KERN COUNTY SUPERIOR COURT

NOTICE OF CLASS ACTION SETTLEMENT

Jacob Sanchez v. Soli-Bond, Inc.

If you were employed by Soli-Bond, Inc. in California, a class action settlement may affect your rights.

<u>PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY</u>. The Superior Court for the County of Kern has authorized this notice in the matter of *Sanchez v. Soli-Bond, Inc.*, Case No. BCV-19-102195 (the "**Litigation**"). This is not a solicitation from a lawyer.

- Jacob Sanchez (called the "Plaintiff" in this notice), was employed in California by Soli-Bond, Inc. (called the "Defendant"). Plaintiff filed a class action lawsuit against Defendant on August 5, 2019, which is called the "Operative Complaint."
- In the Operative Complaint, Plaintiff claims that Defendant failed to pay all minimum wages and overtime wages due to non-exempt employees, failed to provide meal periods and rest periods, failed to provide accurate wage statements, failed to timely pay all wages after the end of employment, violated Unfair Competition Law, and is liable for civil penalties under the Private Attorneys General Act ("PAGA").
- Defendant disputes Plaintiff's claims. Defendant expressly and specifically denies violating any laws.
- For settlement purposes only, the Court has conditionally certified the Litigation to be a class action on behalf of all non-exempt employees employed by Defendant in California from August 5, 2015, through July 15, 2022 (the "Class Period").
- Your legal rights may be affected by this Settlement whether you act or do not act. Your options are explained in this notice. Thus, please read this notice carefully and in its entirety.

To request to be excluded from, or object to, this Settlement, you must act before June 5, 2023.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

(1) DO NOTHING	(1) Receive part of the Settlement.
	If you do not do anything upon receipt of this notice, you will receive a sum of money based on your dates of employment with Defendant; you will give up your right to sue for alleged violations and related claims released by the Settlement; you will have no right to appeal; and you will forfeit your right to bring or participate in a similar action against Defendant.
(2) OPT-OUT	(2) Opt-out or exclude yourself from the Settlement.
	If you make a valid and timely written request to be excluded from the Settlement, you will not receive any money from the Class portion of the Settlement, and you will not give up any rights you may have, except as to the PAGA portion of the Settlement.
(3) OBJECT	(3) Write to the Court about why you object to the Settlement.
	If you object to the Settlement, you can write to the Court about why you don't agree with the Settlement. You may also present oral objections to the Court at the Final Approval Hearing. The Court may or may not agree with your objection. If the Court approves the Settlement, you will still be bound by its terms.

THIS LEGAL NOTICE AFFECTS YOUR RIGHTS. PLEASE READ IT CAREFULLY.

WHAT THIS NOTICE CONTAINS

I.	BACKGROUND OF THE CASE	Page 2
II.	SUMMARY OF THE PROPOSED SETTLEMENT	Page 2
	A. What Are the Terms of the Settlement?	Page 2
	B. Who is Included in the Settlement?	Page 3
	C. How are Settlement Payments Calculated?	Page 3
	D. Your Settlement Calculation	Page 4
	E. Release	Page 4
III.	LEGAL RIGHTS AND OPTIONS OF CLASS MEMBERS	Page 4
	A. Do Nothing and Receive a Settlement Payment	Page 4
	B. Exclude Yourself from the Settlement	Page 4
	C. Object to the Settlement	Page 5
IV.	FINAL SETTLEMENT APPROVAL HEARING	Page 5
V.		

You are receiving this notice because the Superior Court for the County of Kern has granted preliminary approval to a class action settlement for settlement purposes only, and Defendant's records indicate that you may be a member of the settlement Class. As such, you may be eligible for compensation from this Settlement.

As a Class Member, your interests are being represented at no expense to you by Zachary Crosner, Jamie Serb, and Chad Saunders of Crosner Legal, P.C. ("Class Counsel"). You may also hire your own lawyer at your own expense.

I. BACKGROUND OF THE CASE

On August 5, 2019, Plaintiff Jacob Sanchez filed a complaint in Superior Court for the County of Kern ("<u>the Court</u>") on behalf of all current and former non-exempt employees employed by Defendant in the State of California (referred to as "<u>Class Members</u>"). The complaint made claims for: (1) Failure to Pay Minimum Wage for All Hours Worked; 2) Failure to Pay Wages for All Hours Worked at Overtime; 3) Failure to Provide Meal Periods; 4) Failure to Authorize or Permit Rest Periods; 5) Failure to Provide Adequate Seating; 6) Failure to Provide Sick Time; 7) Failure to Provide Complete and Accurate Wage Statements; 8) Failure to Pay All Wages Timely Upon Separation of Employment; 9) Unfair Business Practices; and 10) Violation of the Private Attorneys General Act ("PAGA").

The Parties thoroughly investigated the case. Plaintiff and Defendant were then able to agree on a Settlement of the case.

<u>Class Counsel believe the Settlement is fair, reasonable, and in the best interests of the Class.</u> Defendant expressly and specifically denies any liability or wrongdoing of any kind associated with the claims alleged in the Litigation. Defendant settled the Litigation in order to avoid costly, disruptive, and time-consuming litigation.

On March 8, 2023, the Court gave preliminary approval to the Settlement and conditionally certified the Settlement Class for settlement purposes only. The Court was not asked to make and did not make any ruling as to whether any violations by Defendant had occurred.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. What Are the Terms of the Settlement?

Defendants have agreed to pay \$296,000.00 to settle the Litigation ("Gross Settlement Amount"). The Gross Settlement Amount includes attorneys' fees and costs, costs of settlement administration, PAGA penalties, and the Class Representative's Enhancement Award.

The "Net Settlement Fund" is the remainder of the Gross Settlement Amount after the deductions have been made for the following items: (1) up to \$98,667.00 (one-third of the Gross Settlement Amount) for Class Counsel's attorneys' fees; (2) Class Counsel's actual litigation costs, not to exceed \$20,000; (3) the costs of settlement administration, not to exceed \$6,000; (4) \$7,500 to the California Labor and Workforce Development Agency ("LWDA") for the PAGA penalties; and (5) up to \$10,000.00 to Plaintiff for serving as a Class Representative.

B. Who is Included in the Settlement?

Included in the Settlement are all non-exempt employees employed by Defendant in California from August 5, 2015, through July 15, 2022.

C. How Are Settlement Payments Calculated?

Any Class Member who does not submit a written request to be excluded from the Settlement will have his or her "Settlement Payment" calculated as follows:

- i. Individual Settlement Share Calculation. 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 Defendant during the Class Period based on the Class data provided by Defendant, divided by (ii) the total number of weeks worked by all Participating Class Members during the Class Period based on the same Class data, which is then multiplied by the NSA. For the purposes of calculating each Class Member's total workweeks, every shift that a Class Member was scheduled to work for 24 hours shall be counted as one-half (1/2) of a workweek, resulting in a greater number of total workweeks for those Class Members who worked 24-hour shifts.
- **ii. Previous Payments to Class Members**. For those Class Members to whom Defendant previously made payments in relation to the Released Claims, their Individual Settlement Payments will be reduced by the amounts previously paid. Defendant shall identify such Class Members and the amounts previously paid to them when transmitting the list of Class Members to the Settlement Administrator.
- **iii.** Individual PAGA Payment Share Calculation. Each PAGA Member will receive a proportionate share of 25% of the PAGA Payment which equals (i) the number of weeks he or she worked for Defendant during the PAGA Period in California based on the Class data provided by Defendant, divided by (ii) the total number of weeks worked by all PAGA Members during the PAGA Period based on the same Class data, which is then multiplied by 25% of the PAGA Payment. One day worked in a given week will be credited as a full week for purposes of this calculation.
- **iv.** Tax Treatment of Settlement Payments: Twenty-five percent (25%) of each Settlement Payment will be designated as wages, which shall be reduced by your lawful deductions and withholdings. You will also receive a W-2 form for the wages portion. Seventy-five percent (75%) of each Settlement Payment will be allocated to penalties and interest for which you will receive a 1099 form.

D. Your Settlement Calculation

Your Settlement Payment is estimated to be \$[amount], based on the following dates of employment as reflected in Defendant's records, and the calculations described above:

[insert start date(s) and end date(s) of employment and number of pay periods].

If you do not opt-out of the Settlement, then you will receive a check for your Settlement Payments. Your check will be void if you do not cash or deposit your check within 180 days following the issuance of the check. Whether or not you cash or deposit your check, you will be bound by the Settlement and will be deemed to have waived irrevocably any right or claim to your Settlement share and/or to appeal the approval of the Settlement. After the expiration of 180 days, the sum of any uncashed/undeposited checks shall be deposited with the California Unclaimed Property division.

E. Release of Claims Against Defendant.

Upon the Final Approval of the Settlement by the Court, Plaintiff and all members of the Settlement Class who do not submit timely requests for exclusion (described below) will be deemed to have fully released and discharged Defendant and its past, present and/or future, direct and/or indirect, officers, directors, employees, representatives, administrators, attorneys, agents, parent companies, subsidiaries and affiliated corporations and entities, consultants, shareholders, joint ventures, predecessors, successors, and/or assigns (collectively, the "Released Parties"), from all claims asserted in the original Complaint or any amendment thereto ("Complaint") or that could have been asserted in the Complaint, including claims for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to provide accurate wage statements; (6) failure to pay all wages due at termination; (7) violation of the Unfair Competition Law; and (8) civil penalties for violation of PAGA; and potential claims reasonably arising out of or reasonably relating to the same set of operative facts and/or factual allegations pled therein.

Only those Class Members who were employed during the PAGA Period, will release their claims for PAGA penalties.

These claims are referred to in this Notice as the "Released Claims." For more information regarding the scope of the release, please read the Settlement Agreement available at https://www.phoenixclassaction.com/sanchez-v-soli-bond/

III. LEGAL RIGHTS AND OPTIONS OF CLASS MEMBERS

A. Option 1: Do Nothing and Receive a Settlement Payment.

You do not need to do anything in order to receive a Settlement Payment. If you do nothing, you will automatically be included in the Settlement and will receive a Settlement Payment so long as the Settlement is approved and becomes Final. As set forth above, your Settlement Payment will be based upon whether you worked during the Class Period and, if so, the number of pay periods you worked during the Class Period.

Please keep your address current! To assist the Court and the parties in maintaining accurate lists of Class Members, please mail notice of any change in your address to the Settlement Administrator (address below), or call (800) 523-5773. Please say that you are a part of the Sanchez v. Soli-Bond Settlement Class.

Option 2: Exclude Yourself from the Settlement. B.

IMPORTANT: You will be bound by the terms of the Settlement unless you submit a timely and signed written request to be excluded from the Settlement. To exclude yourself from the Settlement, you must mail your request for exclusion, postmarked no later than June 5, 2023, to:

> Phoenix Settlement Administrators P.O. Box 7208 Orange, CA 92863

Your request for exclusion must contain your full name and a statement that you wish to be excluded. Your request for exclusion must be returned by mail to the Settlement Administrator at the address above and must be postmarked on or before June 5, 2023. If you request exclusion, you will not be excluded from the PAGA Subclass. If you request exclusion, you will still be entitled to receive your share of the PAGA portion of the Settlement, if any, and will still be bound by the PAGA portion of the Settlement if you are a member of the PAGA Subclass.

C. **Option 3: Object to the Settlement.**

Any Settlement Class Member who has not submitted a request for exclusion may object to the terms of the Settlement. You may object to the proposed settlement in writing and/or orally at the Final Approval Hearing. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing should: (1) clearly identify the case name and number (Sanchez v. Soli-Bond, Inc., Case No. BCV-19-102195); and (2) be mailed to the Settlement Administrator postmarked on or before June 5, 2023. A Settlement Class Member may appear personally or through an attorney, at his or her own expense, at the Final Approval Hearing to present his or her objection directly to the Court.

COUNSEL FOR THE PARTIES

CLASS COUNSEL

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YOU MAY OBJECT TO THE SETTLEMENT AND STILL RECEIVE YOUR SHARE OF THE NET SETTLEMENT AMOUNT. IF THE COURT APPROVES THE SETTLEMENT DESPITE YOUR OBJECTIONS, YOU WILL RECEIVE YOUR SHARE OF SETTLEMENT PROCEEDS.

NO MATTER WHICH OPTION YOU CHOOSE, DEFENDANT WILL NOT RETALIATE AGAINST YOU.

IV. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing on June 23, 2023, at 8:30 a.m., in Department 1 at 1215 Truxtun Ave., Bakersfield, CA 93301, Hon. J. Eric Bradshaw, presiding, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The hearing may be continued or rescheduled without further notice to Class Members. You can check whether the Final Approval Hearing has been continued or rescheduled by visiting https://www.phoenixclassaction.com/sanchez-v-solibond/ or through the Court's website: https://portal.kern.courts.ca.gov/, and then entering the case number for this action, BCV-19-102195.

You may attend the Final Approval Hearing but are not required to do so. Written objections will be considered at the Final Approval Hearing whether or not the person objecting appears at the hearing. If you object and wish to appear at the Final Approval Hearing, you may appear personally or through counsel hired at your own expense, as long as you provide the Court with timely notice of your intent to appear.

At no expense to you, Class Counsel will represent your interests as a Class Member. Or, you may hire your own lawyer at your own expense.

V. ADDITIONAL INFORMATION

This Notice is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you may read the detailed Settlement Agreement, which is available at https://www.phoenixclassaction.com/sanchez-v-soli-bond/. You may also access Plaintiff's Motion for Preliminary Approval, Plaintiff's Motions for Final Approval and Attorneys' Fees (when available), and other important documents related to this case, at the above website. If you have any questions regarding this Notice, the Settlement, or the Litigation, you may contact Class Counsel.

DO NOT TELEPHONE THE COURT OR DEFENSE COUNSEL