

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Smith v. Grundfos, No. 20CECG00674
Superior Court of the State of California for the County of Fresno

**THIS IS A COURT-AUTHORIZED NOTICE.
YOU ARE NOT BEING SUED.
PLEASE READ THIS NOTICE CAREFULLY ABOUT YOUR LEGAL RIGHTS.**

To: “**Class Members**” defined as all current and former non-exempt, hourly paid employees who worked for any of the following Defendants -- Grundfos Americas Corporation, Grundfos CBS Inc., Grundfos Pumps Corporation, Grundfos Pumps Manufacturing Corporation, Grundfos U.S. Holding Corporation, and SFS Holding, Inc. (dba Peerless Pump Company) (“**Defendants**”) -- at any time in the State of California from February 24, 2016 through August 5, 2021 (the “**Class Period**”).

GENERAL INFORMATION

1. Why did I get this notice?

The Court has preliminarily approved a settlement of the class action lawsuit, *Smith v. Grundfos*, No. 20CECG00674 (Superior Court of the State of California for the County of Fresno) (the “**Action**”). You received this notice because Defendants’ records show that **you are a Class Member** and thus entitled to a payment from the settlement. This notice explains the Action, the Settlement Agreement, your legal rights, your eligibility for benefits, and how you obtain them.

2. What is this Action about?

The Action claims that Defendants violated sections of the California Labor Code and the California Business and Professions Code. Specifically, Plaintiffs’ Second Amended Complaint alleges that Defendants failed to pay all wages, including overtime and minimum wages, failed to provide compliant meal and rest breaks, failed to pay final wages upon termination, failed to provide compliant wage statements, and failed to reimburse for all business expenses. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“**PAGA**”) based on the claims pleaded in Plaintiff’s Second Amended Complaint. Defendants deny the allegations in the Action and contend that it complied with the law. The Court has not made a ruling on the merits of the case.

3. Why is this a class action?

In a class action, an individual called a Class Representative (in this case, Plaintiff Ryan Smith) sues on behalf of people who appear to have similar claims, in this case the Class Members. One court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Action is before the Superior Court of the State of California for the County of Fresno (the “**Court**”).

4. Do I have a lawyer in this case?

The Court has appointed Class Counsel listed below to represent your interests in this case: Raul Perez and Bevin Allen Pike of Capstone Law APC.

5. What is the settlement amount and how will the Individual Settlement Payment be calculated?

The Settlement provides that Defendants will pay a maximum of \$1,200,000 (the “**Maximum Settlement Amount**”). The “**Net Settlement Amount**” is the portion of the Maximum Settlement Amount that will be available for distribution to Class Members who do not exclude themselves from the settlement (“**Settlement Class Members**”). The Net Settlement Amount is the Maximum Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed one-third of the Maximum Settlement Amount, or \$400,000.
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed \$20,000.

- C. **Service Payments to the Class Representative** of \$10,000.
- D. **Settlement Administration Costs** which are currently estimated to be \$15,000.
- E. **PAGA Payment to the LWDA** of \$60,000.

The portion of the Net Settlement Amount that you are eligible to claim (“**Individual Settlement Payment**”) will be determined on a proportional basis, based on the number workweeks you worked in California as a Class Member for Defendant during the Class Period, which is from February 24, 2016 through August 5, 2021 (“**Workweeks**”).

Your Individual Settlement Payment will be apportioned as twenty-five percent (25%) for wages and seventy-five percent (75%) for penalties and interest. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee and will be reported on a W-2 Form. Employer-side payroll taxes will be paid separately. The penalties and interest portions of each Individual Settlement Payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

6. How much will my Individual Settlement Payment be?

You worked <<WorkWeeks>> Workweeks as a Class Member during the Class Period. Your estimated Individual Settlement Payment is \$<<EstSettAmt>>. The amount of your Settlement Payment may change depending on the number of timely and valid Requests for Exclusions submitted in the settlement, if any. This amount is only an estimate. The actual Individual Settlement Payment you receive may be slightly more or less than the estimated amount shown.

Your estimated Individual Settlement Payment was determined based on your timekeeping records with Defendant during your employment during the Class Period.

7. What do I do if I think the calculation of my Workweeks are wrong?

If you dispute the accuracy of the calculation of the number of weeks you worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting your position. Submission of your documentation must be postmarked by April 20, 2023 (the “**Response Deadline**”). All disputes regarding your Workweeks will be resolved and decided by the Settlement Administrator, and the Settlement Administrator’s decision on all disputes will be final. The Settlement Administrator’s contact information is listed below:

Smith v. Grundfos Pumps Manufacturing Corporation, et al.
 c/o CPT Group Inc.
 50 Corporate Park
 Irvine, CA 92606
 Telephone: 1 (888) 690-1449

HOW CAN I GET A PAYMENT?

8. How do I get my Individual Settlement Payment?

You do not need to do anything to get your Individual Settlement Payment after the Court approves the Settlement. You must notify the Settlement Administrator of any change or correction in your contact information. **It is your responsibility to keep the Settlement Administrator informed of any change in your address**, which you can do by using the enclosed Change of Address Form.

9. What am I giving up to get an Individual Settlement Payment?

Unless you exclude yourself, you remain in the Class, which means that you will not be able to sue or be part of any other lawsuit against the “Released Parties” for any of the “Released Claims” in this Action. Specifically, you will be giving up or “releasing” the “Released Claims” described below:

“**Released Claims**” means all claims, causes of action, as well as factual or legal theories alleged in the Action, or reasonably could have been alleged based on the alleged facts and legal theories in the Action, including all of the following legal claims: all claims alleged in the Action, including any and all claims for unpaid wages, all claims in the Second Amended Complaint alleging that Defendants violated the Fair Labor Standards Act (FLSA), claims for minimum, overtime, and double-time wages, the alleged failure to pay for all time worked, the alleged failure to pay for all hours

worked at correct rates, including overtime at the correct rates; any and all claims for meal period violations, including claims for late, short, interrupted and/or missed meal periods and/or the failure to pay premiums, and the alleged failure to properly record meal breaks; any and all claims for rest break violations, including claims for late, short, interrupted and/or missed rest breaks and/or the failure to pay premiums; any and all claims for unreimbursed expenses, including, but not limited to, expenses incurred for personal cell phone usage and mileage; any and all claims for improper or inaccurate itemized wage statements, including any alleged violations of Labor Code Section 226(a)(1)-(9), and including claims for injuries suffered therefrom; any and all claims for waiting time penalties under Labor Code Section 203 based on the facts, claims, causes of action, or legal theories alleged in the Action; any and all claims regarding the alleged failure to maintain required records in violation of Labor Code §§ 226, 1174, 1198, 2810.5, and IWC Wage Order No. 1-2001, § 7; any and all claims for civil penalties under the Labor Code Private Attorneys General Act of 2004, Labor Code Section 2699 et seq. (“PAGA”) premised on the facts, claims, causes of action, or legal theories alleged in the PAGA Letter; any and all claims under the Business & Professions Code (including Section 17200 et seq.) premised on the facts, claims, or legal theories alleged in the Action; any other claims or penalties under the wage and hour laws pleaded in the Action; and all damages, penalties, interest and other amounts recoverable under all Claims under California and federal law, to the extent permissible, including but not limited to the FLSA and the California Labor Code as to the facts and theories alleged in the Action, and the applicable Wage Orders as to the facts and theories alleged in the Action (collectively, the “Released Claims.”). Released Claims also means that all Settlement Class Members will be bound by a limited Civil Code Section 1542 waiver that releases all Claims against Defendants, whether known or unknown, within the definition of the defined Released Claims, irrespective of the factual or legal basis for such claims. The scope of the Section 1542 waiver is limited to the Released Claims.

“Released Parties” shall mean Grundfos Americas Corporation, Grundfos CBS Inc., Grundfos Pumps Corporation, Grundfos Pumps Manufacturing Corporation, Grundfos U.S. Holding Corporation, and SFS Holding, Inc. (dba Peerless Pump Company) (“Defendants”), as well as the Defendants’ past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

EXCLUDING YOURSELF FROM THE SETTLEMENT

10. **How do I exclude myself from the settlement?**

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Claims, then you must submit a Request for Exclusion in conformity with the requirements described here. If you exclude yourself, you will not receive an Individual Settlement Payment.

To exclude yourself from the Settlement Agreement, you must submit a signed written Request for Exclusion. The statement (1) must state in substance: “I wish to opt out of the Settlement Agreement of the class action lawsuit entitled *Smith v. Grundfos Pumps Manufacturing Corporation*, No. 20CECG00674 (Superior Court of the State of California for the County of Fresno), (2) must contain your name, address, and the last four digits of your social security number and/or Employee ID number, (3) must be signed by you, and (4) must be mailed to the Settlement Administrator at the address listed below, post-marked by April 20, 2023. You cannot exclude yourself by phone.

Smith v. Grundfos Pumps Manufacturing Corporation, et al.

c/o CPT Group Inc.

50 Corporate Park

Irvine, CA 92606

Telephone: 1 (888) 690-1449

Requests for Exclusion which are postmarked after the Response Deadline shall not be accepted.

11. **If I don’t exclude myself, can I sue Defendant for the same thing later?**

No. Unless you submit a Request for Exclusion, you give up the right to sue Defendant and Released Parties for the Released Claims. If you have a pending lawsuit involving Released Claims, speak to your lawyer immediately.

12. How do I tell the Court that I don't like the settlement?

You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

The Court will consider your views. To make a written objection, you may mail your objection to the Settlement Administrator no later than April 20, 2023. Your objection must be signed and include your full name, address, the name of this case and case number (provided above), the last four digits of your social security number and/or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on June 7, 2023 at 3:30 PM if you wish to make an objection even if you do not submit a written objection.

13. What is the difference between objecting and being excluded?

Objecting is telling the Court that you do not like something about the settlement. You may only object if you remain a Settlement Class Member. Excluding yourself is telling the Court that you do not want to be a Settlement Class Member. If you exclude yourself, you cannot object.

THE COURT'S FINAL APPROVAL HEARING**14. When and where will the Court decide whether to approve the Settlement?**

The Court will hold the Final Approval Hearing at 3:30 PM on June 7, 2023, at the B.F. Sisk Courthouse, Department 503, 1130 O Street, Fresno, CA 93724.

At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the settlement. If there are objections, the Court may consider them.

The Final Approval Hearing may be continued to a different date or time or changed to a different location without further notice to the Class. You may contact Class Counsel, listed below in this Class Notice, to inquire into the date, time, and location of the Final Approval Hearing.

15. Do I have to come to the hearing?

No. If you agree to the settlement, you do not have to come to Court to talk about it. You have a right to attend the hearing, but you are not required to attend. You may also retain your own lawyer at your expense to attend on your behalf. If you would like to attend the Final Approval Hearing remotely, you will need to contact CourtCall at 1 (888) 882-6878.

16. How will I learn if the settlement is approved?

A notice of final judgment will be posted on the Settlement Administrator website located at <https://www.cptgroupcaseinfo.com/GrundfosSettlement>.

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Net Settlement Amount, and you will release the Released Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or any of the Released Parties about the Released Claims during the Class Period.

GETTING MORE INFORMATION**18. Who may I contact if I have questions about the Settlement?**

This notice summarizes the proposed Settlement Agreement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by contacting the Settlement Administrator or Class Counsel, by visiting the Settlement Administrator website located at <https://www.cptgroupcaseinfo.com/GrundfosSettlement> or by reviewing the Settlement

Agreement and other documents filed in this matter online by entering the case number 20CECG00674 on the Court's website: <https://publicportal.fresno.courts.ca.gov/FRESNOPORTAL/Home/Dashboard/29> and then clicking the link to access document images for the case.

Please **do not** contact the following for information: the clerk of the Court, the Judge, or any managers, supervisors, or attorneys for the Defendants.

ADDITIONAL IMPORTANT INFORMATION

19. **Defendants supports the settlement and will not retaliate in any manner whatsoever** against any Class Member, whether they choose to stay in the Class as a Settlement Class Member and receive an Individual Settlement Payment, or request to be excluded from the Settlement, or object to the settlement.
20. **It is your responsibility to ensure that the Settlement Administrator has your current mailing address and telephone number on file**, as this will be the address where your Individual Settlement Payment will be sent. If you no longer receive mail at the address where this Notice was mailed, you may use the enclosed Change of Address Form to notify the Settlement Administrator of your current mailing address and telephone number.
21. **Individual Settlement Payment checks must be cashed soon after receipt.** If the Settlement Agreement is approved, you will be mailed your Individual Settlement Payment. The check will remain valid for 180 days after the date it is issued. If you do not cash the check within 180 days, these funds will be sent to the California State Controller and held by the State Controller's Office Unclaimed Property Fund on your behalf.