

CALIFORNIA SUPERIOR COURT, COUNTY OF SAN DIEGO

Alicia Juarez and Karla Martinez Flores, on behalf of themselves, all others similarly situated, and on behalf of the general public, Plaintiffs, vs. Florexpco, LLC; Kendal Floral Supply, LLC, Defendants
Case No. 37-2020-00016123-CU-OE-CTL and Case No. 37-2020-00015644-CU-OE-CTL

NOTICE OF CLASS ACTION SETTLEMENT

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

This is not a lawsuit against you and you are not being sued.

However, your legal rights are affected by whether you act or don't act.

TO: All current and former non-exempt, hourly employees of Defendants who were employed in California at any time between May 26, 2016 and November 24, 2022.

The California Superior Court, County of San Diego has granted preliminary approval to a proposed settlement ("Settlement") of the above-captioned actions ("the Lawsuits"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement ("Notice") carefully.

The Court has certified the following class for settlement purposes ("Class" or "Class Members"):

All current and former non-exempt, hourly employees of Defendants who were employed in California at any time between May 26, 2016 and November 24, 2022.

The purpose of this Notice is to provide a brief description of the claims alleged in the Lawsuits, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

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PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

1. Why Have I Received This Notice?

Florexpco, LLC's and/or Kendal Floral Supply, LLC's (hereinafter referred to as "Defendants") records indicate that you may be a Class Member. The settlement will resolve all Class Members' Released Claims, as described in Section No. 9 below, from May 26, 2016 to November 24, 2022 (the "Class Period").

A Preliminary Approval Hearing was held on December 16, 2022, in the California Superior Court, County of San Diego. 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 June 16, 2023 at 8:30 a.m., before Honorable Keri Katz in Department C-74, located at 330 West Broadway, San Diego, California 92101.

2. *What Is This Case About?*

A class action complaint against Defendants was filed in the San Diego County Superior Court on May 26, 2020 (Case No. 37-2020-00016123-CU-OE-CTL). The complaint alleged 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) failure to pay all wages at the time of termination of employment; and (7) violation of Unfair Competition Law, on behalf of non-exempt, hourly employees.

A PAGA (California Private Attorneys General Act of 2004) representative action complaint against Defendants was filed in the San Diego County Superior Court on May 26, 2020 (Case No. 37-2020-00015644-CU-OE-CTL). The complaint sought civil penalties under the PAGA in relation to the following alleged violations suffered by allegedly similar aggrieved employees:: (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) failure to pay all wages at the time of termination of employment; (6) knowing and intentional failure to comply with itemized employee wage statement provisions; and (7) failure to pay all wages owed twice per month.

The two cases (Case No. 37-2020-00016123-CU-OE-CTL and Case No. 37-2020-00015644-CU-OE-CTL) have been consolidated.

The Court has not made any determination as to whether the claims advanced by the Plaintiffs 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 Defendants; 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.

Defendants expressly deny that they did anything wrong or that they violated the law and further deny any liability whatsoever to Plaintiffs or to the Class.

3. *Am I A Class Member? Am I An Eligible Aggrieved Employee?*

You are a Class Member if you worked for Defendants in the State of California as a non-exempt, hourly employee from May 26, 2016 to November 24, 2022.

If you worked for Defendants in the State of California as a non-exempt, hourly employee from March 9, 2019 to November 24, 2022, you are also an Eligible Aggrieved Employee under the settlement.

4. *How Does This Class Action Settlement Work?*

Plaintiffs Alicia Juarez and Karla Martinez Flores bring these actions on behalf of themselves and all other similarly situated employees who were employed by Defendants as non-exempt, hourly employees in California at any time during the Class Period. Plaintiffs and these other current and former employees comprise a “Class” and are “Class Members.” The settlement of these Lawsuits resolves the Released Claims of all Class Members, as defined in the Settlement Agreement and Final Judgment, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiffs and Class Counsel believe the settlement is fair and reasonable. The Court must also review the terms of the settlement and determine if it is fair and reasonable to the Class. The Court file has the settlement documents, which explain the settlement in greater detail. If you would like copies of the settlement documents, you can obtain them for a nominal fee at the San Diego Superior Court, Hall of Justice, located at 330 West Broadway, San Diego, California 92101, and/or by visiting the San Diego Superior Court website at <https://roa.sdcourt.ca.gov/roa/> and inputting the case number 37-2020-00016123-CU-OE-CTL, or you can contact Plaintiffs’ counsel, whose contact information is below, and they will provide you with a copy free of charge.

5. Who Are the Attorneys Representing the Parties?

Attorneys for Plaintiffs and the Class	Attorneys for Defendants
MARA LAW FIRM, PC David Mara Matthew Crawford 2650 Camino Del Rio North, Suite 205 San Diego, California 92108 Telephone: (619) 234-2833 Facsimile: (619) 234-4048	PROCOPIO, CORY, HARGREAVES & SAVITCH LLP Marie Burke Kenny Ashley Fasano 525 B Street, Suite 2200 San Diego, CA 92101 Telephone: (619) 238-1900 Facsimile: (619) 235-0398

The Court has decided that Mara Law Firm, PC is qualified to represent you and all other Class Members simultaneously.

You do not need to hire your own attorney because Class Counsel is working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

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

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this Class Action and may receive a payment from the Settlement. You will be bound to the release of the Released Class Claims as defined in the Settlement Agreement and the Final Judgment. You will also give up your right to pursue the Released Class Claims as defined in Section No. 9 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may “opt out,” which will remove you from the Class and this Class Action. If the Court grants final approval of the Settlement, you will not receive a Settlement payment and you will not give up the right to sue Defendants and the Released Parties for the Released Class Claims. If you are an Eligible Aggrieved Employee, you will receive a portion of the PAGA Payment, even if you opt-out of the settlement.
- **OBJECT:** You may file a legal objection to the proposed settlement. If you would like to object, you may not opt out of this case.

7. How Do I Opt Out Or Exclude Myself From This Settlement?

If you do not want to take part in the Settlement, you must mail a written Request for Exclusion to the Settlement Administrator. The written request for exclusion must: (a) state your name, address, telephone number, and social security number or employee identification number; (b) state your intention to exclude yourself from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator at P.O. Box 7208, Orange, CA 92863; (d) be signed by you or your lawful representative; and (e) be postmarked no later than April 14, 2023.

If the Court approves the Settlement at the Final Approval Hearing, the Court will enter a Judgment. If you do not request exclusion from the Settlement, the Judgment will bind you to the terms of the Settlement. If you are an Eligible Aggrieved Employee, you will receive a portion of the PAGA Payment, even if you opt-out of the settlement.

8. *How Do I Object To The Settlement?*

If you are a Class Member who does not opt out of the Settlement, you may object to the Settlement, personally or through an attorney, by submitting your objection in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than April 14, 2023. The objection must state: (a) your 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; and (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval hearing. The objection will not be valid if it objects only to the appropriateness of the actions or their merits.

Class Members may appear at the Final Approval Hearing, either in person or through the objector’s own counsel. If the Court rejects the objection, he/she will receive an Individual Settlement Share payment and will be bound by the terms of the Settlement.

9. *How Does This Settlement Affect My Rights? What are the Released Claims?*

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 Defendants and the Released Parties¹ from the Released Class Claims. The Released Class Claims are:

All members of the Class will release and discharge the Released Parties from any and all wage-and-hour claims, rights, demands, liabilities and causes of action of every nature and description whether pled or could have been pled based on the factual allegations made in the Lawsuits against Defendants, for the duration of the Class Period, based upon the following categories of allegations: failure to pay minimum wages, failure to pay overtime wages, failure to pay doubletime wages, failure to pay for off-the-clock work, failure to provide meal periods or meal period premium payments, failure to provide rest periods or rest period premium payments, failure to provide accurate itemized wage statements, failure to properly calculate, provide and pay paid sick leave, failure to timely pay wages due during employment, and failure to pay all wages due upon termination of employment, violation of the applicable provisions of the California Labor Code, violation of applicable portions of the California Code of Regulations, Title 8, section 11040, violation of California’s unfair business practices and unfair competition laws to the extent they arise from violations of the Labor Code provisions alleged in the Lawsuits.

If you are an Eligible Aggrieved Employee, you will be bound by the Final Judgment and will release the Released Parties from the Released PAGA Claims, even if you opt-out of the settlement. The Released PAGA Claims include any and all claims for civil penalties under the California Labor Code and the Private Attorneys General Act predicated upon the Labor Code violations that were asserted in the Lawsuits as well as any potential penalties, interest or attorneys’ fees associated with those violations under California law.

All Class Members who do not opt out of the Settlement will be enjoined from prosecuting the Released Class Claims and initiating or continuing other proceedings regarding the Release Class Claims, including but not limited to filing any claims for monetary relief of the Released Claims before the Division of Labor Standards and Enforcement (“DLSE”) or in any forum whatsoever. All Eligible Aggrieved Employees will be enjoined from prosecuting the Released PAGA Claims and from initiating or continuing other proceedings regarding the Released PAGA Claims, including but not limited to filing any claims for monetary relief of the Released PAGA Claims before the DLSE or in any forum whatsoever.

¹ “Released Parties” means Defendants, and any of their former and present parents, subsidiaries, affiliates and other officers, directors, employees, partners, and agents, and any other successors, assigns, or legal representatives.

10. *How Much Can I Expect to Receive From This Settlement?*

The total maximum amount that Defendants could be required to pay under this Agreement shall be up to but no more than \$2,000,000 (“Gross Settlement Amount” or “GSA”).

A. Deductions from the Settlement

The “Net Settlement Amount” or “NSA” means the portion of the Gross Settlement Amount, available for distribution to Class Members after the deduction of (1) the Class Representative Enhance Payments to the named Plaintiffs in an amount up to \$10,000 each, for prosecution of the Lawsuits, risks undertaken for the payment of attorneys’ fees and costs, and a general release of all claims; (2) the Settlement Administration Costs to the Settlement Administrator in an amount estimated not to exceed \$50,000; (3) a payment of \$200,000 allocated to the PAGA claims; and (4) payment to Class Counsel in an amount not to exceed \$666,660 (33.333% of the Gross Settlement Amount) for attorneys’ fees and an amount not to exceed \$30,000 for litigation costs. All of these payments are subject to court approval.

B. How Class Member Settlement Payments are Calculated

After deducting the above-referenced items, the remaining Net Settlement Amount, will be proportionately distributed amongst all Class Members who have not opted out. Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she worked for Defendants in California, in an hourly, non-exempt position, based on the Class Data provided by Defendants, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class Data, which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as a work week for purposes of this calculation. Therefore, the value of each Class Member’s Individual Class Settlement Share ties directly to the amount of weeks that he or she worked.

C. How Eligible Aggrieved Employees’ Settlement Payments are Calculated

If you are an Eligible Aggrieved Employee under the settlement, you will also receive a portion of the PAGA Payment. Pursuant to PAGA, the LWDA will receive a payment of \$150,000 (75% of the \$200,000 total PAGA Payment). The remaining \$50,000 is the “Net PAGA Settlement Amount” or “NPSA” and will be proportionately distributed amongst all Eligible Aggrieved Employees. Each Eligible Aggrieved Employee will receive a proportionate share of the Net PAGA Settlement Amount that is equal to (i) the number of weeks he or she worked for Defendants in California, in an hourly, non-exempt position, based on the Class Data provided by Defendants, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class Data, which is then multiplied by the Net PAGA Settlement Amount. One day worked in a given week will be credited as a work week for purposes of this calculation. Therefore, the value of each Eligible Aggrieved Employee’s Individual PAGA Settlement Share ties directly to the amount of weeks that he or she worked.

D. Your Estimated Settlement Payment

Although your exact share of the Net Settlement Amount as a Class Member cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount, is as follows: \$ _____, less taxes. This is based on the Class Data which shows you worked ____ workweeks during the Class Period. The maximum number of workweeks any Class Member may have is 339.

If you are also an Eligible Aggrieved Employee, you will receive a share of the Net PAGA Settlement Amount. Based upon the calculation above, your approximate share of the Net PAGA Settlement Amount, is as follows: \$ _____. This is based on the PAGA Data which shows you worked ____ workweeks during the PAGA Period. The maximum number of workweeks any Eligible Aggrieved Employee may have is 194.

E. Tax Treatment of Your Settlement Payments

Each Class Member's Individual Class Settlement Share will be apportioned as follows: 15% wages, 40% interest, and 45% penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. Only the employee share of payroll tax withholdings shall be from each Class Member's Individual Class Settlement Share. The employer share of payroll tax withholdings shall be paid separate from and in addition to the Gross Settlement Amount.

If you are an Eligible Aggrieved Employee, your Individual PAGA Settlement Share will be apportioned as 100% penalties. This will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue to each Eligible Aggrieved Employee an IRS Form 1099 with respect to his/her Individual PAGA Settlement Share.

Nothing in this Notice is intended to constitute legal advice relating to the tax liability of any Class Member or Eligible Aggrieved Employee. To the extent that this Notice is interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

F. What Happens If You Don't Cash Your Check?

It is strongly recommended that upon receipt of your settlement check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period, the Settlement Administrator will pay over the amount represented by the check to The Monarch School, a non-profit organization that qualifies as a *cy pres* beneficiary in compliance with section 384 of the California Code of Civil Procedure.

11. How Will the Attorneys for the Class and the Class Representatives Be Paid?

The attorneys for Plaintiffs and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed 33.333% of the Gross Settlement Amount (\$666,660) for attorney fees and \$30,000 for litigation costs.

Defendants have paid all of their own attorneys' fees and costs.

Plaintiffs will also be paid, subject to Court approval, an amount not to exceed \$10,000 each, as an enhancement for the initiation of and prosecution of this case, the risks undertaken for the payment of costs in the event this case had been lost, and a general release of all claims.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel listed above, or the Settlement Administrator at the telephone number listed below, toll free. You can also obtain documents related to this case and this settlement by visiting <https://www.phoenixclassaction.com/juarez-v-florepo/>, a website maintained by the Settlement Administrator. Please refer to the Florepo Class Action Settlement.

This Notice does not contain all of the terms of the proposed settlement or all of the details of these proceedings. For more detailed information, you may obtain the underlying documents and papers on file with the Court for a nominal fee at the San Diego Superior Court, Hall of Justice, located at 330 West Broadway, San Diego, California 92101, and/or by visiting the San Diego Superior Court website at <https://roa.sdcourt.ca.gov/roa/> and inputting the case number 37-2020-00016123-CU-OE-CTL. You may also contact Plaintiffs' counsel, whose contact information is above, and they will provide you with a copy of the settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.