

## CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (hereinafter the “Agreement”) is made by Plaintiff Cesar Mendoza and Defendant Independent Electric Supply, Inc. (“IES”). Plaintiff and IES will, at times, be collectively referred to herein as “the Parties.”

### **I. THE LITIGATION**

1. On August 14, 2018, Plaintiff filed a class action complaint in the Alameda County Superior Court entitled *Cesar Mendoza v. Independent Electric Supply, Inc.*, case number RG18916575, on behalf of himself and a proposed class consisting of allegedly similarly situated individuals currently or formerly employed by IES during the Settlement Period, in which he asserted causes of action for: (1) Failure to Pay All Straight Time Wages; (2) Failure to Pay All Overtime Wages; (3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, IWC Wage Order No. 7-2001(11); Cal. Code Regs., tit. 8 § 11090); (4) Failure to Authorize and Permit Rest Periods (Lab. Code § 226.7; IWC Wage Order No. 7-2001(12); Cal. Code Regs. Title 8 § 11090); (5) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions (Lab. Code §§ 226, 1174, 1775); (6) Failure to Pay All Wages Due at the Time of Termination of Employment (Lab. Code §§201-203); (7) Failure to Reimburse/Illegal Deductions (Lab. Code §§221, 2802, Cal. Regs., tit. 8 § 11090(8)); (8) Violations of the Labor Code Private Attorneys General Act of 2004 (“PAGA”); and (9) Violation of Unfair Competition Law (Bus. & Prof. Code § 17200, et seq.).

2. On July 9, 2018, the parties attended a full day of mediation in San Diego with mediator Robert J. Kaplan, Esq. The mediation conference did not immediately result in a settlement; however, negotiations continued for several more months. After extensive negotiations and much effort, the Parties agreed to the settlement described herein.

3. This Agreement concerning the settlement is made in compromise of disputed claims. The payment by IES required by this Agreement shall satisfy all claims alleged in the Litigation, including but not limited to claims for wages, penalties, and interest, and shall include payment for PAGA penalties, individual settlement awards, attorneys' fees, litigation costs and expenses, Plaintiff's class representative enhancement payment, and settlement administration expenses.

4. Because this is a putative class action, this Agreement must receive preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis. In the event the Court does not enter Final Judgment, or in the event such Final Judgment does not become Final for any reason, or is modified in any material respect, or in the event the Effective Date, as defined herein, does not occur, this Agreement shall be deemed null and void *ab initio* and shall be of no force or effect whatsoever, and shall not be referred to or utilized for any purpose. IES denies all of Plaintiff's claims as to liability and damages as well as Plaintiff's class allegations, and does not waive, but rather expressly reserves all rights to challenge all such claims and allegations upon all procedural and factual grounds including the assertion of any and all defenses, if the Final Judgment does not become Final for any reason, or in the event that the Effective Date does not occur.

## **II. DEFINITIONS**

The following are certain definitions applicable to this Agreement. Definitions contained elsewhere in the body of this Agreement shall also be effective.

1. "Class" – means all persons who were employed by IES and worked in California as non-exempt employees at any time during the Settlement Period.
2. "Class Counsel" – means Mara Law Firm, PC.

3. “Class Counsel Attorneys’ Fees” – refers to the amount awarded to Class Counsel by the Superior Court for the County of Alameda for prosecuting and obtaining a settlement of the Litigation.

4. “Class Representative Enhancement” – means the sum to be paid to Plaintiff as service for his role as Class Representative, which shall be paid from the Gross Settlement Fund.

5. “Effective Date” – means the date by which both of the following have occurred: (a) this Settlement is finally approved by the Superior Court for the County of Alameda; and (b) the Court’s Order Approving Class Settlement and Dismissing the Class Action with Prejudice (“Final Judgment”) becomes Final.

6. “Final” – means the latest of: (a) if there is an appeal of the Superior Court’s Final Judgment in the Litigation, the date of final affirmance on an appeal or the date of dismissal of such appeal; or (b) if one or more objections are submitted and not withdrawn, the expiration date of the time for filing or noticing any appeal of the Final Judgment; or (c) if no objections are made, the date the Court enters the Final Judgment.

7. “Final Approval Hearing” – means the hearing to be conducted by the Superior Court for the County of Alameda to determine whether to enter the Final Judgment finally approving and implementing the terms of this Agreement.

8. “Final Judgment” – refers to the Final Judgment and Order Approving Class Settlement.

9. “Gross Settlement Fund” – refers to One Million Dollars (\$1,000,000), which is the maximum amount IES shall be required to pay under this Agreement, except as otherwise provided with respect to the employer’s share of payroll taxes (as stated in Section III, Paragraph 2). The \$1,000,000 Gross Settlement Fund shall consist of the following elements: (a) Class

Counsel Attorneys' Fees; (b) Litigation Costs and Expenses; (c) Class Representative Enhancement; (d) Settlement Administration Expenses; (e) PAGA Payment; and (f) Net Settlement Fund, as defined below.

10. "Litigation" – means the action entitled *Cesar Mendoza v. Independent Electric Supply, Inc.*, pending in the Alameda County Superior Court as case number RG18916575, and all causes of action, claims and allegations contained therein.

11. "LWDA" – means the California Labor and Workforce Development Agency.

12. "Motion for Preliminary Approval" – refers to the Motion for Preliminary Approval of the Settlement and its supporting papers.

13. "Net Settlement Fund" – means the Gross Settlement Fund, less all of the following: (a) Class Counsel Attorneys' Fees; (b) Litigation Costs and Expenses; (c) Class Representative Enhancement; (d) Settlement Administration Expenses; and (e) PAGA Payment to the LWDA.

14. "Notice" – refers to the Notice of Pendency of Putative Class Action, Proposed Settlement and Hearing Date for Court Approval, substantially in the form attached hereto as Exhibit A.

15. "Order Granting Preliminary Approval" – refers to the order or statement of decision preliminarily approving the Settlement.

16. "PAGA Payment" – means the portion of the Gross Settlement Fund that the Parties have designated as representing the recovery of civil penalties on behalf of the Settlement Class under the Labor Code Private Attorneys General Act of 2004.

17. “PAGA Payment to the LWDA” refers to the 75% portion of the PAGA Payment that shall be distributed to the California Labor and Workforce Development Agency (“LWDA”).

18. “Parties” – means Plaintiff Cesar Mendoza, individually and in his capacity as Class Representative; and Defendant Independent Electric Supply Inc. (“IES”).

19. “Plaintiff” – means Cesar Mendoza, individually and in his capacity as Class Representative.

20. “Preliminary Approval Hearing” – means the hearing to be conducted by the Superior Court for the County of Alameda to determine whether to grant the Motion for Preliminary Approval.

21. “Settlement” – means the settlement of the Litigation and related claims effectuated by this Agreement.

22. “Settlement Administration Expenses” – means those expenses of effectuating and administering the Settlement, i.e., the costs incurred by the Settlement Administrator, the costs of giving notice to the Class, the costs of administering and disbursing the Net Settlement Fund, and the fees of the Settlement Administrator approved by the Court.

23. “Settlement Administrator” – means or refers to Phoenix Settlement Administrators, a third party administrator jointly selected by the Parties, to effectuate the Settlement.

24. “Settlement Class” – means all those persons who are members of the Class and who have not properly and timely opted out of the Litigation.

25. “Settlement Class Member(s)” – means any person who is included in the Settlement Class.

26. “Settlement Payments” – means the amounts to be paid from the Net Settlement Fund to individual Settlement Class Members.

27. “Settlement Period” – means the period from August 14, 2014 through the date of the Order Granting Preliminary Approval.

### **III. SETTLEMENT TERMS**

The Parties agree as follows:

1. **Scope of Settlement:**

The Settlement described herein will resolve fully and finally all Settlement Class Members’ Released Claims as described in Section III, Paragraph 6.

2. **Maximum Potential Consideration:**

Subject to Court approval, and in consideration for the release and settlement described in this Agreement, IES shall pay the Gross Settlement Fund to the Settlement Class Members, Plaintiff, Class Counsel, the Settlement Administrator, and the LWDA in the manner specified in this Agreement. Payment of the Gross Settlement Fund under the terms described in this Agreement shall be the sole financial obligation of IES under this Agreement. The Gross Settlement Fund shall be used: (1) to satisfy the claims of all Settlement Class Members, as specified herein; (2) to satisfy the award of Class Counsel Attorneys’ Fees; (3) to satisfy the award of Litigation Costs and Expenses; (4) to satisfy the Class Representative Enhancement; (5) to satisfy Settlement Administration Expenses incurred in this action; and (6) to satisfy the PAGA Payment to the LWDA. The Gross Settlement Fund does not include the employer’s share of payroll taxes on the portion of payments to Settlement Class Members allocated as wages, which IES shall be responsible for paying separately. The Gross Settlement Fund plus the employer’s share of payroll taxes on the portion of payments to Settlement Class Members

allocated as wages shall constitute the maximum amount that IES shall be required to pay under this Agreement.

**3. Approval of Settlement:**

(a) Plaintiff shall apply for approval of the Settlement as described in Section III, Paragraph 13 of this Agreement for purposes of effectuating this Settlement. Plaintiff agrees not to request more than \$7,500 as a Class Representative Enhancement. Plaintiff agrees not to seek more than one-third of the Gross Settlement Fund (\$333,333.33) for Class Counsel Attorneys' Fees, and further agrees not to seek more than \$20,000 for Litigation Costs and Expenses. IES shall not oppose any application by Plaintiff or Class Counsel for a Class Representative Enhancement equal to or less than \$7,500, Class Counsel Attorneys' Fees equal to or less than \$333,333.33, and Litigation Costs and Expenses equal to or less than \$20,000.

(b) Should the Superior Court for the County of Alameda decline to approve all material aspects of the Settlement or make rulings substantially altering the fundamental terms of this class settlement, except for the awards of the Class Representative Enhancement, Class Counsel Attorneys' Fees, and Litigation Costs and Expenses (which shall be decided by the Court), IES shall have no obligation to make any payment, including payment of the Gross Settlement Fund. Further, in that event if IES has made any payment, such monies shall be returned promptly to IES.

**4. Allocation of Net Settlement Fund Among Settlement Class Members:**

The Net Settlement Fund will be allocated among Settlement Class Members according to each Settlement Class Member's workweeks during the Settlement Period as a *pro rata* portion of the total combined workweeks of all the Settlement Class Members during the

Settlement Period. One day worked in a given week will be credited as a workweek for purposes of this calculation.

**5. Tax Treatment of Payments to Settlement Class Members:**

The Settlement Payments are payments for all claims asserted in the Litigation or that reasonably could have been asserted based on the causes of action, claims and allegations in the Litigation. Of the payments to individual Settlement Class Members, one-third shall be designated as wages subject to payroll withholding to be reported on IRS Form W2s where required by law, one-third shall be designated as interest to be reported on IRS Form 1099s where required by law, and the remaining one-third shall be designated as penalties to be reported on IRS Form 1099s where required by law. IES shall be responsible for paying the employer's share of payroll taxes on any amounts allocated as wages. Each Settlement Class Member shall be responsible for remitting to state and/or federal taxing authorities any applicable taxes which may be owed on the portion of his or his Settlement Payment or Class Representative Enhancement. The Settlement Administrator shall report all required information to the appropriate taxing authorities regarding all payments made pursuant to this Agreement.

**6. Release of Claims by Settlement Class Members:**

Upon the Court's final approval of the Settlement, entry of final judgment, and payment of required funds to Settlement Class Members, each Settlement Class Member shall be deemed to have released IES, and all of its parents, subsidiaries, predecessors, successors, and affiliates, and all of their respective shareholders, officers, directors, employees, administrators, fiduciaries, trustees, agents, and benefit plans (collectively the "Releasees"), from any and all "Settlement Class Members' Released Claims." For the purposes of this Agreement, the Settlement Class Members' Released Claims are defined as:



Any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of action which are alleged, or reasonably could have been alleged based on the facts and claims asserted in the Litigation, including without limitation to, claims for restitution and other equitable relief, claims for unpaid wages, unpaid overtime wages, failure to provide rest periods or meal periods or to provide compensation in lieu thereof, meal period penalties, rest period penalties, waiting time penalties, penalties for unpaid minimum wages, penalties for incomplete payroll records, unfair business practices, failure to provide accurate wage statements, failure to maintain required records, failure to reimburse business expenses, declaratory relief, accounting, injunctive relief, civil penalties brought under the Labor Code Private Attorneys General Act of 2004 (Labor Code Section 2698 *et seq.*), claims for penalties of any nature whatsoever arising out of the Settlement Class Members' Released Claims, or any other benefit claimed on account of allegations and claims which are reasonably related to the allegations and claims asserted in the Litigation. This release shall apply to claims arising at any point during the Settlement Period.

**7. Release of Claims by Plaintiff:**

In addition to the Settlement Class Members' Released Claims described above, in exchange for the consideration recited in this Agreement, including but not limited to the Class Representative Enhancement, Plaintiff Cesar Mendoza releases, acquits, and discharges and covenants not to sue any of the Releasees for any claim, whether known or unknown, which Plaintiff has ever had, or hereafter may claim to have, arising on or before the date that he signs this Agreement, including without limitation to, any claims relating to or arising out of any aspect of his employment, or the termination of his employment, with IES, any claims for unpaid

compensation, wages, reimbursement for business expenses, penalties, or waiting time penalties under the California Labor Code, the California Business and Professions Code, the federal Fair Labor Standards Act, 29 U.S.C. section 201, et seq., or any state, county or city law or ordinance regarding wages or compensation; any claims for employee benefits, including without limitation, any claims under the Employee Retirement Income Security Act of 1974; any claims of employment discrimination on any basis, including without limitation, any claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, 42 U.S.C. section 1981, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1991, the Family and Medical Leave Act of 1993, the California Government Code, or any other state, county or city law or ordinance regarding employment discrimination. Plaintiff acknowledges and agrees that the foregoing general release is given in exchange for the consideration provided to him under this Agreement by IES. However, this release shall not apply to claims for workers' compensation benefits, unemployment insurance benefits, or any other claim or right that as a matter of law cannot be waived or released.

Plaintiff expressly waives any rights or benefits available to him under the provisions of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiff understands fully the statutory language of Civil Code section 1542 and, with this understanding, nevertheless elects to, and does, assume all risks for claims that have arisen,

whether known or unknown, which he ever had, or hereafter may claim to have, arising on or before the date of his signature to this Agreement, and specifically waives all rights he may have under California Civil Code section 1542.

**8. Opt-Outs:**

Individuals who fall within the definition of the Class may choose to opt out of the Class under such procedures specified in Section III, Paragraph 13(c)(v) of this Agreement. Any such persons who opt out of the Class (“Opt-Outs”) will receive no part of the Net Settlement Fund or the Gross Settlement Fund. Every individual who falls within the definition of the Class who does not validly and timely opt out shall be deemed a Settlement Class Member. The Settlement Administrator shall provide copies of all written requests for exclusion from the Class to the Parties’ counsel within ten (10) calendar days of the final date to opt out. If more than five percent (5%) of the persons who fall within the definition of the Class become Opt-Outs as specified in this Agreement, then IES shall have the option to declare this Agreement null and void, if, within forty-five (45) calendar days following the expiration of the last time period in which to opt out, IES serves written notice of their exercise of this option on Class Counsel. All signatories and their counsel agree not to encourage opt-outs.

**9. Denial of Liability:**

IES DENIES THAT IT OR ANY OF ITS PARENTS, SUBSIDIARIES, AFFILIATES OR SUCCESSORS OR ANY OTHER RELEASEE HAS ENGAGED IN ANY UNLAWFUL ACTIVITY, HAS FAILED TO COMPLY WITH THE LAW IN ANY RESPECT, OR HAS ANY LIABILITY TO ANYONE UNDER THE CLAIMS ASSERTED IN THE LITIGATION. The Parties expressly acknowledge that this Agreement is entered into for the purpose of compromising highly disputed claims and that nothing herein is an admission of liability or

wrongdoing by IES or any of the Releasees. Neither the Agreement nor any document prepared in connection with the Settlement may be admitted in any proceeding as an admission by IES, or any of the Releasees, Plaintiff, or any person within the definition of the Class. However, this paragraph and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Agreement, or in defense of any claims released or barred by this Agreement.

10. **PAGA Allocation:** Thirty Thousand Dollars (\$30,000) of the Gross Settlement Fund shall be designated as the recovery of civil penalties under the Labor Code Private Attorneys General Act of 2004 (PAGA). Of that amount, 75% (\$22,500) shall be distributed to the California Labor and Workforce Development Agency (LWDA). The remaining 25% (\$7,500) shall become part of the Net Settlement Fund available for distribution to Settlement Class Members.

11. **Distribution of Net Settlement Fund:**

The Net Settlement Fund shall be distributed by the Settlement Administrator in accordance with the following eligibility requirements:

(a) Those persons who timely submit written requests for exclusion from the class pursuant to the Notice (“Opt-Outs”) are not entitled to any Settlement Payments.

(b) IES, through the Settlement Administrator, shall make payments to Settlement Class Members as set forth in Section III, Paragraphs 4-5, above.

(c) IES will provide to the Settlement Administrator the best information available to it with respect to the full names, last known addresses, last known telephone numbers, last

known email addresses, Social Security numbers, and workweeks of the persons identified from its records as being Class Members.

**12. Settlement Administration:**

Solely for the purposes of this Settlement, the Parties stipulate and agree that Phoenix Settlement Administrators shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, mailing, and emailing the Notice Packets to Class Members; performing skip traces and re-mailing notices to Class Members; calling Class Members with undeliverable notices to obtain accurate addresses; keeping track of any objections or requests for exclusion from Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's individual settlement payment; maintaining a website which will include settlement documents; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing and re-mailing settlement payments to Settlement Class Members; calculating and mailing the PAGA Payment to the LWDA; distributing the Attorneys' Fee Award and Litigation Costs, as approved by the Court, to Class Counsel; printing and providing Settlement Class Members and Plaintiff with W-2s and 1099 forms as required under this agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the settlement; providing any funds remaining as a result of uncashed checks to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, in the amounts directed per this Settlement, including the administration of related tax reimbursements; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Phoenix

Settlement Administrators or otherwise have a relationship with Phoenix Settlement Administrators that could create a conflict of interest.

Settlement Administration Expenses, upon order of the Court, shall be paid from the Gross Settlement Fund. All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court if they cannot be resolved by the Parties. The Settlement Administrator shall regularly and accurately report to the Parties, in written form when requested, the substance of the work performed, including the amounts payable to individual Settlement Class Members and the total amount to be paid to all Settlement Class Members. If the actual Settlement Administration Expenses are less than the amount allocated in this agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this agreement and the amount awarded by the Court will become part of the Net Settlement Fund for distribution to Settlement Class Members.

**13. Preliminary Approval of Settlement:**

The Parties agree to the following procedures for obtaining preliminary approval of the Settlement, certifying a conditional Settlement Class, notifying Settlement Class Members, and obtaining final court approval of the Settlement:

(a) **Class Certification for Settlement Purposes Only:** The Parties stipulate to certification of the Class for purposes of settlement only. If the Court does not grant either preliminary approval or final approval of this Settlement, or if IES elects to exercise its option to declare the Agreement void as set forth in Section III, Paragraph 8, the Parties' stipulation on class certification will be void and of no further force or effect.

(b) **Motion for Preliminary Approval:** Plaintiff shall file the Motion for Preliminary Approval of the Settlement and Proposed Order Granting Preliminary Approval of the Settlement with the supporting papers.

(c) **Notice of Class Settlement:** Following entry of the Order Granting Preliminary Approval of the Settlement, the Notice, substantially in the form attached hereto as Exhibit A (referred to herein as the “Notice Packet” or “Notice”) shall be mailed to Class Members in both English-language and Spanish-language versions after translation by a certified translator into Spanish.

(i) Within fifteen (15) business days of preliminary approval, IES shall provide the Settlement Administrator with the following data for each Class Member: name, last known mailing address, last known telephone number, last known email address if any, Social Security number, and workweeks during the Settlement Period. Thereafter, the Settlement Administrator shall update the last known mailing addresses of Class Members received from IES, with those obtained by searching the National Change of Address database (“NCOA”).

(ii) Within twenty-five (25) business days of preliminary approval, the Settlement Administrator shall mail the Notice Packet to all identified Class Members via U.S. Mail using the most current mailing address information available for Class Members from IES’ records and the NCOA database, and, if an email address is available, via email using the last known email address information available for Class Members from IES’ records. The deadline for requesting exclusion from the Settlement Class shall be sixty (60) calendar days from mailing by the Settlement Administrator. (This deadline is referred to as the “Exclusion/Objection Deadline Date”). At the time that the Notice Packets are mailed, the Settlement Administrator shall set up and monitor a settlement website to host documents relevant to this lawsuit and the

proposed settlement, i.e., the operative complaint; Defendant's operative answer; this settlement agreement, together with its exhibits; the forthcoming settlement motions; and the Court's orders on those motions.

(iii) If Notice Packets are returned as undeliverable without forwarding addresses, the Settlement Administrator shall conduct a skip trace to locate more current addresses for Class Members and re-mail the Notice Packets to any new addresses obtained. If forwarding address information is obtained by return mail, the Settlement Administrator shall promptly forward the Notice Packet to the addressee via first-class regular U.S. Mail indicating on the Notice Packet the date on which it was re-mailed. The Exclusion/Objection Deadline Date shall not be extended for Class Members who receive re-mailed Notice Packets. If no current address is found for Class Members whose Notice Packets are returned as undeliverable, within five (5) days of receiving the undeliverable Notice Packet the Settlement Administrator shall call the last known telephone number available for the Class Member from IES' records in an effort to obtain a current address. If a current address is obtained, the Settlement Administrator shall promptly re-mail the Notice Packet via first-class regular U.S. Mail indicating on the Notice Packet the date on which it was re-mailed.

(iv) The Notice shall provide that the Class Members who wish to object to the Settlement may appear at the Final Approval Hearing, either in person or through an attorney at the Class Member's own expense, provided the Class Member notified the Court of his or her intention to do so. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must: (1) clearly identify the case name and number; (2) be submitted to the Court either by mailing the object to: Clerk of Court, Superior Court of California, County of Alameda, Rene C. Davidson Alameda County Courthouse, 1225 Fallon



Street, Oakland, California 94612, or by filing in person at any location of the Superior Court, County of Alameda that includes a facility for civil filings; (3) also be mailed to Class Counsel; and (4) be filed or postmarked on or before the Exclusion/Objection Deadline Date. Objections must state: (a) the Class Member's or their attorney's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the Class Member may call to testify at the Final Approval Hearing; (e) provide true and correct copies of any exhibit(s) the Class Member intends to offer at the Final Approval Hearing; and (f) state whether the objection applies only to the Class Member, to a specific subset of the Class, or to the entire Class. No individual who excludes himself or herself from the Settlement Class shall be entitled to object to the Settlement. Class Counsel shall forward to Defendant's Counsel any objections received within five (5) calendar days of receipt.

(v) The Notice shall include the option for Class Members to opt out of the Settlement. Any Class Member wishing to opt out of the Settlement by mailing a written request for exclusion go the Settlement Administrator by the Exclusion/Objection Deadline Date. The written request for exclusion must be signed by the Class Member and must clearly state: (1) the Class Member's name and telephone number; and (2) state the Class Member's wish to be excluded from the settlement. The request for exclusion must also be signed by the Class Member or their lawful representative. Should the Settlement Administrator need additional information from the Class Member to confirm the authenticity of the request for exclusion or to verify the Class Member's identity, such as in cases where two Class Members have the same name, the Settlement Administrator shall call the Class Member at the telephone number provided in the request for exclusion to request such information. Class Members who fail to

submit a written request for exclusion from the settlement on or before the Exclusion/Objection Deadline Date shall be bound by all terms of the Settlement and the Final Judgment entered in the Litigation if the Settlement is approved by the Court, regardless of whether they have objected to the Settlement. Within ten (10) calendar days after the Exclusion/Objection Deadline Date, the Settlement Administrator shall provide the Parties with a complete and accurate list of all Class Members who have validly and timely requested exclusion from the Settlement.

(vi) The Notice mailed to Class Members shall state the Class Member's dates of employment within the Settlement Period according to the records of IES, the total amount of workweeks calculated as being worked by the Class Member during the Settlement Period, and shall state the approximate amount of the Class Member's share of the proposed Settlement.

(vii) The Notice shall inform Class Members of how to dispute the number of workweeks attributable to them by Defendant's records. If a Class Member who receives a Notice wishes to dispute the number of workweeks listed on the Notice, the Class Member may notify the Settlement Administrator by mail or telephone no later than the Exclusion/Objection Deadline Date and should produce any available supporting evidence, such as wage statements, offers of employment, termination letters, and/or other employment records, to the Settlement Administrator. The documentation should provide evidence of the dates the Class Member contends he or she worked for Defendant during the Class Period. The Settlement Administrator shall then provide the documentation provided by the Class Member to Defendant. Defendant shall review its records, the documentation provided by the Class Member, and shall provide information to the Settlement Administrator in response to any such disputed claim. Defendant's records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class Member and make the decision as to which dates should be

applied. Any such challenges shall be resolved by the Settlement Administrator, whose decision shall be final, binding, and non-appealable.

(d) **Non-Solicitation of Opt-Outs / Objections:** The Parties agree that neither they nor their counsel will solicit or otherwise encourage directly or indirectly Class Members to request exclusion from the Class, object to the Settlement, or appeal the Final Judgment.

(e) **Final Approval Hearing:** A Final Approval Hearing to determine final approval of the Settlement shall be conducted subject to the calendar of the Court. No later than twenty (20) calendar days prior to the Final Approval Hearing, the Settlement Administrator shall provide Class Counsel with a Declaration of Compliance to be filed with the Court by Class Counsel. No later than ten (10) calendar days before the Final Approval Hearing, or upon such other schedule as may be directed by the Court, Plaintiff shall file a Motion for Final Approval, Memoranda of Points and Authorities in Support of the Settlement, and Motion for Attorneys' Fees and Costs and Class Representative Enhancement. Prior to the Final Approval Hearing, Class Counsel shall present the proposed Final Judgment and Order Approving Class Settlement ("Final Judgment") to the Court for its approval and entry. After entry of the Final Judgment, the Court retains continuing jurisdiction over the Litigation under California Rule of Court 3.769(h) for purposes of (i) enforcing this Settlement Agreement, (ii) addressing settlement administration matters, and (iii) addressing such post-Final Judgment matters as may be appropriate under court rules or applicable law. No judgment shall be entered unless it is consistent with the terms of this Agreement.

14. **Funding and Distribution of Gross Settlement Fund:**

(a) **Funding and Distribution Timelines:** Subject to the payment maximum specified in Section III, Paragraph 2 of this Agreement, IES will pay the Settlement

Administrator the Gross Settlement Fund within ten (10) calendar days after the Final Judgment becomes Final. The Settlement Administrator shall distribute the entire Gross Settlement Fund within fifteen (15) calendar days after the Final Judgment becomes Final.

(b) **Payment of Class Counsel Attorneys' Fees:** Class Counsel shall submit an application to the Court for approval of Class Counsel Attorneys' Fees. Class Counsel anticipate requesting that the court approve \$333,333.33 as Class Counsel Attorneys' Fees. As set forth above, Class Counsel Attorneys' Fees shall come exclusively from the Gross Settlement Fund. The amount of court-awarded Class Counsel Attorneys' Fees shall be paid by the Settlement Administrator to Plaintiff's Attorneys. The Settlement Administrator shall issue a Form 1099 to Class Counsel for the payment. IES agrees not to oppose the request for Attorneys' Fees so long as it does not exceed \$333,333.33. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

(c) **Payment of Litigation Costs and Expenses:** Class Counsel shall submit an application to the Court for approval of Litigation Costs and Expenses. Class Counsel anticipate requesting that the Court approve no more than \$20,000 as Litigation Costs and Expenses. As set forth above, Litigation Costs and Expenses shall come exclusively from the Gross Settlement Fund. The amount of court-awarded Litigation Costs and Expenses shall be paid by the Settlement Administrator to Class Counsel. The Settlement Administrator shall issue a Form 1099 to Class Counsel for the payment. IES agrees not to oppose the request for Litigation Costs and Expenses so long as it does not exceed \$20,000. If the actual costs incurred are less than the amount allocated in this Agreement, or if the Court awards less than the amount requested, the

difference in the amount allocated in this Agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.

(d) **Payment of Class Representative Enhancement and Compensation for General Release:** Upon court approval, Plaintiff shall be paid a Class Representative Enhancement. Plaintiff intends to request that the Court approve a payment in the amount of \$7,500 as Class Representative Enhancement and IES agrees not to object to a Class Representative Enhancement of not more than \$7,500 for Plaintiff. The Settlement Administrator shall make payment of the Class Representative Enhancement to Plaintiff. The Settlement Administrator shall issue a form 1099 to Plaintiff for the payment. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

(e) **Payment of Settlement Expenses:** The Settlement Administrator shall receive such amount approved by the Court, which is estimated to be \$15,000, from the Gross Settlement Fund. The Settlement Administration Expenses shall not exceed \$15,000 unless the Settlement Administrator obtains prior approval from the Parties. If the actual administration costs are less than the amount allocated in this agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.

(f) **Approval of Class Counsel Attorneys' Fees, Litigation Costs and Expenses and Class Representative Enhancement:** Recovery of Class Counsel Attorneys' Fees, Litigation Costs and Expenses and the award of a Class Representative Enhancement are not conditions to this Agreement, and are to be considered by the Court separately from the fairness,

reasonableness, adequacy and good faith of the Settlement. Any order or proceeding relating to the application by Class Counsel of an award of attorneys' fees, costs, expenses, or Class Representative Enhancement, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Agreement, or affect or delay the finality of the Final Judgment. To the extent the Court does not approve the full amount of Class Counsel Attorneys' Fees, Litigation Costs and Expenses, Settlement Administration Expenses, or the Class Representative Enhancement described above, the non-approved amounts will be allocated to the Net Settlement Fund for distribution to the Settlement Class Members according to the allocation formula set forth herein.

(g) **Payments to Settlement Class Members:** After deducting Class Counsel Attorneys' Fees, Litigation Costs and Expenses, the Class Representative Enhancement, Settlement Administration Expenses, and the PAGA Payment to the LWDA from the Gross Settlement Fund, the Settlement Administrator shall distribute the entire Net Settlement Fund to the Settlement Class Members according to the allocation formula described in Section III, Paragraph 4. The Settlement Administrator shall mail a check to each Settlement Class Member via U.S. Mail using the most current mailing address information available, including any address updates obtained through NCOA searches, Social Security Number searches, address changes self-reported by Settlement Class Members, or any other source. After the Settlement Administrator mails out the Settlement Payments, Settlement Class Members shall have one-hundred and eighty (180) calendar days to cash the checks that were mailed to them. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable,

and offer to replace the check if it was lost or misplaced. After one-hundred and eighty (180) calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the State of California's Unclaimed Property Fund in the names of the Settlement Class Members who failed to cash their checks. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement Fund will be paid out to Settlement Class Members, whether or not they all cash their Settlement Checks. Therefore, IES will not be required to pay any interest on said amount.

**15. Notices:**

Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the fifth day after mailing by United States mail, addressed as follows:

To Counsel for Plaintiff:

David Mara  
Jill Vecchi  
Matthew Crawford  
MARA LAW FIRM, PC  
2650 Camino Del Rio N, Ste. 205  
San Diego, CA 92108-1631  
Tel: (619) 234-2833

To Counsel for IES:

Aaron A. Buckley  
Paul Batcher  
PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP  
101 West Broadway, Ninth Floor  
San Diego, CA 92101  
Tel: (619) 237-5200

**16. IES' Option to Void Agreement:**

It is understood and agreed by the Parties that the formula for the distribution of the Net Settlement Fund and the procedure for effectuating this Settlement are subject to approval by the Court. However, if any court order or action of the Court requires IES or any other Releasee to

pay any portion of the Gross Settlement Fund to any person or entity other than as provided herein, or pay more than \$1,000,000, (including cash payments to the Class, Class Counsel Attorneys' Fees, Litigation Costs and Expenses, Settlement Administration Expenses, the Class Representative Enhancement, and the PAGA Payment to the LWDA), or requires any other changes in the Settlement that are materially detrimental to IES or any other Releasee, the Agreement shall be voidable by IES by written notice by any of them to the attorney of record for Plaintiff, no later than twenty (20) calendar days after IES receives notice of entry of any such order.

As set forth in Section III, Paragraph 8, IES also shall have the option to void this Agreement if more than five percent (5%) of the Class Members exercise their right to opt out of this Agreement.

If IES voids this Agreement, or if the Court fails to approve this Agreement, neither IES nor any other Releasee shall have any obligation to make any payments under this Agreement and IES shall receive a return of any funds already paid. IES agrees to pay to the Settlement Administrator directly all of the Settlement Administration expenses under those circumstances.

**17. No Effect on Employee Benefit Plans:**

Neither the Settlement nor any amounts paid under the Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Releasees. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Releasees' sponsored benefit plans, policies or bonus programs. The payments made under the terms of this Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Releasees' benefit



plan, policy or bonus program. Releasees retain the right to modify the language of any benefit plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Agreement are not for “weeks worked,” “weeks paid,” “weeks of service,” or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Agreement. Releasees do not consider any payments under this Agreement “compensation” for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by Releasees.

**18. No Publicity:**

The Parties and their respective counsel shall not issue any press release or media release or have any communication with the press or media regarding this Settlement. Class Counsel may, however, respond to any inquiries from Class Members regarding the Settlement.

**19. Entire Agreement:**

After this Agreement is fully executed by all Parties and their attorneys of record, this Agreement and its Exhibits shall constitute the entire agreement relating to settlement of this Litigation and the causes of action and defenses asserted therein, and it shall then be deemed that no oral representations, warranties or inducements have been made to any party concerning this Agreement other than the representations, warranties and covenants expressly stated in this Agreement.

**20. Authorization:**

Class Counsel warrant and represent that they are authorized by Plaintiff, for whom they are the attorneys of record, and the attorneys of record for IES warrant and represent that they are

authorized by IES, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties agree to seek the assistance of the Court, and in all cases all such documents, supplemental provisions and assistance of the Court shall be consistent with this Agreement.

**21. Jurisdiction:**

The Court shall have continuing jurisdiction to resolve any dispute which may arise with regard to the terms and conditions of this Agreement, subject to approval by the Court. Except where the context indicates otherwise, references to the court shall also include any other courts that take jurisdiction of the Litigation, or any to whom the court has referred the matter. In the event that one or more of the Parties institutes an action or proceeding to enforce the provisions of this Settlement, or declare rights and/or obligations under this Settlement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement action. This Agreement and the rights and obligations of the Parties shall be construed and governed by the laws of the State of California.

**22. Modification:**

This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their successors-in-interest or their counsel.

**23. Successors:**

This Agreement shall be binding upon, and inure to the benefit of, the successors of each of the Parties.

**24. California Law:**

All terms of this Agreement and its Exhibits shall be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

**25. Representation by Counsel:**

The Parties have each been represented by counsel and have cooperated in the drafting and preparation of this Agreement. This Agreement shall not be construed against any party on the basis that the party was the drafter or participated in the drafting.

**26. Counterparts:**

This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Any executed counterpart shall be admissible in evidence to prove the existence and contents of this Agreement.

**27. Incorporation of Exhibits:**

All exhibits attached hereto are incorporated by reference and are a material part of this Agreement. Any notice, order, judgment or other exhibit that requires approval of the Court must be approved without material alteration from its current form in order for this Agreement to become effective.

**28. Reasonableness of Settlement:**

The Parties believe that this is a fair, reasonable, and adequate Settlement and have arrived at this Settlement through arms-length negotiations, taking into account all relevant factors, present and potential.

**29. Headings:**

The headings contained in this Agreement are for reference only and are not to be construed as a part of the Agreement.

**30. Waiver of Right to be Excluded:**

By signing this Agreement, Plaintiff agrees to be bound by its terms and agrees not to request to be excluded from the Class. Any such request for exclusion by Plaintiff shall be void and of no force or effect.

**31. Final Order and Judgment:**

Upon final approval of the Settlement, a Final Order and Judgment shall be entered by the Court which shall, among other things:

(a) Grant final approval to the Settlement as fair, reasonable, adequate, in good faith and in the best interests of the Class, as a whole, and order the Parties to carry out the provisions of this Agreement.

(b) Award amounts for Class Counsel Attorneys' Fees, Litigation Costs and Expenses, the Class Representative Enhancement, and Settlement Administration Expenses.

(c) Adjudge that the Settlement Class Members are conclusively deemed to have released IES and the Releasees of and from any and all rights, claims, demands, liabilities, causes of action, liens and judgments arising out of or in any way related to the matters within the scope of the Litigation.

(d) Bar and permanently enjoin each Settlement Class Member from prosecuting against the Releasees any and all of the Released Claims which the Settlement Class Members have arising out of, based upon, or otherwise related to the Litigation.

(e) Dismiss this action without prejudice as to all putative class members who are not Settlement Class Members. Dismiss this action with prejudice as to all Settlement Class Members.


(f) Reserve continuing jurisdiction as provided herein.

Dated: March 30, 2020

  
\_\_\_\_\_  
CESAR MENDOZA  
Plaintiff

Dated: March 30, 2020

MARA LAW FIRM, PC

By   
\_\_\_\_\_  
DAVID MARA  
JILL VECCHI  
MATTHEW CRAWFORD  
Attorneys for Plaintiff  
CESAR MENDOZA

Dated: March \_\_\_\_, 2020

INDEPENDENT ELECTRIC SUPPLY INC.

By \_\_\_\_\_  
DAVID JONES  
President

Dated: March \_\_\_\_, 2020

PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP

By \_\_\_\_\_  
AARON A. BUCKLEY  
PAUL BATCHER  
Attorneys for Defendant  
INDEPENDENT ELECTRIC SUPPLY INC.

(d) Bar and permanently enjoin each Settlement Class Member from prosecuting against the Releasees any and all of the Released Claims which the Settlement Class Members have arising out of, based upon, or otherwise related to the Litigation.

(e) Dismiss this action without prejudice as to all putative class members who are not Settlement Class Members. Dismiss this action with prejudice as to all Settlement Class Members.

(f) Reserve continuing jurisdiction as provided herein.

Dated: March \_\_, 2020

\_\_\_\_\_  
CESAR MENDOZA  
Plaintiff

Dated: March \_\_, 2020

MARA LAW FIRM, PC

By \_\_\_\_\_

DAVID MARA  
JILL VECCHI  
MATTHEW CRAWFORD  
Attorneys for Plaintiff  
CESAR MENDOZA

Dated: March 31, 2020

INDEPENDENT ELECTRIC SUPPLY INC.

By  \_\_\_\_\_

DAVID JONES  
President

Dated: March 31, 2020

PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP.

By  \_\_\_\_\_

AARON A. BUCKLEY  
PAUL BATCHER  
Attorneys for Defendant  
INDEPENDENT ELECTRIC SUPPLY INC.

# EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF ALAMEDA

**If you worked for Independent Electrical Supply, Inc. in California at any time between August 14, 2014 and [Date], 2020 you could get a payment from a class action settlement.**

*A California Superior Court authorized this notice. This is not a solicitation from a lawyer.*

- A settlement will provide \$1,000,000 to pay claims from employees who worked for Independent Electrical Supply, Inc. in California between August 14, 2014 and [Date], 2020.
- The settlement resolves a lawsuit over whether Independent Electrical Supply, Inc. failed to provide employees with lawful meal and rest periods, failed to pay employees all wages owed, failed to reimburse employees for business expenses, failed to provide lawful paychecks to employees, and failed to pay all wages due at termination of employment. Independent Electric Supply, Inc. denies any violations of the law.
- The settlement avoids costs and risks to you from continuing the lawsuit and pays money to employees or former employees, like you; and releases Independent Electrical Supply Inc. from liability.
- The two sides disagree on how much money could have been won if employees won a trial.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</b>	
<b>DO NOTHING</b>	Get a settlement payment.
<b>EXCLUDE YOURSELF</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Independent Electrical Supply Inc., about the legal claims in this case.
<b>OBJECT</b>	Write to the Court about why you don't like the settlement.

- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve of the settlement. Payments will be made if the Court approves the settlement. Please be patient.



## WHAT INFORMATION IS IN THIS NOTICE?

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### ***1. Why Have I Received this Notice?***

Independent Electrical Supply, Inc.'s records indicate that you were employed as an hourly paid employee in California at sometime between August 14, 2014 and [Date], 2020. This period of time is referred to as the "Class Period." If you worked for Independent Electrical Supply, Inc. in California during this time period, you may be entitled to money under this settlement. This notice is meant to provide you with basic information about the case and to advise you of your options with regard to the settlement.

### ***2. What is this Case About?***

The action is entitled *Cesar Mendoza v. Independent Electrical Supply, Inc.* It was commenced by a former employee of Independent Electrical Supply, Inc. named Cesar Mendoza. Mr. Mendoza is what is referred to as the "Plaintiff" or "Class Representative" in this case. The settlement resolves claims against Independent Electrical Supply Inc. for failing to provide employees with lawful meal and rest periods, failing to pay employees all wages owed, failing to reimburse employees for business expenses, failing to provide employees with lawful paycheck stubs, and failing to employees who no longer work for Independent Electrical Supply, Inc. all wages owed at the termination of his or her employment. Independent Electrical Supply, Inc. denies any violations of the law.

### ***3. How Does this Class Action Settlement Work?***

Mr. Mendoza and his attorneys believe the settlement is fair and reasonable. The Superior Court of California, County of Alameda has preliminarily reviewed the terms of the settlement and

determined the settlement is fair and reasonable. On [date of ruling on preliminary approval], in the Superior Court of California, County of Alameda, the Court conditionally certified the Class for settlement purposes only and directed that you receive this notice.

The Court will hold a Final Fairness Hearing concerning the proposed settlement on [date of final approval hearing], 2020 at [time a.m./p.m.], in the Superior Court of California, County of Alameda before the Honorable Winifred Y. Smith, located at the Administration Building, 1221 Oak Street, Oakland, California 94612, Courtroom 21. The date of the final approval hearing may change without further notice to the class. You are advised to check the Court's website, DomainWeb, to confirm that the date has not been changed. Instructions on how to access DomainWeb are in Section 15, below.

#### 4. *Who Are the Attorneys Representing the Plaintiff and the Class?*

##### Attorneys for Plaintiff and the Class ("Class Counsel")

**MARA LAW FIRM, PC**  
David Mara  
Jill Vecchi  
2650 Camino Del Rio North, Suite 205  
San Diego, CA 92108  
Telephone: (619) 234-2833  
Facsimile: (619) 234-4048

The Court has appointed Mara Law Firm, PC to represent you and all other Class members simultaneously in this Settlement. You do not need to hire your own attorney because Mara Law Firm, PC, is working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

#### 5. *How do I Participate in the Settlement?*

***Important Note: Independent Electrical Supply Inc., will not retaliate against you in any way for either participating or not participating in this Settlement.***

##### HOW TO GET YOUR MONEY IF YOU ARE A CLASS MEMBER:

If you do nothing and the proposed settlement is approved by the Court, you ***will*** receive money and ***will*** be bound by the release of class action claims stated in this notice.

**6. How Do I Request to be Excluded from the Settlement?**

If you request to be excluded from the settlement, you **will not** receive a settlement payment. This is the only option that allows you to ever be part of any other lawsuit against Independent Electrical Supply Inc., about the legal claims in this case.

**HOW TO REQUEST TO BE EXCLUDED FROM THE SETTLEMENT:**

<b>How can I request to be excluded from the settlement?</b>	You can request to be excluded from the settlement by mailing the Settlement Administrator a written request for exclusion. You must mail your request for exclusion to:  <b>Cesar Mendoza v. Independent Electrical Supply, Inc.</b> <b>INSERT NAME</b> <b>INSERT STREET ADDRESS</b> <b>INSERT CITY, STATE ZIP</b>
<b>Is there a deadline to request to be excluded?</b>	Yes. If you send a written request to the Settlement Administrator, you must postmark your request by <b>RESPONSE DEADLINE</b> .
<b>What information do I need to provide?</b>	Your request for exclusion must include (a) your name, and telephone number; and (b) state your intention to exclude yourself from the settlement (e.g. "I want to exclude myself from this settlement. I also understand that I retain all rights to sue Independent Electrical Supply, Inc. for the claims asserted in this lawsuit."). Your request for exclusion must also be signed by you or your lawful representative. Should the Settlement Administrator need more information from you, such as the last four digits of your Social Security Number, the Settlement Administrator will call you at the telephone number provided in your request for exclusion.

**7. How Do I Object to the Settlement?**

You can object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense, provided you notify the Court of your intention to do so.

**HOW TO OBJECT TO THE SETTLEMENT OR FILE A NOTICE OF INTENTION TO APPEAR:**

<p><b>How can I object to the settlement or file a notice of intention to appear?</b></p>	<p>All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must (a) clearly identify the case name and number (Cesar Mendoza v. Independent Electrical Supply, Inc., Case Number RG18916575); (b) be submitted to the Court either by mailing the objection to:</p> <p style="text-align: center;">Clerk of the Court          Superior Court of California, County of Alameda          Rene C. Davidson Alameda County Courthouse          1225 Fallon Street          Oakland, CA 94612</p> <p>or filing the objection in person at any location of the Superior Court, County of Alameda that includes a facility for civil filings; (c) also be mailed to Class Counsel at the address identified in Section 4, above; and (d) be filed or postmarked on or before <b>[RESPONSE DEADLINE]</b>.</p>
<p><b>What information do I need to provide?</b></p>	<p>Objections must state: (a) your or your attorney’s full name, address, and telephone number; (b) the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) you may call to testify at the Final Approval Hearing; (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval Hearing; and (f) state whether the objection applies only to you, to a specific subset of the Class, or to the entire Class.</p>

Objectors who want to appear at the Final Fairness/Approval Hearing must state the intention to do so at the time of submitting the written objection(s).

Class Members who fail to file timely objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether an appeal or otherwise) to the Settlement, unless otherwise ordered by the Court.

If the Court rejects the objection, the objector will receive a settlement payment and will be bound by the terms of the settlement and will release claims as defined in Section 8 of this notice and in the Settlement Agreement.

**8. *How Does This Settlement Affect Employees’ Rights?***

If the proposed settlement is approved by the Court, a Final Judgment will be entered by the Court. All employees covered by the settlement who do not validly request to be excluded from the

settlement will be bound by the Court's Final Judgment and will release Independent Electrical Supply, Inc. and the other Released Parties<sup>1</sup> from the Release of Claims. The claims released under the settlement are: Any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of action which are alleged, or reasonably could have been alleged based on the facts and claims asserted in the Litigation, including without limitation to, claims for restitution and other equitable relief, claims for unpaid wages, unpaid overtime wages, failure to provide rest periods or meal periods or to provide compensation in lieu thereof, meal period penalties, rest period penalties, waiting time penalties, penalties for unpaid minimum wages, penalties for incomplete payroll records, unfair business practices, failure to provide accurate wage statements, failure to maintain required records, failure to reimburse business expenses, declaratory relief, accounting, injunctive relief, civil penalties brought under the Labor Code Private Attorneys General Act of 2004 (Labor Code Section 2698 *et seq.*), claims for penalties of any nature whatsoever arising out of the Settlement Class Members' Released Claims, or any other benefit claimed on account of allegations and claims which are reasonably related to the allegations and claims asserted in the Litigation.

If you would like to see the settlement documents or complaints on file, you can check [www.INSERT.com](http://www.INSERT.com); the Court's website, DomainWeb; or contact Class Counsel. Directions for accessing the Court's DomainWeb site are outlined in Section 15 of this notice. Class Counsel's information is outlined in Section 4 of this notice.

#### **9. *How Much is the Settlement?***

The total maximum amount that Independent Electrical Supply, Inc. is required to pay under this Settlement is \$1,000,000. This amount is referred to as the "Gross Settlement Fund." The Gross Settlement Fund includes multiple payments. The Gross Settlement Fund includes the following payments: (1) approximately \$596,666.67 for disbursement to employees who do not request to be excluded from the settlement; (2) \$7,500 to Plaintiff Cesar Mendoza for his efforts in bringing this action and for agreeing to a general release of his claims; (3) costs to administer the settlement – meaning costs associated with mailing this notice to employees and costs associated with sending out settlement checks – to the Settlement Administrator, [Settlement Administrator], which will not to exceed \$20,000; (3) payment of \$22,500 to the Labor and Workforce Development Agency; and (4) payment to Class Counsel in an amount not to exceed \$333,333.33 (one-third of the Gross Settlement Fund) for attorneys' fees for investigating the facts of the case, litigating the case, and negotiating the settlement, and an amount not to exceed \$20,000 for actual costs spent litigating this case. All of these payments are subject to Court approval.

The Court will not approve any of these requests until the final approval/fairness hearing. If the any of the amounts awarded are less than the amounts requested, the difference shall become part of the amount available for distribution to employees who do not request to be excluded from the settlement.

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<sup>1</sup> "Released Parties" means Independent Electrical Supply, Inc. and all of its parents, subsidiaries, predecessors, successors, and affiliates, and all of their respective shareholders, officers, directors, employees, administrators, fiduciaries, trustees, agents, and benefit plans.

### **10. How Much Can I Expect to Receive from the Settlement?**

Each employee who does not request to be excluded from the settlement will receive a proportionate share of the Gross Settlement Fund according to the employee's workweeks worked during the Settlement Period (August 14, 2020 to DATE, 2020) as a *pro rata* portion of the total combined workweeks of all the Settlement Class Members during the Settlement Period. Therefore, your settlement payment ties directly to the number of workweeks you worked for Independent Electrical Supply, Inc. between August 14, 2014 and DATE, 2020.

Although your exact settlement share cannot be precisely calculated until employees have had the opportunity to request to be excluded from the settlement, based upon the calculation formula above, your approximate share of the settlement is: \$ [REDACTED] (based on Independent Electrical Supply, Inc.'s data which shows you worked # of workweeks between August 14, 2014 and DATE, 2020). Please note that under the law, the case can only go back four years from the date it was filed. This means the case can go back to August 14, 2014. If you began your employment prior to August 14, 2014, this lawsuit can only compensate you for the weeks you worked on and after August 14, 2014.

### **11. Will Taxes be Taken Out of My Settlement Share?**

Yes, one-third of each settlement payment is intended to settle employees' claims for unpaid wages. This portion of your settlement share will be reduced by applicable payroll tax withholdings and deductions. Independent Electrical Supply, Inc. will pay the employer's share of legally required payroll taxes separately and outside of the settlement. The Settlement Administrator will issue you an IRS Form W-2 with respect to this portion of your settlement share.

Two-thirds of each settlement payment is intended to settle each employee's claims for interest and penalties. This portion will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue you an IRS Form 1099 with respect to this portion of your settlement share.

### **12. When Can I Expect to Receive Money from the Settlement?**

If there are no appeals and objections, the settlement becomes final on the date the Court enters a Final Judgment and Order Approving Class Settlement after the final approval hearing occurs. Once the settlement becomes final, the Settlement Administrator shall disburse the payments from the Net Settlement Fund within 15 calendar days.

**Please note that you must cash or deposit your settlement check within 180 calendar days after the check is mailed to you.** If you have not cashed or redeemed your check within 90 days after it was mailed, the Settlement Administrator will send you a reminder postcard indicating that unless the check is redeemed or deposited in the next 90 days, it will expire and become non-negotiable. If your check was lost or misplaced, please contact the Settlement Administrator by calling 1-800-XXX-XXXX. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, they will be deemed void and of no further force and effect. This

means that you will not be able to cash or redeem your settlement check 180 days after its issuance. The funds from settlement checks that are voided will be distributed to the State of California's Unclaimed Property Fund in the names of the Settlement Class Members who failed to cash their checks.

### ***13. How Will the Attorneys for the Class Be Paid?***

The Court-appointed attorneys for Plaintiff and the employees will be paid from the Gross Settlement Fund, subject to Court approval, in an amount not to exceed one-third of the Gross Settlement Fund (\$333,333.33) in fees and an amount not to exceed \$20,000 in actual litigation costs.

Independent Electrical Supply, Inc. has paid and will continue to pay all of its own attorneys' fees and costs.

### ***14. How Will the Class Representative Be Paid?***

Plaintiff Cesar Mendoza will also be paid, subject to Court approval, an amount not to exceed \$7,500, in consideration for bringing this case, for the time and effort he put into litigating this case, for conferring a benefit upon other employees and the State of California, and for reasonable fears of being blacklisted from future employment. This payment is also being offered in consideration for Plaintiff executing a general release of claims against Independent Electrical Supply Inc., a release that is broader than any employee will provide in consideration for a settlement payment.

### ***15. What do I do if I Need More Information or Have Questions?***

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement available at [www.\[INSERT\].com](http://www.[INSERT].com), by contacting Class Counsel at (619) 234-2833, by accessing the Court docket in this case through the Court's website, DomainWeb, at <https://publicrecords.alameda.courts.ca.gov/PRS/>. After arriving at the website, click the "Search by Case Number" link, then enter "RG18916575" as the case number and click "SEARCH." Images of every document filed in the case may be viewed through the "Register of Actions" at a minimal charge.

You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks at each court location that has a facility for civil filings.

You may also ask Class Counsel for a copy of any of the case documents to be mailed to you free of charge. Please refer to the *Cesar Mendoza v. Independent Electrical Supply, Inc.* Class Action Settlement when calling the settlement administrator or Class Counsel.

**PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.**

# EXHIBIT B



Settlement Administrator  
Address 1  
Address 2

**NOTICE TO EMPLOYEES WHO WORKED FOR INDEPENDENT ELECTRICAL SUPPLY  
BETWEEN AUGUST 14, 2014 AND **INSERT****

Class Member Name  
Address 1  
Address 2