

SAN BERNARDINO COUNTY SUPERIOR COURT

If you worked for Patrick Industries, Inc. (“Patrick” or “Defendant”) in California as a non-exempt employee at any time between June 1, 2016 through June 10, 2022 a class action settlement will affect your rights. You may be entitled to a payment under this settlement.

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

- A former employee, Erik Martinez, filed a proposed class action lawsuit against Patrick. The lawsuit alleges that Patrick failed to provide employees with lawful meal and rest periods, failed to pay employees all wages owed, failed to provide lawful wage statements to employees, and failed to pay all wages due at termination of employment. The lawsuit also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). Patrick denies all alleged violations and denies liability. The Court has not made a ruling on the merits of the case. The Parties have agreed to settle the claims set forth in the lawsuit.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	Get a settlement payment and give up any rights to sue for the Released Claims (defined below). <u>If you are still employed by Patrick and choose to receive a settlement payment, this will not affect your employment.</u>
EXCLUDE YOURSELF	Get no payment as a Class Member. This is the only option that allows you to ever be part of any other lawsuit against Patrick involving the legal claims and statutory period alleged in this case. Please note that you are unable to exclude yourself from the PAGA portion of the settlement if you are a PAGA Member.
OBJECT	If you do not agree with the settlement, write to the Court about why you don’t agree with the settlement.

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

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1. Why Have I Received this Notice?

Patrick's records indicate that you were employed as a non-exempt employee in California by Patrick at sometime between June 1, 2016 through June 10, 2022. This period of time is referred to as the "Class Period." If you worked for Patrick in California during the "Class Period," you may be entitled to money under this Settlement. This Notice provides you with basic information about the case and advises you of your options with regard to the Settlement.

2. What is this Case About?

This action was filed by Plaintiff on June 1, 2020 in the Superior Court of San Bernardino County. The complaint alleges the following causes of action against Defendant: (1) failure to pay all straight time wages; (2) failure to pay all overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) knowing and intentional failure to comply with itemized employee wage statement provisions; (6) violation of the Labor Code Private Attorneys General Act of 2004; and (8) violation of Unfair Competition Law.

The Court has not made any determination as to whether the claims advanced by Plaintiff have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiff or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial. Defendant expressly denies that it did anything wrong or that it violated the law and further denies any liability whatsoever to Plaintiff or to the Class.

3. How Does this Class Action Settlement Work?

Plaintiff and his attorneys believe the settlement is fair, adequate, and reasonable. The San Bernardino County Superior Court has preliminarily reviewed the terms of the settlement and determined the settlement is fair, adequate, and reasonable. On July 5, 2022, 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 December 15, 2022, at 10:00 a.m., in Department S26 before Judge David S. Cohn, located at 247 W 3rd Street, San Bernardino, CA 92415. The date of the Final Fairness Hearing may change without further notice to the Class. You are advised to check the Court's website (instructions on accessing this site are provided in Section 15 of this Notice) to confirm that the date has not been changed.

4. Who Are the Attorneys Representing the Parties?

Attorneys for Plaintiff and the Class ("Class Counsel")	Attorneys for Patrick Industries, Inc.
MARA LAW FIRM, PC David Mara dmara@maralawfirm.com Jill Vecchi jvecchi@maralawfirm.com 2650 Camino Del Rio North, Suite 205 San Diego, CA 92108 Telephone: (619) 234-2833	FAEGRE DRINKER BIDDLE & REATH LLP Kristin M. Halsing 1800 Century Park East, Suite 1500 Los Angeles, CA 90067 Telephone: (310) 203-4000

The Court has appointed Mara Law Firm, PC, to represent you and all other Class Members simultaneously in this Settlement. You are not required to hire your own attorney because Mara Law Firm, PC, are 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?

If you do nothing, you will automatically be included as a participant in this Settlement and will not have to take any further action to receive your settlement payment. By participating in the Settlement, you will be bound by the Release described in Section 8 below. It is your responsibility to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or a settlement payment.

Important Note: Patrick will not retaliate against you in any way for either participating or not participating in this Settlement.

If you do nothing, you **will** receive money and **will** be bound by the release of 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 any part of the class portion of the settlement. This is the only option that allows you to ever be a part of any other lawsuit against Patrick about the legal claims and statutory period alleged in this case. By timely opting out, you will not receive any part of the class portion of the Settlement, nor will you be bound by the release except as it relates to the PAGA portion of the Settlement and release related thereto.

HOW TO REQUEST TO BE EXCLUDED FROM THE SETTLEMENT:

How can I request to be excluded from the settlement?	You can request to be excluded from the class portion of the settlement by mailing the Settlement Administrator a written request for exclusion.
Is there a deadline to request to be excluded?	If you send a written request to the Settlement Administrator, you must postmark your request by <u>September 10, 2022</u> .
What information do I need to provide?	Your request for exclusion must include: (1) your full name, current address, last four digits of your Social Security number; (2) the case name and number (<i>Erik Martinez v. Patrick Industries, Inc.</i> , Case No. CIVDS2009663); (3) a clear statement that you wish to be excluded from the Settlement; and (4) your signature and the date of signature.

The proposed settlement includes the settlement of claims for civil penalties under PAGA. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves this settlement, then even if you request exclusion from the settlement, you still will receive an individual settlement share for the PAGA claims if you were employed at any time between February 19, 2019 through June 10, 2022 and will be deemed to have released the PAGA claims. A request for exclusion will preserve your right to individually pursue only the remaining substantive, individual and/or class claims.

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

You can ask the Court to deny approval by filing an objection or appearing at the Final Approval Hearing to assert the objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. Importantly, you cannot object to the settlement if you have requested to be excluded from the settlement.

HOW TO OBJECT TO THE SETTLEMENT:

How can I object to the settlement?	As long as you have not requested to be excluded from the Settlement, you can object to the settlement by mailing the Settlement Administrator a written objection or appearing at the Final Approval Hearing to assert your objection.
Is there a deadline to request to be excluded?	If you send a written objection to the Settlement Administrator, you must postmark your request by <u>September 10, 2022</u> .
What information do I need to provide?	Your written objection must include: (1) your full name, address, last four digits of your Social Security number, and signature; (2) the case name and number <i>Erik Martinez v. Patrick Industries, Inc.</i> , Case No. CIVDS2009663); (3) the factual and legal basis, with supporting documents, if any, on which the objection is based; (4) whether you are represented by an attorney and the contact information of any such attorney; and (5) whether you plan to appear at the Final Approval Hearing.

Class Members who fail to file timely written objections in the manner specified above or fail to appear at the Final Approval Hearing to assert an objection 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 Class Members who do not opt out of the settlement will be bound by the Court's final judgment and will release Patrick, and the other Released Parties¹ from the released claims. The claims released under the settlement are: any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged, or that reasonably could have arisen out of the same facts alleged in the Complaint, against the Released Parties and any and all Doe defendants. The Released Claims include, but are not limited to, 1) Failure to Pay All Straight Time and/or Minimum Wages; 2) Failure to Pay All Overtime Wages; 3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, IWC Wage Order No. 5- 2001(11); Cal. Code Regs., tit. 8 § 11050); 4) Failure to Authorize and Permit Rest Periods (Lab. Code § 226.7; IWC Wage Order No. 5- 2001(12); Cal. Code Regs. tit. 8 § 11050); 5) Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions (Lab. Code §§ 226, 1174, 1175); 6) Failure to Pay All Wages Due at the Time of Termination of Employment (Lab. Code §§ 201-203); and 7) Violation of Unfair Competition Law (Bus. & Prof. Code § 17200, et seq.). This release will be for the Class Period.

In addition, PAGA Aggrieved Employees will release any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged or could have been alleged based upon a reasonable interpretation of the facts alleged in the PAGA Action, against Defendant (including any and all unnamed Does). The Released PAGA Claims include, but are not limited to, violations of the Private Attorneys General Act, Labor Code §2699, et seq. This release will be for the PAGA Period.

If you would like to see the settlement documents or complaint on file, you can check www.phoenixclassaction.com/patrick-industries, the Court's website, or contact Class Counsel. Directions for accessing the Court's website 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 amount that Patrick is required to pay under this settlement is \$1,800,000. This amount is referred to as the "Gross Settlement Amount." The Gross Settlement Amount includes the following amounts: (1) approximately \$1,072,560.00 for disbursement to Class Members who do not request to be excluded from the settlement; (2) \$7,500 to Plaintiff Erik Martinez for his efforts in bringing this action; (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, Phoenix Class Action Administration Solutions, which will not exceed \$15,000; (3) payment of \$75,000 to the Plaintiff's claims under the Private Attorneys' General Act of 2004; and (4) payment to Class Counsel in the amount of \$599,940 (33.33% of the Gross Settlement Amount) in attorneys' fees for investigating the facts of the case, litigating the case, and negotiating the settlement, and an amount not to exceed \$30,000 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 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.

¹ "Released Parties" means Defendant and its successors and predecessors in interest, subsidiaries, affiliates, trusts, brother-sister or otherwise related companies, and parents, as well as all of their past, present and/or future, direct and/or indirect, officers, managing members, directors, owners, members, employees, principals, heirs, representatives, accountants, auditors, partners, trustees, insurers, reinsurers, administrators, attorneys, agents, parent companies, subsidiaries and affiliated corporations and entities, consultants, shareholders, joint ventures, predecessors, successors, and/or assigns; and any attorney or law firm representing Defendant and/or the other aforementioned Released Parties with regard to Plaintiff's asserted claims against Defendant.

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

Each employee who does not request to be excluded from the settlement will be provisionally assigned an award amount based on his or her tenure as part of the Class. To arrive at this figure, Partrick will provide the Settlement Administrator with the number of Workweeks credited to each Class Member during the Class Period. The Settlement Administrator will then calculate the total number of Workweeks worked by all Participating Class Members during the Class Period (“Total Workweeks”). To determine the Individual Settlement Payment for each Participating Class Member, the Settlement Administrator will (1) divide each Participating Class Member’s respective Workweeks by the Total Workweeks, and (2) multiply the resulting figure by the Net Settlement Amount. Therefore, your settlement payment ties directly to the number of workweeks you worked for Patrick between June 1, 2016 through June 10, 2022.

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: \$ _____ (based on Patrick’s data which shows you worked <weeks> of workweeks between June 1, 2016 through June 10, 2022). 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 June 1, 2016. If you began your employment prior to June 1, 2016, this lawsuit can only compensate you for the weeks you worked for Patrick on or after June 1, 2016.

If you believe the number of workweeks attributed to you is incorrect, you must submit written correspondence to the Settlement Administrator that is postmarked no later than **September 10, 2022**, explaining the basis for the dispute and including any supporting documentation showing that the workweeks credited to you are inaccurate.

You may also be entitled to a payment for your release of PAGA claims if you worked for Patrick on or after February 19, 2019 through June 10, 2022. If you worked for Patrick during this time period, you are a PAGA Aggrieved Employee. Your payment as a PAGA Aggrieved Employee is \$ _____.

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

Yes, 25% 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. Patrick 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.

Seventy-five (75%) of each settlement payment is intended to settle each employees’ claims for interest and penalties. This portion will not be reduced by payroll tax withholding and deductions. In addition, one hundred percent of each PAGA Aggrieved Employees Employee’s PAGA Settlement Share will be apportioned as 100% penalties. The Settlement Administrator will issue you an IRS Form 1099 with respect to these payments.

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

If you do not request to be excluded from the settlement, you should receive your settlement check approximately two months after the Court gives final approval of the settlement and it becomes effective. The settlement becomes effective on the date on the date the Court grants final approval if there are no objectors or plaintiffs in intervention. As such, if there are no appeals from the settlement, you should receive your settlement check approximately two months after the date of the Final Fairness Hearing, listed in Section 3 of this notice.

Please note that you must cash or deposit your settlement check within 180 calendar days after the check is mailed to you.

If your check was lost or misplaced or you have changed your address, please contact the Settlement Administrator. 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 Controller, with the identity of the Class Member to whom the funds belong, to be held for the Class Member per California Unclaimed Property Law.

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

The Court-appointed attorneys for Plaintiffs and the employees will be paid from the Gross Settlement Amount, subject to Court approval, in an amount not to exceed 33.33% of the Gross Settlement Amount (estimated to be \$599,940) in attorneys’ fees and an amount not to exceed \$30,000 in actual litigation costs. Patrick has paid and will continue to pay all of its own attorneys’ fees and costs.

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

Plaintiff Erik Martinez 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 and for conferring a benefit upon other employees and the State of California.

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, you can receive a copy of the settlement agreement by contacting Class Counsel at the information listed in Section 4, above, or by accessing the Court docket in this case through the Court's website at <https://www.sb-court.org>, or by visiting the office of the Court at 247 W 3rd Street, San Bernardino, CA 92415 between 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. 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 Patrick Industries Class Action Settlement when calling the settlement administrator or Class Counsel.

To view the case documents on the Court's website, access the website <https://www.sb-court.org>. Once at this website, click on the "Online Services" link. Then click the link that says "Learn More" under the heading "Access Case Information and Document Sales." At the bottom of the page, click on the link "Accept." Click the link "Classic Portal" at the bottom of the webpage. Then, click on the button "Smart Search." On the next page, type the case number "CIVDS2009663" into the box with the words "*Enter a Record Number or Name in Last, First Middle Suffix Format." Then, click the "Submit" button. You will be directed to a screen with the case name. Find the case name "PATRICK INDUSTRIES, INC." and click on the case number associated with this case (CIVDS2009663). This will take you to the case information. If you scroll down on this page, you will be able to access all of the documents filed in the case.

Additionally, the Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on December 15, 2022, in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Award to the Class Representative. The Final Approval Hearing may be postponed without further notice to Settlement Class Members. You are not required to attend the Final Approval Hearing, although any Settlement Class Member is welcome to attend the hearing.

The Court's final judgment will be posted on the Settlement Administrator's website www.phoenixclassaction.com/patrick-industries

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.