

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Contreras v. Riley Electric, Inc., San Bernardino Superior Court Case No. CIVSB2132328

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Riley Electric, Inc. ("REI") for alleged wage and hour violations. The Action was filed by a former REI employee, Thomas Contreras ("Plaintiff"), and seeks payment of alleged unpaid wages and other relief under the California Labor Code for a class of non-exempt hourly employees ("Class Members") who worked for REI during the Class Period of November 18, 2017 to July 7, 2023. REI denies the allegations and contends it has complied with all wage and hour requirements and all state and federal laws, but has nevertheless agreed to settle this matter in order to facilitate undistracted operation of its business and avoid the burden of further costly litigation.

The proposed Settlement is a Class Settlement requiring REI to fund Individual Class Payments. Based on REI's records, and the Parties' current assumptions, your Individual Class Payment is estimated to be \$<<Est Set Amt>> (less withholding). The actual amount you may receive likely will be different and will depend on a number of factors. The above estimates are based on REI's records showing that you worked <<Total Shifts>> work shifts during the Class Period. If you believe that you worked more work shifts during this period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires REI to make payments under the Settlement and requires Class Members to give up their rights to assert certain claims against REI.

If you worked for REI during the Class Period, you have two basic options under the Settlement:

- (1) Do Nothing. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims against REI.
(2) Opt-Out of the Class Settlement. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against REI.

REI will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

Table with 2 columns: Question/Topic and Answer/Details. Rows include: 'You Don't Have to Do Anything to Participate in the Settlement', 'You Can Opt-out of the Class Settlement', 'The Opt-out Deadline is October 23, 2023.', 'Participating Class Members Can Object to the Class Settlement', and 'Written Objections Must be Submitted by October 23, 2023.'

<p><b>You Can Participate in the January 4, 2024 Final Approval Hearing</b></p>	<p>The Court’s Final Approval Hearing is scheduled to take place on January 4, 2024, at 9:00 a.m. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>
<p><b>You Can Challenge the Calculation of Your Work Shifts</b></p> <p><b>Written Challenges Must be Submitted by October 23, 2023</b></p>	<p>The amount of your Individual Class Payment depends on how many work shifts you worked during the Class Period. The number Work Shifts you worked according to REI’s records is stated on the first page of this Notice. If you disagree with this number, you must challenge it by October 23, 2023. See Section 4 of this Notice.</p>

**1. WHAT IS THE ACTION ABOUT?**

Plaintiff is a former REI employee. The Action accuses REI of violating California labor laws by failing to pay all wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks, and accurate itemized wage statements. Plaintiff is represented by attorneys in the Action: Katherine J. Odenbreit and Laura Theriault of Mahoney Law Group, APC (“Class Counsel”).

REI strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

**2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?**

So far, the Court has made no determination whether REI or Plaintiff is correct on the merits. In the meantime, Plaintiff and REI hired Steve Pearl, an experienced, neutral mediator, in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and REI have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, REI does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) REI has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

**3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?**

1. REI will Pay \$100,000.00 as the Gross Settlement Amount (Gross Settlement). REI has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, and the Administrator’s expenses. Assuming the Court grants Final Approval, REI will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
  - A. Up to \$33,333.33 (33.33% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$9,500.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
  - B. Up to \$5,000.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment.
  - C. Up to \$6,000.00 to the Administrator for services administering the Settlement.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.
3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Work Shifts.

4. Taxes Owed on Payments to Class Members. Plaintiff and REI are asking the Court to approve an allocation of 33.33% of each Individual Class Payment to taxable wages (“Wage Portion”) and 66.67% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. REI will separately pay employer payroll taxes owed on the Wage Portion to the Administrator. The Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and REI have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be irrevocably lost to you because they will be redistributed to the remaining Participating Class Members.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than October 23, 2023, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the October 23, 2023, Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against REI.
7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and REI have agreed that, in either case, the Settlement will be void: REI will not pay any money and Class Members will not release any claims against REI.
8. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Work Shifts, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement.

The Administrator’s contact information is contained in Section 9 of this Notice.

9. Participating Class Members’ Release. After the Judgment is final and REI has fully funded the Gross Settlement and separately paid all employer payroll taxes owed on the Wage Portion to the Administrator, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against REI or related entities for wages based on the Class Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, or that could have been ascertained in the course of the Action, including, without limitation, any and all claims for unpaid wages, unpaid overtime, meal or rest period violations, meal or rest period premiums, wage statement violations, unreimbursed business expenses, waiting time penalties, and unfair business practices. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

#### **4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Work Shifts worked by all Participating Class Members, and (b) multiplying the result by the number of Work Shifts worked by each individual Participating Class Member.
2. Work Shift Challenges. The number of Class Work Shifts you worked during the Class Period, as recorded in REI’s records, are stated in the first page of this Notice. You have until October 23, 2023, to challenge the number of Work Shifts. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator’s contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept REI's calculation of Work Shifts based on REI's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Work Shift challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and REI's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

## 5. HOW WILL I GET PAID?

Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out).

**Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.**

## 6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Contreras v. Riley Electric, Inc.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by October 23, 2023, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

## 7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and REI are asking the Court to approve. At least 16 days before the January 4, 2024, Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website: <https://www.phoenixclassaction.com/riley-electric/> or the Court's website: [www.sb-court.org](http://www.sb-court.org).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is October 23, 2023.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Contreras v. Riley Electric, Inc.* and include your name, current address, telephone number, and approximate dates of employment for REI and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

## 8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on January 4, 2024, at 9:00 a.m. in Department S26 of the San Bernardino Superior Court, located at 247 West Third Street, San Bernardino, CA 92415. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comments from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website <https://www.phoenixclassaction.com/riley-electric/> beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

## **9. HOW CAN I GET MORE INFORMATION?**

The Agreement sets forth everything REI and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Phoenix Class Action Administration Solutions' website at <https://www.phoenixclassaction.com/riley-electric/>. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Superior Court website by going to <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales> and entering the Case Number for the Action, Case No. CIVSB2132328.

### **DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.**

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Long Beach, CA 90802

(562) 590-5550

#### Settlement Administrator:

Phoenix Class Action Administration Solutions:

[info@phoenixclassaction.com](mailto:info@phoenixclassaction.com):

P.O. Box 7208

Orange, CA 92863

(800) 523-5773

## **10. WHAT IF I LOSE MY SETTLEMENT CHECK?**

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

## **11. WHAT IF I CHANGE MY ADDRESS?**

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.