

NOTICE OF CLASS ACTION SETTLEMENT
Israel Padron v. Golden State Phone & Wireless
U.S. District Court Case No. 15:16-cv-04076-BLF (N.D. Cal.)

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU ARE OR WERE EMPLOYED BY GOLDEN STATE PHONE & WIRELESS (“GSP”) IN A NONEXEMPT HOURLY POSITION AT ANY TIME BETWEEN JULY 20, 2012 AND OCTOBER 20, 2016, THIS CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (“the Settlement”) has been reached in a class action lawsuit titled *Israel Padron v. Golden State Phone & Wireless*, U.S. District Court Case No. 15:16-cv-04076-BLF (N.D. Cal.) (“the Action”). The purpose of this Notice of Class Action Settlement (“Notice”) is to briefly describe the Action, and to inform you of your rights and options in connection with the proposed Settlement. The proposed Settlement will resolve all California claims in the Action on a class-wide basis and also will resolve the federal claims alleged in the Action for those who opt in to that portion of the Settlement.

A hearing concerning the Settlement will be held before the Hon. Beth Labson Freeman on April 19, 2018 at 1:30 pm in Courtroom 3, Fifth Floor, of the United States District Court for the Northern District of California, located at 280 South 1st Street, San Jose, California, 95113, to determine whether the Settlement is fair, adequate and reasonable.

As a class member, you are eligible to receive an individual settlement payment under the Settlement and will be bound by the release of claims described in this Notice and the settlement agreement filed with the court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be considered part of the California Commission Overtime Subclass, and you will receive a settlement payment as explained more fully below. You will not participate in the FLSA Commission Overtime Subclass, and you will not receive a payment under that portion of the settlement. You also will give up rights to pursue a separate legal action against GSP, as explained more fully below.
OPT IN TO THE SETTLEMENT OF THE FEDERAL CLAIMS	If eligible, you must return the FLSA Consent Form. You will then be included in the FLSA Commission Overtime Subclass, and will receive an additional settlement payment. You may participate in both the California Commission Overtime Subclass and the FLSA Commission Overtime Subclass. However, if you do not return the FLSA Consent Form by the deadline, you will not receive a payment under that portion of the settlement.
EXCLUDE YOURSELF FROM THE CALIFORNIA SETTLEMENT SUBCLASS	You have the option to pursue separate legal action against Defendant about the claims in this lawsuit. If you choose to do so, you must exclude yourself, in writing, from the Settlement. As a result, you will not receive any benefits under the Settlement.
OBJECT	To object to the Settlement, you must write to the Court about why you don’t like the Settlement. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following Settlement Classes:

California Commission Overtime Subclass: All hourly, non-exempt employees who worked at any of GSP’s locations in California between July 20, 2012 and October 20, 2016, and who both worked

overtime and earned a nondiscretionary commission in the same pay period at least once between July 20, 2012 and October 20, 2016.

FLSA Commission Overtime Subclass: All hourly, non-exempt employees who worked at any of GSP's locations throughout the United States between July 20, 2013 and October 20, 2016 who opt in, and who both worked overtime and earned a nondiscretionary commission in the same pay period at least once between July 20, 2013 and October 20, 2016.

According to GSP's records, you are a "Class Member," meaning you are a member of the California Commission Overtime Subclass, and you also may be eligible to participate in the FLSA Commission Overtime Subclass.

What is this case about?

In the Action, Plaintiff Israel Padron ("Plaintiff") alleges, on behalf of himself and the Class, that GSP failed to pay employees all overtime wages in full as a result of miscalculating the regular rate of pay. Based on the foregoing, Plaintiff contends that Defendant is further liable to Plaintiff and Class Members because it: (i) issued deficient wage statements; (ii) failed to pay all wages owing at the time of termination; (iii) and engaged in non-compliant business practices. Plaintiff additionally alleges that GSP is liable for civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor sections 2698 et seq. ("PAGA"), and the Fair Labor Standards Act ("FLSA"), 29 U.S.C. § 201 et seq. In the Action, Plaintiff seeks unpaid wages, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys' fees, and costs.

Defendant denies all liability and asserts legal and factual defenses to these claims, but Defendant recognizes the risks, distractions, and costs associated with litigation. Defendant contends that its conduct is and has been lawful at all times relevant, and that Plaintiff's claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiff and Defendant ("the Parties"), through their attorneys, and is not an admission of liability on the part of Defendant. The Parties agree that, in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Hernaldo J. Baltodano
Erica Flores Baltodano
Matthew K. Moen
Baltodano & Baltodano LLP
733 Marsh Street, Suite 110
San Luis Obispo, CA 93401
(805) 322-3412

Defense Counsel

Jonathan Fraser Light
Glenn J. Dickinson
LIGHTGABLER
760 Paseo Camarillo, Suite 300
Camarillo, CA 93010
(805) 248-7208

What are the Settlement terms?

Subject to final Court approval, GSP will pay \$150,000.00 ("the Gross Settlement Amount") in two payments of \$75,000 each, to be made on April 26, 2018 and March 2, 2019. The Gross Settlement Amount will cover: (a) Individual Settlement Payments to Class Members who participate in the settlement; (b) the Court-approved Service Award to Plaintiff; (c) the costs of administering the Settlement; (d) Plaintiff's attorneys' fees and costs; and (e) payment to the California Labor and Workforce Development Agency ("LWDA") for its portion of PAGA civil penalties.

Individual Settlement Payments. After deduction from the Gross Settlement Amount for the Service Award to Plaintiff, the costs of administering the Settlement, Class Counsel's attorneys' fees and costs, and PAGA payment to the LWDA, there will be a Net Settlement Amount. From this Net Settlement Amount, GSP will make an Individual Settlement Payment to each Class Member who does not request to be excluded from the Settlement ("Participating Class Members"). The Net Settlement Amount shall be divided among the Class Members based on the following methodology:

1. All members of the California Commission Overtime Subclass who do not submit timely, valid Requests for Exclusion shall receive the full amount of commission overtime owed plus interest, according to Defendant's calculations based on the assumption that Plaintiff's liability theory is correct. You do not need to submit a FLSA Consent Form to recover this amount.
2. All members of the FLSA Commission Overtime Subclass who submit timely, valid FLSA Consent Forms will receive an additional payment of liquidated damages equal to the amount of commission overtime owed plus interest as calculated in paragraph 1 above. You must submit a FLSA Consent Form to recover this amount.
3. All Participating California Commission Overtime Subclass Members who received allegedly unlawful wage statements from July 20, 2015 through October 20, 2016 shall receive a pro rata share of 25 percent of the amount remaining after deduction of the commission overtime and FLSA payments to Participating Class Members (paragraph 1 and 2 above).
4. All former employees of Defendant who are Participating California Commission Overtime Subclass Members and who separated their employment from Defendant between July 20, 2013 and October 20, 2016 shall receive a pro rata share of 75 percent of the amount remaining after deduction of the commission overtime and FLSA payments to Participating Class Members (paragraph 1 and 2 above).

Your estimated Individual Settlement Payment is listed on the Individual Form enclosed in this Notice Packet.

If a Participating Class Member's settlement check remains uncashed 180 days after mailing by the Claims Administrator, those unclaimed funds shall be paid to the state Department of Industrial Relations in the Class Member's name. In such event, the Class Member will remain bound by the terms of the Settlement and all Court orders.

For tax reporting purposes, 10 percent of the payments to Participating Class Members shall be allocated to wages, and 90 percent shall be allocated to penalties and interest. The Claims Administrator shall be responsible for issuing Participating Class Members a form W-2 for amounts allocated to wages and a form 1099 for amounts allocated to penalties and interest.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Participating Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Attorneys' Fees and Costs, Class Representative's Service Award, and Settlement Administration Costs. Class Counsel is requesting 25 percent of the Gross Settlement Amount, or \$37,500.00, in attorneys' fees, and up to \$10,000.00 for reimbursement of verified costs incurred in the Action. Class Counsel will ask the Court to authorize a Class Representative Service Award payment of up to \$5,000.00 for Plaintiff for his efforts in prosecuting the case on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed \$15,000.00.

What claims are being released by the proposed Settlement?

Upon the Effective Date, Plaintiff and each Participating Class Member shall be deemed to have fully, finally, and forever released Defendant from all Released Claims from July 20, 2012 and October 20, 2016 ("Release Period"). "Released Claims," as to each Participating Class Member, means any and all claims under California law for: (i) failing to pay employees all commission overtime wages as a result of miscalculating the regular rate of pay; (ii) failing to issue wage statements that comply with Labor Code § 226; (iii) failing to pay all final wages at the time of separation from employment; and (iv) PAGA civil penalties resulting from the foregoing alleged violations. As to Participating Class Members who opt in to the FLSA Commission Overtime Subclass, "Released Claims" will also include claims under the Fair Labor Standards Act, 29 U.S.C. § 201 et seq. The release applies to Defendant, and any former and present parent, subsidiary, and affiliate, and all their officers, directors, employees, partners, shareholders and agents, and any other successors, assigns, or legal representatives.

What are my options in this matter?

You have two initial options under this Settlement. You may: (A) participate in the Settlement and receive an Individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to participate in the Settlement and be eligible to receive an Individual Settlement Payment as a member of the California Commission Overtime Subclass, **you do not need to take any action.** If you wish to also be included in the FLSA Commission Overtime Subclass and thus receive an additional payment in connection with that portion of the Settlement, you must return the FLSA Consent Form included in this Notice Packet only if you are eligible to be included. By remaining in the California Commission Overtime Subclass, you consent to the release of the Released Claims under California law as described above. By opting into the FLSA Commission Overtime Subclass, you additionally consent to the release of all claims under the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you must submit a written brief or statement of objection to the Claims Administrator at Padron v. Golden State Phone & Wireless Settlement, CPT Group, Inc. 50 Corporate Park, Irvine, CA 92606. The Notice of Objection must: (1) state your full name; (2) state the grounds for the objection; (3) be signed by you; and (4) must be postmarked on or before December 15, 2017 and returned to the Claims Administrator at the address just listed. You also can hire an attorney at your own expense to represent you in connection with your objection. Any Class Member who does not timely object in the manner described above shall be deemed to have waived any objections, and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Court does not grant final approval of the Settlement.**

OPTION B. If You Do Not Want to Be Bound by the Settlement. If you do not want to be part of the Settlement, you must submit a Request for Exclusion (which is included in this Notice Packet) to the Claims Administrator at Padron v. Golden State Phone & Wireless Settlement, CPT Group, Inc. 50 Corporate Park, Irvine, CA 92606. In order to be valid, your Request for Exclusion must be signed and postmarked on or before December 15, 2017. If you do not timely submit a signed Request for Exclusion (as evidenced by the postmark), your Request for Exclusion will be rejected, you will be deemed a Participating Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you timely submit a signed Request for Exclusion, you will have no further role in the Action, you will not be entitled to any benefit as a result of the Action and Settlement, and you will not be entitled to or permitted to assert an objection to the Settlement. If you exclude yourself from the Settlement, you will have the right to retain counsel of your choice and assert any claims against the defendant you may have.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, the Class Representative Service Award to Plaintiff, the award of attorneys' fees and costs, and the settlement administration costs on April 19, 2018 at 1:30 pm in Courtroom 3, Fifth Floor, of the United States District Court for the Northern District of California, located at 280 South 1st Street, San Jose, California, 95113. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an Individual Settlement Payment.

If the Court grants final approval of the Settlement, notice of final judgment will be posted on the Settlement Administrator's website at www.cptgroup.com/GoldenStatePhoneSettlement

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Settlement Agreement. The Settlement Agreement and all other records relating to the lawsuit are available for inspection and/or copying at the civil records office of the United States District Court for the Northern District of California. You may also request a copy of the Settlement Agreement from Class Counsel, at the address and telephone number listed above.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.