Motion for Preliminary Approval and accompanying papers, Motion for Final Approval and accompanying papers and Notice of Entry of Judgment in this case.
- You may visit <http://www.phoenixclassaction.com/merida-v-all-pro-enterprises/> where you can review the Complaint, all papers filed by Class Counsel in support of their Motion for Preliminary Approval of Class Action Settlement, the Court's Order Granting Preliminary Approval of Class Action Settlement, and the Joint Stipulation of Class Settlement that contains all terms of the Settlement. If the Court grants final approval to the Settlement, the website will also have copies of all papers filed by Class Counsel in support of their Motion for Final Approval of Class Action Settlement and the Court's Order Granting Final Approval of Class Action Settlement. If your address changes or is different from the one on the envelope enclosing this Notice, please promptly notify the Claims Administrator at (800) 523-5773.

**PLEASE DO NOT CONTACT OR WRITE THE COURT, THE DEFENDANT, OR DEFENDANT'S ATTORNEYS FOR INFORMATION REGARDING THIS NOTICE, THE EXCLUSION FORM, OR THE SETTLEMENT.**