

NOTICE OF CLASS ACTION SETTLEMENT

Steven Oda v. FCWS, Inc.
Superior Court of California – County of Orange
Case No. 30-2020-01122098-CU-OE-CXC

IF YOU WERE AN EMPLOYEE OF FIRST CLASS WORKFORCE SOLUTIONS, INC. (“FIRST CLASS”) IN CALIFORNIA, AND WERE PAID WAGES AND WORKED FOR FIRST CLASS FROM DECEMBER 16, 2018 TO JULY 16, 2020, YOU ARE ENTITLED TO RECEIVE MONEY FROM A CLASS AND REPRESENTATIVE ACTION SETTLEMENT.

The Court approved this notice. This is not an advertisement.

You are not being sued. However, your legal rights are affected whether you act or not.

PLEASE READ THIS NOTICE.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
INCLUDE THE FOLLOWING:	
DO NOTHING	You will receive a payment from the Settlement. No action is required for you to receive a share of this Settlement.
EXCLUDE YOURSELF	You will not receive a payment from the Settlement. ¹
OBJECT	If you choose, you may object to this Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from receiving a portion of the Settlement. You may not object and exclude yourself from the Settlement. If you do both, you will be deemed to have excluded yourself from the Settlement.

1. *Why Should You Read This Notice?*

You have received this Notice because records indicate that you are a member of the settlement Class² in this action.

The Class includes all employees of First Class who were paid wages and worked for First Class during the period of December 16, 2018 to July 16, 2020.

This Notice tells you of your rights to participate in, and share in, the Settlement. There was a Preliminary Approval hearing on June 10, 2021, at 2:00 p.m., in the Orange County Superior Court. Judge Peter Wilson determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate and reasonable and that a final determination of the issues will be made at the final approval hearing. Judge Wilson also ordered that you receive this Notice.

¹ Regardless of whether you exclude yourself from the Settlement, you will still receive a portion of the settlement for release of the penalty claims pursuant to the California Private Attorneys General Act, Labor Code sections 2698-2699.6.

² All defined terms in this Notice are pursuant to the Parties’ Class Action Settlement Agreement and Stipulation (the “Agreement”) and the Amendment to Class Action Settlement Agreement and Stipulation (the “Amendment”). Instructions on how to obtain more information about, and view, the Agreement and Amendment are provided in this Notice.

The Court will hold a Final Approval Hearing concerning the proposed Settlement on September 30, 2021, at 2:00 p.m. in Department CX-102 of the Orange County Superior Court – Complex Division, located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701. The Final Approval Hearing may be continued to another date without further notice. Class Members may appear remotely for the Final Approval Hearing and should check the court website (<http://www.occourts.org/directory/civil/complex-civil/>) for information about current COVID-19 procedures and how to appear remotely.

2. *What is the Class Action Settlement?*

The Court must approve the terms of the Settlement as fair, adequate, and reasonable to the Class Members. The Settlement will affect all members of the Class. You may get money from the Class and Representative Action Settlement. This Notice explains the terms of the Settlement and the amount of money you may receive under the Settlement.

3. *What Is the Case About?*

Plaintiff contends, in a Class Action Complaint filed on January 6, 2020 (the “Action”), that First Class (a) failed to provide accurate itemized wage statements and (b) failed to pay wages in a timely manner under the California Labor Code. Plaintiff also seeks civil penalties under the Private Attorneys General Act (“PAGA”) as set forth in Labor Code sections 2698-2699.6, which allows a private citizen to pursue civil penalties on behalf of the State of California Labor Workforce Development Agency (“LWDA”) related only to the above Released Claims.

First Class denies the allegations raised in the Action. First Class believes that it has no liability for any of Plaintiff’s or the Class Members’ claims under any statute, wage order, common law, or equitable theory.

The Parties reached a Settlement with the help of a private mediator, Kelly Knight, Esq., subject to Court approval as represented in their Agreement. Class Counsel believes that the Settlement is fair, reasonable, and adequate, and that it is in the best interests of Class Members. Likewise, First Class has decided that settlement is favorable because it avoids the time, risk, and expense of a lengthy lawsuit, and settlement immediately resolves, finally and completely, the pending and potential claims. By settling this lawsuit, First Class does not admit, concede, or imply that it has done anything wrong or unlawful – and, in fact, First Class expressly denies that it has engaged in any wrongdoing.

4. *How Much Can I Expect to Receive?*

First Class will pay a total sum of \$263,296.00 (the “Gross Settlement Amount” or “GSA”), which includes all settlement payments to Class Members, Class Counsel’s fees and costs, costs of administering the Settlement, a payment to the LWDA under PAGA, and a Class Representative Enhancement. The amount remaining will be the “Net Settlement Amount” or “NSA.”

Each Participating Class Member will receive approximately \$ _____ for each Pay Period worked during the Class Period (defined in the Settlement as any pay period during the Settlement Period in which a Class Member received wages from First Class). Based on First Class’s records, you worked _____ pay periods.

Additionally, each Class Member, including Non-Participating Class Members, shall receive a PAGA Payment in the amount of approximately \$ _____.

If you believe the number of pay periods listed above is incorrect, you must submit an explanation to the Settlement Administrator within 21 days of the date of mailing shown on this Notice. The explanation must be signed under penalty of perjury, and must describe why and how you dispute the number of pay periods and include any supporting evidence or documentation to support your dispute. In the event of a dispute, the Settlement Administrator will decide the applicable number of Class Member pay periods after review of all records. Class Member pay period disputes may be reviewed and modified by the Court at the Final Approval Hearing.

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your payment under the Settlement.

5. *Will Any Taxes be Deducted from My Individual Settlement Payment?*

No. There will be no payroll withholding from your payment because the entirety of your Individual Settlement Payment will be treated as penalties (75%) and interest (25%) and reported as non-wage income on an IRS Form 1099. The Settlement Administrator will issue 1099 Forms to all Participating Class Members who cash their checks.

The fact that payroll withholdings will not be made does not mean that the payment is not taxable income to you. You are responsible for the appropriate payment of any federal, state, and/or local income or payroll taxes due on the settlement payment you receive. You are advised to obtain tax advice from your own tax advisor with respect to any payments resulting from this settlement. This Notice does not constitute legal or tax advice regarding any federal, state, or local tax issue, and nothing in this Notice is intended to or should be used by any person for the purpose of avoiding any tax liability or tax penalties.

6. *Why Did First Class Join in This Notice?*

First Class does not admit any claim alleged in the Action and denies that it owes money for any of the claims in this matter. First Class is settling the Action as a compromise. First Class reserves the right to object to and defend itself against any claim(s) if, for any reason, the Settlement fails. The Court file has the Settlement documents with more information on the Action.

7. *Who Is the Plaintiff in This Class Action?*

Steven Oda is the Plaintiff and Class Representative in this Class Action lawsuit. He is acting on behalf of himself and on behalf of other members of the Class.

8. *Who Are the Attorneys Representing the Parties?*

Class Counsel

Larry W. Lee
Max W. Gavron
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
Tel.: (213) 488-6555

William L. Marder
POLARIS LAW GROUP LLP
501 San Benito Street, Suite 200
Hollister, CA 95023
Tel.: (831) 531-4214

Defense Counsel

Alaya B. Meyers
Tracy R. Williams
LITTLER MENDELSON P.C.
18565 Jamboree Road, Suite 800
Irvine, CA 92612

9. What are my Rights? How Will My Rights Be Affected?

Class Counsel, appointed and approved by the Court for Settlement purposes only, will represent you.

Participating in the Settlement

Under the Settlement, you **do not need to do anything**, and will **automatically receive a settlement payment** unless you opt-out by following the opt-out procedure set forth below.

This Notice of Settlement states the total number of Pay Periods you worked for First Class during the Class Period (*i.e.*, any Pay Period in which you received wages). Your individual settlement payment as a Class Member will be based on that number. You do not need to take any further action to receive your settlement payment.

Additionally, regardless of what action you take, you will receive a PAGA Payment.

Objecting to the Settlement

If you wish to object to the Settlement, you may submit a written objection to the Settlement Administrator and/or appear at the Final Approval Hearing and state why you object to the Settlement. The written Objection must be signed by you and include your full name, address, telephone number, and last four digits of your Social Security number. The written Objection must be mailed or faxed to the Settlement Administrator (whose address is listed below) and must be postmarked no later than **September 16, 2021**. If you do not submit a written Objection, you may still appear at the Final Approval Hearing.

IF YOU OBJECT TO THE SETTLEMENT, YOU WILL STILL RECEIVE YOUR SHARE OF THE SETTLEMENT AND THE PAGA PAYMENT IF THE COURT APPROVES THE SETTLEMENT.

Opting-Out of the Settlement

If you wish to be excluded from participating in the Settlement, you must submit a written request to Opt-Out to the Settlement Administrator via fax or at the address below requesting to be excluded from the Settlement. To be considered valid, your Opt-Out must be signed by you, and contain your name, address, telephone number, and the last four digits of your Social Security number. Your Opt-Out also must clearly indicate that you desire to be excluded from the Settlement. To be considered timely, your Opt-Out must be faxed or postmarked no later than **September 16, 2021**. Late Opt-Outs will not be considered.

If you timely mail a complete and valid Opt-Out, you will not be a Participating Class Member and you will not be eligible to object to the terms of the Settlement or receive money under the Settlement (except for that portion of the settlement allocated to PAGA penalty payments – *i.e.*, the PAGA Payment). You will not be bound by the terms of the Settlement, including the release. **However**, you will still receive the PAGA Payment, and will still be bound by the PAGA release.

If you submit a written objection **and** an Opt-Out request, your Opt-Out request will take precedence and you will not be a Participating Class Member. As such, your objection will not be considered.

Effect of the Settlement on Your Rights

Upon the final approval of the settlement by the Court, all Class Members (other than those who submit a valid opt-out/request for exclusion), will release all claims against the “Released Parties” within the definition of “Settled Claims,” as set forth in the parties’ Settlement Agreement. “Released Parties” means First Class and its past or present successors and predecessors in interest, acquirers, subsidiaries, affiliates, parents, officers, owners, directors, shareholders, employees, servants, agents, principals, heirs, representatives, accountants, auditors, consultants, attorneys, trustees, insurers and reinsurers. “Settled Claims” mean all claims, demands, rights, liabilities, and causes of action, whether known or unknown, that were or could have been asserted (whether in tort, contract, or otherwise) for violation of local, state and federal law arising out, or relating to the claims or allegations pled in the Action, as well as all claims that arise out of the facts, matters or occurrences

referred to in the Action that could have been alleged as separate claims, causes of action, lawsuits, or other theories of relief. Settled Claims include all types of relief available for the theories of relief in the operative complaint, including, without limitation, any claims for inaccurate and/or incomplete itemized wage statements, late wage payments, failure to record meal periods or maintain accurate records of the same, damages, restitution, losses, penalties, fines, liens, attorneys' fees, costs, expenses, debts, interest, penalties, injunctive, or declaratory relief, chargebacks, liquidated damages, or similar relief, as well as any claims pursuant to PAGA that accrued during the Settlement Period. All Class Members, regardless of whether they opt-out, shall waive claims under PAGA for penalties.

10. How Will the Attorneys for the Classes Be Paid?

The attorneys for the Class Representative and the Class Members (Class Counsel) will be paid from the GSA. Class Counsel are seeking fees in the amount of 1/3 of the GSA, or \$87,765.33. Class Counsel are also seeking reimbursement of their costs, in an amount up to \$20,000. Plaintiff is seeking a Representative Enhancement Award of \$10,000 from the Settlement for his service as a Class Representative. The Parties have agreed that \$10,000 shall be allocated to settle the PAGA claim, with \$7,500 to be paid to the LWDA, and the remaining \$2,500 to be divided equally among the Class Members (the PAGA Payment). The Settlement Administrator estimates that the cost of administration will not exceed \$9,950. All of these amounts are to be deducted from the GSA, with the remainder available for distribution to Class Members who do not opt-out.

11. How Will I Know Whether the Settlement Has Been Approved?

The Court has preliminarily approved the Settlement and will hold a Final Approval Hearing on September 30 2021, at 2:00 p.m. in Department CX-102 of the Orange County Superior Court – Complex Division, to determine whether the Settlement is fair, reasonable, and adequate, and whether it should be finally approved by the Court. The Final Approval Hearing may be continued to another date without further notice.

During the Final Approval Hearing, the Court will hear arguments for and against the proposed settlement and consider any objections. Once final approval is granted by the Court, the Court will enter judgment against First Class. Class Members may view a copy of the Final Judgment on the Settlement Administrator's website, www.phoenixclassaction.com/Oda-v-FCWS, when it becomes available.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may call Class Counsel (see contact information in Section 8, above), review the Settlement website, or call the Settlement Administrator at the telephone number listed below, toll free.

**Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
www.phoenixclassaction.com/**

You can find a copy of the Agreement as well as the Motions for Preliminary and Final Approval on the website of the Settlement Administrator, which is www.phoenixclassaction.com/Oda-v-FCWS.

You may also access the Court's records at the website below:

<https://www.occourts.org/online-services/case-access/>

Select "Civil Case & Document Access", accept terms, enter case number "01122098" and year filed "2020", authenticate reCAPTCHA, and search. Records for this case are listed under the Register of Actions tab.

PLEASE DO NOT CONTACT OR TELEPHONE THE COURT, FIRST CLASS, OR FIRST CLASS'S COUNSEL FOR LEGAL ADVICE OR FOR INFORMATION ABOUT THIS SETTLEMENT.

By Order of the Orange County Superior Court, the Honorable Peter Wilson.