

**If you have worked for Ray Stone Incorporated, you may be entitled to receive money from a class action settlement.**

*The Sacramento County Superior Court authorized this notice.  
This is not a solicitation from a lawyer.*

**THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.**

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of all non-exempt employees of Defendant Ray Stone Incorporated (“Defendant” or “Ray Stone”) who worked for Defendant in California from November 26, 2015 through November 1, 2020. A hearing to determine whether the settlement should receive the Court’s final approval will be held on February 24, 2021 at 9:00 a.m. in Department 54 of the Sacramento County Superior Court, which is located at 813 6th Street, 2nd Floor, Sacramento, CA 95814.

**This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described in section 9, below) no later than January 16, 2021 otherwise you will be bound by the terms of the settlement, including the release of certain claims that you may have against Defendant and the Released Parties, as described in section 8 of this Notice.**

**1. PURPOSE OF THIS NOTICE**

The Court has ordered that this Notice be sent to you because you have been identified as a member of the class by Defendant’s records. The purpose of this notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

**2. PERSONS ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT**

The people eligible to receive a settlement payment are (1) all individuals who worked for Defendant in California as non-exempt employees during the applicable Class Period (November 26, 2015 through November 1, 2020, including those individuals whose work originated in and was performed in a temporary position under the auspices of a staffing company, and (2) all non-exempt employees who worked for Defendant in California as porters or porter-housekeepers and worked graveyard or swing shifts for Defendant at any time between November 26, 2015 and October 6, 2018, including those individuals whose work originated in and was performed in a temporary position under the auspices of a staffing company.

**3. DESCRIPTION OF THE ACTION**

A former employee of Ray Stone Incorporated filed a class action against it in the Sacramento Superior Court. The case is called *Otis v Ray Stone Incorporated*, Case No. 34-2019-00269952 (the “Action”). The Action alleges that Plaintiff and other non-exempt employees of Defendant were not provided with compliant meal and rest breaks, were not paid for all of their overtime work at overtime rates of pay, were not provided compliant wage statements, and were not paid for their split shift pay. Based on these facts and others, Plaintiff’s Second Amended Complaint alleges causes of action for: (1) failure to provide meal and rest breaks; (2) failure to pay overtime; (3) unlawful failure to pay split shift pay; (4) failure to provide accurate wage statements; (5) violation of the Unfair Practices Act; (6) recovery of civil penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”), California Labor Code sections 2698-2699.5; and (7) recovery of derivative penalties.

Defendant denies all of Plaintiff’s allegations and denies any wrongdoing. Among other things, Defendant contends that all employees have been properly compensated and that Defendant complied with all applicable California labor laws.

The Court has made no ruling on the merits of the alleged claims or the defenses asserted by Defendant. The Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for February 24, 2021 at 9:00 a.m. (the “Final Approval Hearing”).

**4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?**

Attorneys representing Plaintiff and the Class (“Class Counsel”) are:

Aaron C. Gundzik Rebecca Gundzik Gundzik Gundzik Heeger LLP 14011 Ventura Blvd., Suite 206E Sherman Oaks, CA 91423 Telephone: (818) 290-7461 Facsimile: (818) 918-2316	Galen Shimoda Shimoda Law Corp. 9401 E. Stockton Blvd., Suite 200 Elk Grove, CA 95624 Telephone: (916) 525-0716 Facsimile: (916) 760-3733
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Attorneys representing Defendant are:

Barbara A. Cotter Cook Brown LLP 2407 J Street, 2nd Floor Sacramento, Calif. 95816 (916) 442-3100	
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**5. THE TERMS OF THE PROPOSED SETTLEMENT**

The following is a summary of the settlement. The specific and complete terms of the proposed Settlement are stated in the Stipulation of Class Action Settlement (“Settlement Agreement”), a copy of which is filed with the Court. You can obtain a copy of the Settlement Agreement from Class Counsel (see contact information in Section 4 above) or review it on the following website: [www.phoenixclassaction.com/otis-v-ray-stone](http://www.phoenixclassaction.com/otis-v-ray-stone).

Defendant has agreed to pay \$500,000 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the Gross Settlement Amount. As discussed below, the Gross Settlement Amount will be used to cover all payments to the settlement class, settlement administration costs, attorneys’ fees and costs, a service and release awards to the Plaintiff, and funds owed to the state of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the Net Settlement Amount) will be distributed to class members who do not timely submit Requests for Exclusion, as discussed below.

(a) Attorneys’ Fees and Costs: Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$175,000 to compensate them for their work on the case, plus their reasonable and actual costs and expenses incurred in the litigation. Subject to court approval, the attorneys’ fees and costs will be deducted from the Gross Settlement Amount.

(b) Service and Release Awards: The Plaintiff is requesting a service and release award of \$15,000, in addition to the amounts he will receive as a member of the class and sub-class, to compensate him for undergoing the burden and expense of prosecuting the action and for the broader release of claims he is required to provide to Defendant. Subject to court approval, the service and release awards will be deducted from the Gross Settlement Amount.

(c) Settlement Administration Costs: The Settlement Administrator, Phoenix Settlement Administrators, has advised the parties that the settlement administration costs will not exceed \$8,000. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.

(d) Payment to State of California: A total of \$20,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes penalties to the state for alleged violations of the California Labor Code. Of this amount, \$15,000 (75%) will be paid to the California Labor & Workforce Development Agency (“LWDA”). Subject to court approval, the \$15,000 payment to the LWDA will also be deducted from the Gross Settlement Amount. The other 25%, which is \$5,000, will be distributed to class members as part of the Net Settlement Amount discussed below.

(e) **Payments to Settlement Class Members:** The remainder of the Gross Settlement Amount (called the Net Settlement Amount) will be distributed to class members who do not exclude themselves from the settlement (called Settlement Class Members). Twenty-five percent (25%) of the Net Settlement Amount will be allocated to those class members who worked for Defendant in California as porters or porter-housekeepers and worked graveyard or swing shifts for Defendant at any time between November 26, 2015 and October 6, 2018 (the “Sub-Class”). Seventy-five percent (75%) of the Net Settlement Amount will be allocated to all of the Class Members, including those Class Members who are also Sub-Class Members. The amount of each Sub-Class Member’s share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks worked by the Sub-Class Member during the Class Period by the total number of qualifying workweeks worked by all of the Sub-Class Members during the Class Period and multiplying that fraction by twenty-five (25%) of the Net Settlement Amount. The amount of each Class Member’s share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks worked by the Class Member during the Class Period by the total number of qualifying workweeks worked by all of the Class Members during the Class Period and multiplying that fraction by seventy-five percent (75%) of the Net Settlement Amount. If you worked as a member of the Sub-Class, the workweeks that you worked as a Sub-Class member will not be included in the workweeks counted as workweeks you worked as a Class Member. A qualifying workweek is a full or partial week that a class member worked for Defendant during the Class Period, and includes those weeks when Class Members performed work which originated in and was performed in a temporary position under the auspices of a staffing company.

## **6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT**

According to Defendant’s records, you worked a total of \_\_ qualifying workweeks during the Class Period as a Class Member, but not as a Sub-Class Member. According to Defendant’s records, you worked a total of \_\_ qualifying workweeks during the Class Period as a Sub-Class Member. Under the settlement, you will receive approximately \$\_\_\_\_\_. This amount may increase or decrease based on various factors, including the number of class members who submit Requests for Exclusion, the amounts approved by the Court for attorneys’ fees and costs, settlement administration costs, the service and release award to Plaintiff, payment to the LWDA, and disputes by other class members and sub-class members regarding their qualifying workweeks during the Class Period.

**To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

## **7. PAYMENT SCHEDULE**

The Settlement Administrator will send out settlement checks to class members after the settlement is finally approved by the Court. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise it will be voided and the amount of your settlement payment will be sent to the California State Controller as unclaimed property in your name and you will need to contact that agency to obtain your funds. For tax purposes, one-third of your settlement payment shall be attributed to wages and reported on a W-2 form; one-third will be attributed to interest and one-third will be attributed to penalties. The amount of interest and penalties will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

## **8. RELEASE OF CLAIMS**

Unless you submit a valid Request for Exclusion (described below in section 9), you will release Ray Stone, Renoir Staffing, LLC, Renoir Staffing Services, Inc., and Renoir Staffing, Inc. and each of their respective past, present and/or future officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers, affiliates and attorneys from all claims arising during the Class Period under state, federal and local law arising out of the allegations in the administrative and civil complaints in this action, and that reasonably arise or could have arisen out of the facts alleged in the case as to all Class Members, including claims arising under California Labor Code sections 200, 201, 202, 203, 226, 226.3, 226.7, 510, 1174, 1194, 1197.1, 2698, 2699, 2699.3, 2699.5, 2751, claims arising under California Wage Orders, claims arising under Business and Professions Code section 17200, and all class claims and representative claims and aggrieved employee claims, including, but not limited to, any claims for meal or rest periods, or meal or rest period premiums, claims for unpaid wages, overtime and/or minimum wages, claims related to payment of wages at separation, termination or furlough, claims arising from or related to any failure to provide accurate and itemized paystubs/ claims related to unfair competition, unfair business practices, and/or fraudulent business practices; claims for PAGA penalties, waiting time penalties, civil penalties, and/or penalties of any nature; claims for interest, fees, costs;

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claims for failure to pay benefits, bonuses, incentive payments of any kind, and lost paid time off and or sick leave benefits. The term “affiliates” includes any and all entities, facilities and/ or real properties where Class Members were assigned when working for Defendant, including all senior living and multi-family complexes managed and/or owned in full or in part by Ray Stone, Inc. It further includes all temporary agencies or staffing agencies which contracted with Defendant to place class members, process their payroll and/or which jointly employed Class Members during the Class Period. The release only effects claims that arose at any time between November 26, 2015 through November 1, 2020.

## **9. YOUR OPTIONS**

As a member of the settlement class you have four options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

### **(a) You Can Do Nothing.**

If you do nothing, you will remain a member of the settlement class and will receive a settlement payment. You will also be bound by the release of claims set forth in Section 8 above. The payment will remain valid and negotiable for one hundred eighty (180) days from the date of the issuance. This deadline to cash the payment check shall not be extended for you absent Court Order.

### **(b) You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.**

You can contest the number of qualifying workweeks attributed to you in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of your position. The statement must also include your full name, current address and telephone number, and must identify this case (*Otis v Ray Stone Incorporated*, Case No. 34-2019-00269952). You must provide written documentation supporting the number of workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than January 16, 2021. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. The Settlement Administrator will mail you its final determination.

### **(c) You Can Exclude Yourself from the Settlement Class.**

If you do not want to remain a member of the settlement class, you can request exclusion (i.e., opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section 11 below. The deadline to postmark a Request for Exclusion is January 16, 2021. A Request for Exclusion is a written statement that unambiguously requests exclusion from the settlement class. The Request for Exclusion must include the case number (*Otis v Ray Stone Incorporated*, Case No. 34-2019-00269952), your name, current address and telephone number, and the last four digits of your social security number (for verification purposes). You must also sign the Request for Exclusion. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before January 16, 2021, will not be valid.

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section 8 above; however, you will not receive any money under the settlement. You will also be barred from objecting to this settlement. By opting out of the settlement class, you will retain whatever rights or claims you may have against Defendant.

If you do not submit a timely and valid Request for Exclusion from the settlement class by the deadline specified above, then you will be bound by all terms and conditions of the settlement, including the Release of Claims, if it is approved by the Court and by the judgment, and you will receive a settlement payment.

### **(d) You Can Object to the Settlement.**

If you do not submit a Request for Exclusion from the settlement, you may object to the settlement by sending your written objections to the Settlement Administrator at the address specified in Section 11 below. The deadline to postmark your objections is January 16, 2021. Only class members who have not requested exclusion may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (*Otis v Ray Stone Incorporated*, Case No. 34-2019-00269952).

**FOR MORE INFORMATION CALL 1-800-523-5773**

If you object to the settlement and if the Court approves the settlement notwithstanding your objections, you will be bound by the terms of the settlement and be deemed to have released all of the Released Claims as set forth in Section 8 above, and you will not be permitted to file a Request for Exclusion.

**10. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT**

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release awards to the Plaintiff, and Class Counsel's request for attorneys' fees and costs, and other issues will be held on February 24, 2021 at 9:00 a.m., in Department 54 of the Sacramento County Superior Court, 813 6th Street, 2nd Floor, Sacramento, CA 95814. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time.

**11. NON-RETALIATION**

Defendant will not retaliate or take any adverse action against a class member for participating in the settlement.

**12. ADDITIONAL INFORMATION AND COURTHOUSE SOCIAL DISTANCING INFORMATION.**

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file at the Sacramento County Superior Court, 720 9th St, Sacramento, CA 95814, **subject to the social distancing procedures in place at the Courthouse**. You may also review the settlement agreement and other documents on-line at [www.phoenixclassaction.com/otis-v-ray-stone](http://www.phoenixclassaction.com/otis-v-ray-stone) or you may contact the Settlement Administrator as follows:

Phoenix Settlement Administrators  
Telephone: (800) 523-5773  
Facsimile: (949) 209-2503  
Email: [notice@phoenixclassaction.com](mailto:notice@phoenixclassaction.com)  
Website: [www.phoenixclassaction.com/otis-v-ray-stone](http://www.phoenixclassaction.com/otis-v-ray-stone)

You may also contact Class Counsel at the address and telephone number provided in Section 4 above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.

**PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE**