

NOTICE OF SETTLEMENT OF CLASS ACTION

Charlie Hear v. International Paving Services, Inc.

**Superior Court of the State of California, County of San Bernardino Case No. CIVSB2133787
LWDA Case No. LWDA-CM-856443-21**

To: All current and former non-exempt hourly employees employed by International Paving Services, Inc. (the “Company”) in California at any time between December 8, 2017 through March 20, 2024 (the “Class”) and all current and former non-exempt employees employed by International Paving Services, Inc., at any time between December 7, 2020 through March 20, 2024 (the “Aggrieved Employees”):

THIS NOTICE is about a proposed settlement of a class action lawsuit, and an announcement of a court hearing that you may choose to attend. Your rights may be affected by the legal proceedings in this action. The Court will conduct a hearing on December 10, 2024 to address whether the proposed settlement should be approved (“Final Approval Hearing”). You are eligible to receive payment under the terms of this class action settlement contained in the Settlement Agreement, which documents the terms of the settlement that the Court has preliminarily approved (the “Settlement”). You are eligible to participate in this settlement and receive payment, even if you previously entered into an individual settlement agreement with the Company. Any settlement amount that the Company previously paid you will be applied against your share of this settlement. Your previous settlement agreement with the Company, if you entered into one, stands regardless of what action you take here.

«EmployeeName»

You have been identified as a Class Member in the above lawsuit. Under the terms of the proposed settlement, you are estimated to receive approximately «Adj_SettAmt» as your share of the Net Settlement Amount, should the Court approve the Settlement. Please note that this is only an estimate. Your actual share of the Net Settlement Amount may be more or less than this estimate, following final calculations. Your estimate is based on the number of workweeks you performed any work for the Company (referenced herein as “Workweeks”) in California between December 8, 2017 through March 20, 2024 (the “Class Period”). Here, Workweeks means any workweek when you worked at least one shift. It excludes any full workweek when you were on a leave of absence, using sick leave, or on vacation, regardless of whether you were paid during those workweeks.

Additionally, the lawsuit seeks civil penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”) for all current and former non-exempt employees who were employed by the Company in California at any time from December 7, 2020, through March 20, 2024 (the “PAGA Period”), who are referred to as “Aggrieved Employees.” Your options and eligibility requirements for receiving payments are described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT (SEE SECTION VIII FOR MORE DETAILS)	
DO NOTHING	Receive a settlement payment and give up your right to sue on the Released Claims described in Section III. This settlement does <u>not</u> require a claims process to receive a payment. Therefore, there is <u>no</u> claim form for you to complete should you wish to receive payment. You are automatically included and eligible to receive a payment once the Court approves the settlement.
EXCLUDE YOURSELF	You may “opt-out” of any connection with this case including any right to a settlement payment. If you choose to opt-out, you must submit a Request for Exclusion by November 4, 2024 (see Section VI). All persons who validly and timely opt-out of this Settlement will <u>not</u> receive any settlement payment and will preserve Released Claims described in Section IV subject to applicable statutes of limitations, except that Settlement Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims. If you previously entered into an individual settlement agreement with the Company, that previous agreement stands and you can keep your previous payment, regardless of whether you opt out of this Settlement and receiving a further settlement payment.

EXCLUDE YOURSELF	You may “opt-out” of any connection with this case including any right to a settlement payment. If you choose to opt-out, you must submit a Request for Exclusion by November 4, 2024 (see Section VI). All persons who validly and timely opt-out of this Settlement will <u>not</u> receive any settlement payment and will preserve Released Claims described in Section IV subject to applicable statutes of limitations, except that Settlement Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims. If you previously entered into an individual settlement agreement with the Company, that previous agreement stands and you can keep your previous payment, regardless of whether you opt out of this Settlement and receiving a further settlement payment.
OBJECT	Write to the Court and Settlement Administrator about why you do not like the Settlement by completing and submitting an Objection by November 4, 2024 (see Section VI) or make an objection at the Final Approval Hearing.
GO TO A HEARING	Ask to speak in Court about the terms of the Settlement. The next scheduled hearing is the Final Approval Hearing on December 10, 2024.

I. Why should I read this Notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) in *Charlie Hear v. International Paving Services, Inc.*, San Bernardino County Superior Court Case No. CIVSB2133787 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

The Company’s records show that you were employed in California as a non-exempt employee (meaning you were paid hourly or otherwise eligible for overtime pay) at some point between December 8, 2017 through March 20, 2024 (“Class Period”). The Court ordered this Notice be sent to you because you may be eligible to receive money under this Settlement and because the Settlement affects your legal rights.

NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE SETTLEMENT: If you were employed by the Company as a non-exempt employee in California during the Class Period, you are automatically included in the Settlement and do not need to take any further action to receive a payment. The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the proposed Settlement, and to discuss your rights and options in connection with the Lawsuit and the Settlement.

II. What is this lawsuit about?

On or about December 8, 2021, Plaintiff Charlie Hear filed a Class Action Complaint in the Court against the Company, including causes of action asserting: (1) failure to pay overtime wages, (2) meal period violations, (3) rest period violations, (4) failure to provide recovery rest periods; (5) failure to reimburse necessary business expenses, (6) wage statement violations, (7) waiting time penalties, and (8) unfair competition. On or about July 21, 2022, Plaintiff filed an amended complaint to add a cause of action for PAGA penalties based on the same alleged Labor Code violations, including alleged off-the-clock work, including work before and after shifts and during meal periods, and not paying overtime or paid sick leave at the appropriate rates.

The Company denies these allegations and contends that it has done nothing wrong. The Company denies that it owes any wages, expenses, restitution, penalties, or other damages. Accordingly, this Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of the Company, which expressly denies any and all liability.

The Court has not ruled on the merits of Plaintiff’s claims. And, by approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, the Company and Plaintiff have concluded that it is in their respective best interests and the interests of the Settlement Class to settle the Lawsuit on the terms summarized in this Notice. After extensive discovery and providing information to Class Counsel, the Settlement was reached following an arm’s length mediation.

The Class Representatives and Class Counsel support this Settlement. Among the reasons for their support are the defenses to liability potentially available to the Company, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by the Company, this Settlement will not affect your employment. California law strictly prohibits unlawful retaliation. Further, the Company will not take any adverse action against or otherwise target, retaliate, or discriminate against any Class Member because of the Class Member's participation or decision not to participate in this Settlement. If a Class Member does not participate, his/her share will be paid to those who do participate.

III. Who are the attorneys representing Plaintiffs and the Class Members?

Mehrdad Bokhour
Bokhour Law Group, P.C.
mehrdad@bokhourlaw.com
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (310) 975-1493; Fax: (310) 675-0861

Joshua S. Falakassa
Falakassa Law, P.C.
josh@falakassalaw.com
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (818) 456-6168; Fax: (888) 505-0868

IV. What are the terms of the Settlement?

On August 9, 2024, the Court certified a class, for settlement purposes only, of all non-exempt employees employed by the Company in California between December 8, 2017 through March 20, 2024 (the "Settlement Class"). Individuals who do not opt out of the Settlement Class, pursuant to the procedures set forth in this Notice, ("Class Members") will be mailed Settlement checks and in exchange be bound by the Settlement and release of Released Claims. Again, if you previously entered into an individual settlement agreement with the Company, that agreement stands and you keep any previous settlement payment. However, you are eligible to receive an additional payment as part of this Settlement, with any settlement that the Company previously paid you credited against your individual share of the Settlement here.

Without admitting any wrongdoing, the Company has agreed to pay \$975,000.00 (the "Settlement Amount") in U.S. dollars to fully resolve all claims in the Lawsuit, which includes payments for Individual Settlement Payments to eligible Class Members, attorneys' fees and costs, payments to the California Labor Workforce and Development Agency ("LWDA") and PAGA aggrieved employees, and Settlement Administration Costs, Class Representative Service Payments. The allocation of the Settlement Amount includes (1) individual settlement payments to all Participating Class members; (2) an enhancement payment to Plaintiff for serving as class representative; (3) \$325,000 in attorneys' fees and up to \$25,000 in litigation costs and expenses; (4) a \$50,000 settlement of claims under PAGA, which includes a \$37,500 to the state Labor and Workforce Development Agency and a \$12,500 payment to be divided among all PAGA members; and (5) a Settlement Administrator costs currently estimated at \$10,000.

Calculation of Individual Settlement Payments to Class Members. After deducting the amounts above, the balance will form the Net Settlement Amount for distribution to the participating Class Members (who are Class Members who do not opt-out). The Net Settlement Amount for class claims will total approximately \$255,000.00. Compensable workweeks will be all Workweeks by the Settlement Class Members during the Class Period at the Company in California. The dollars per compensable Workweek will be calculated by dividing the total Workweeks worked (excluding any excluded workweeks) by all Settlement Class Members into the Net Settlement Amount to determine a per workweek value ("Workweek Value"). The Workweek Value will be multiplied by the number of Workweeks worked individually by each Settlement Class Member during the Class Period to determine the class payment distribution, prior to legal deductions (including for tax withholding), for each Settlement Class Member. If any individual in the Settlement Class opts-out of the Settlement, his/her Individual Settlement Amount will be distributed among all Participating Class Members (i.e., those who do not opt-out). Similarly, the PAGA payment will be determined by dividing the \$12,500 PAGA payment by the total Pay Periods of all PAGA aggrieved employees to determine a PAGA Pay Period Value. This PAGA Pay Period Value will be multiplied by the number of Pay Periods by each PAGA aggrieved employee to determine the PAGA payment for each PAGA aggrieved employee. Currently, your projected class payment is «Adj_SetAmt» and your projected PAGA payment is, «PAGAAmt». All PAGA aggrieved employees will receive a proportional share of the \$12,500 PAGA fund, regardless

of whether they opt out of the Settlement Class.

Your projected class payment distribution has been adjusted by the amount of any settlement payment that you previously received as the result of an individual settlement that you entered into with the Company, if you did so, concerning the claims in this case. Your share of the PAGA settlement is not subject to credit or adjustment based on any previous settlement agreement between you and the Company, as individual settlement agreements did not cover PAGA claims.

For each Settlement Class Member, the Workweeks at the Company during the Class Period will be calculated from Company's records. The Company's records indicate that you worked for «**WorkWeeks**» **workweeks** during the Class Period of December 8, 2017 through March 20, 2024. If you disagree with this number, you may submit by mail evidence to the Settlement Administrator on or before November 4, 2024, with documentation to establish the number of weeks you claim to have actually worked for Company in California between December 8, 2017 through March 20, 2024 (excluding any excluded workweeks). **DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS.** The Parties and Administrator will evaluate the evidence submitted by the Settlement Class member and discuss in good faith how many Workweeks should be credited to each Settlement Class member. If the Parties are unable to agree, the Settlement Administrator will render a final decision.

Payments to Class Members. After the Court grants Final Approval of the Settlement, Judgment is entered, and the time to file an appeal has expired, settlement checks will be mailed to all participating Class Members who did not timely request to be excluded. Participating Class Members will have 180 days from issuing the last check to cash all of the checks. If any Class Member fails to timely cash a settlement check in, a stop payment will be placed on the check, and the unclaimed funds will be donated to the Family Services Association of Redlands.

Allocation and Taxes. Twenty percent (20%) of the Settlement Amount paid to each participating Class Member will be considered and reported as "wages" (W-2 reporting). Eighty percent (80%) of the Settlement Amount will be paid to each participating Class Member as "interest" and "penalties" without tax withholding (Form 1099 reporting). The Settlement Administrator shall take all usual and customary deductions from the Settlement payments that are distributed as wages, including, but not limited to, state and federal tax withholding, disability premiums, and unemployment insurance premiums. There will be no deduction taken from the interest or penalty distribution; however, it will be reported to the IRS on Form 1099 as income. The Company will be responsible for paying its portion of any state and federal taxes, separately from, and in addition to, the Settlement Amount. Class Members are responsible for the proper income tax treatment of the Settlement Amounts. The Settlement Administrator, Company and its counsel, and Class Counsel cannot provide tax advice and make no representations as to the tax treatment or legal effect of the Individual Settlement Payments. Participating Class Members will be solely responsible for the payment of any taxes and penalties assessed on their Individual Settlement Payments. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. Once the Court approves the proposed Settlement, enters Judgment, and the Company funds the Settlement Amount, then the Settlement Agreement will bind all participating Class Members who have not opted out of the Settlement and will bar them from bringing certain claims against the Company as described below. Specifically, after Final Approval by the Court, the Settlement Class Members, for themselves and for their respective agents, spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, predecessors, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives, will forever completely release and discharge the Defendant, and each of their parent, subsidiary, and affiliated entities, and each of their predecessors, successors, and assigns, and each of their former and present directors, officers, shareholders, owners, members, employees, investors, attorneys, insurers, agents, and representatives, as well as any alleged joint employer of Plaintiffs, the Settlement Class Members, and the Allegedly Aggrieved Employees of all claims that were pled in the Second Amended Complaint and all claims that reasonably could have been alleged in the Second Amended Complaint based on the facts alleged therein, or that arise from, are attributable to, or are related to the facts asserted therein, including claims for (1) failure to pay overtime wages, (2) meal period violations, (3) rest period violations, (4) failure to provide recovery rest periods; (5) failure to reimburse necessary business expenses, (6) wage statement violations, (7) waiting time penalties, and (8) unfair competition, PAGA penalties based on the foregoing Labor Code violations and factual allegations of overtime violations based on off-the-clock work, including work before and after shifts and during meal periods, and not paying overtime and paid sick leave at the proper rates.

These released claims and damages are hereinafter referred to as "Released Claims." The time period governing these Released Class Claims shall be at any time from December 8, 2017 through March 20, 2024 ("Release Period"). Any

Settlement Class Member who timely requests exclusion in compliance with these requirements will not be bound by this Release, except that Settlement Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims.

Likewise, the “PAGA Claims” or “Released PAGA Claims” shall include any and all claims for civil and statutory penalties pursuant to PAGA based on the allegations stated in the PAGA Notice and that were or that reasonably could have been pled in the Second Amended Complaint, as defined above, based on the facts alleged therein, including claims for (1) failure to pay overtime wages, (2) meal period violations, (3) rest period violations, (4) failure to provide recovery rest periods; (5) failure to reimburse necessary business expenses, (6) wage statement violations, (7) waiting time penalties, and (8) unfair competition, PAGA penalties based on the same Labor Code violations and alleged violations based on off-the-clock work, including work before and after shifts and during meal periods, and not paying overtime or paid sick leave at the proper rates. The time period governing these Released PAGA Claims shall be at any time from December 7, 2020 through March 20, 2024.

Waiver of Labor Code Section 206.5(e). Class Members who do not opt out will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Lawsuit are disputed, and that the Individual Settlement Payments constitute payment of all sums allegedly due to them. Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Settlement Payments. That section provides in pertinent part as follows:

“No employer shall require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made.”

Good Faith Dispute: The Company has paid all concededly due wages with respect to the Released Claims. Any additional amounts are the subject of a bona fide, good faith dispute that the Company owes any additional wages, or any penalties.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

V. How can I claim money from the settlement?

You are automatically included as a Settlement Class Member to receive an Individual Settlement Payment, provided that you do not exercise your right to opt-out as explained below, and do not have to take any further action. It is the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or an Individual Settlement Amount.

VI. What other options do I have?

- A. **Do Nothing and Participate in the Settlement.** Under the Settlement, you will automatically receive an Individual Settlement Payment unless you exclude yourself from the settlement by following the exclusion procedure set forth below. If you disagree with the number of Workweeks, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting, as described below.

If you are a current employee, your decision as to whether or not to participate in this Settlement will not be considered by the Company and the Company will not take any adverse employment action against you based on your participation in the Settlement.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a “Request for Exclusion from the Class Action Settlement” letter/card postmarked no later than November 4, 2024 with your full name, address, telephone number, last four digits of your Social Security number or your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *HEAR V. INTERNATIONAL PAVING SERVICES* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CURRENT SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT. IF I PREVIOUSLY ENTERED INTO AN INDIVIDUAL SETTLEMENT WITH THE COMPANY, I UNDERSTAND THAT OPTING OUT WILL NOT VOID MY PREVIOUS SETTLEMENT AND I WILL NOT HAVE TO RETURN THE MONEY THAT I PREVIOUSLY RECEIVED FOR IT, BUT THAT I WILL NOT RECEIVE ANY ADDITIONAL MONEY AS PART OF THIS FURTHER SETTLEMENT.”

Send the Request for Exclusion directly to the Settlement Administrator, *Hear v. International Paving Services, Inc.*, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606, **postmarked no later than November 4, 2024**. Any person who files a timely Request for Exclusion from the Class Action Settlement, upon receipt: (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any payments under this Settlement; and (3) will not be bound by this Settlement, or the Judgment, except that Settlement Class Members who worked during the PAGA Period are nevertheless bound by the release of the PAGA claims.

- B. **Object to Settlement.** You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the proposed Settlement, or any portion of it, you may submit a written objection stating your full name, address, telephone number, dates of employment at the Company, the case name and number, the name and address of your attorney(s) if you are represented, each specific reason in support of your objection, and any legal support for each objection. You must also include any documentation or evidence in support of the objection, if any. Objections can be in writing and must be mailed to the Settlement Administrator, *Hear v. International Paving Services, Inc.*, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606, **by no later than November 4, 2024** for your objection to be considered. **You need not object to the Settlement if you only dispute the number of Workweeks. You may dispute your Workweeks by submitting evidence to the Settlement Administrator regarding your employment at the Company. The Settlement Administrator and ultimately the Court will determine the validity of your dispute.**

If the Court rejects your objection, if you want to preserve your rights to appeal from judgment, including all rights to any post-judgment proceedings and appellate proceeding, then you must timely and properly become a party of records in this case by intervening or filing a motion to vacate the judgment. Please consult with an attorney to ensure you understand the proper procedure and timing to become a party of record by intervening in the action or filing a motion to vacate the judgment.

Any class member may appear at the Final Approval Hearing to make an oral objection whether or not any written objection or notice of appearance has been provided.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for December 10, 2024, at 8:30 a.m. in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before November 4, 2024. All objections or other correspondence must state the name and number of the case. If you wish to appear at the Final Approval Hearing, please contact Class Counsel or the Settlement Administrator in advance of the scheduled hearing to ensure that the hearing has not been continued by the Court.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as participating Class Members who do not object. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

VII. What is the effect of the settlement?

Released Rights and Claims. The Settlement is intended to settle all claims against the Released Parties that were asserted or could have been asserted in the Lawsuit regarding the alleged violations of wage and hour laws. If you were employed by the Company in California at any time during the Class Period and do not elect to exclude yourself from the Settlement Class, you will be deemed to have entered into this Release and to have released the above-described Released Claims. If the Settlement is not approved by the Court or does not become final for some other reason, the Lawsuit may continue, and the releases will not take effect.

Again, if you previously entered into an individual settlement with the Company, that individual settlement agreement stands and you keep the previous payment regardless.

VIII. What is the next step?

The Court will hold a Final Approval Hearing regarding the adequacy, reasonableness, and fairness of the Settlement, Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, and the Service Payments to the Class Representatives on December 10, 2024 at 8:30 a.m. in Department S26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415.

You may also consult the Superior Court website to access documents by going to (<https://cap.sb-court.org/search>) and entering the Case Number for the Action, Case No. CIVSB2133787.

To confirm the date and location of the hearing, please visit the Court website below and enter the case number: CIVSB2133787:

<https://cap.sb-court.org/search>

You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

IX. How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Stipulation for Class Action Settlement and Release of Claims (the Settlement Agreement) at Office of the Clerk, San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415 during regular court hours. You may also contact Class Counsel or the Settlement Administrator using the contact information listed above for more information.

Class Members are encouraged to appear remotely via CourtCall or Zoom by contacting the Judicial Assistant in Department S26 for further instructions.

The Settlement Administrator will also post a copy of the final judgment on its website, which can be accessed at the following URL:

www.cptgroupcaseinfo.com/InternationalPavingServicesSettlement

PLEASE DO NOT CALL OR WRITE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT