

NOTICE OF CLASS ACTION, REPRESENTATIVE PAGA ACTION AND COLLECTIVE ACTION SETTLEMENT

Angel Garcia, et al. v. J&B Investments, Inc. d/b/a J&B Materials, Inc., Pacific Gypsum Supply, Inc. and Gypsum Management and Supply, Inc.

Superior Court of the State of California for the County of San Bernardino, Case No. CIVSB2208601

To: All current and former non-exempt employees of J&B Investments, Inc. d/b/a J&B Materials, Inc., Pacific Gypsum Supply, Inc., and Gypsum Management and Supply, Inc. who worked in California at any time during the period from April 5, 2014 to April 18, 2023 (“Settlement Class Members”).

You are not being sued. This is a Court-approved notice that affects your rights. Please read it carefully.

The purpose of this Notice is to let you know of a proposed settlement (the “Settlement”) that has been reached in a class and representative action that is pending in the Superior Court for the County of San Bernardino. The lawsuit was filed by former employees, Angel Garcia, Christian Melendez, Jack Mahan, Athena Neri, and Eduardo Lopez Lopez (“Plaintiffs”) against J&B Investments, Inc. d/b/a J&B Materials, Inc., Pacific Gypsum Supply, Inc., and Gypsum Management and Supply, Inc. (“Defendants”) (collectively, Plaintiffs and Defendants are referred to as the “Parties”), entitled *Angel Garcia v. J&B Investments, Inc. d/b/a J&B Materials, Inc., Pacific Gypsum Supply, Inc. and Gypsum Management and Supply, Inc.*, San Bernardino Superior Court Case No. CIVSB2208601 (the “Lawsuit”).

The Court granted preliminary approval of the Parties’ settlement on April 18, 2023, and has scheduled a hearing on August 16, 2023 at 1:30 PM (the “Final Approval Hearing”) to determine whether or not to grant final approval of the Settlement. **Your legal rights may be affected, and you have a choice to make now.**

1. WHAT ARE MY OPTIONS?	
DO NOTHING	<p>Receive an Individual Settlement Payment.</p> <p>By doing nothing, you will receive an Individual Settlement Payment. However, you will release the right to assert all of the Released Claims (see Section 7 below) against Defendants and the other Released Parties.</p>
EXCLUDE YOURSELF FROM THE SETTLEMENT	<p>Exclude Yourself from the Settlement and Receive No Payment.</p> <p>You may opt-out of the Settlement by submitting a signed Request for Exclusion (see Section 8(B) below) that must be postmarked no later than July 24, 2023. If you submit a valid and timely Request for Exclusion, you will not receive any payment from the Settlement and you will not be bound by the Settlement and the release of claims provided under the Settlement.</p>
OBJECT TO THE SETTLEMENT	<p>Object to the Settlement.</p> <p>If you choose to participate in the Settlement, you may submit an objection to the Settlement. To object, you can submit a written Objection (see Section 8(C) below) to the Settlement Administrator no later than July 24, 2023, or you can appear at the Final Approval Hearing and state any objections to the Settlement. If the Court overrules your objection, you will receive an Individual Settlement Payment, and you will release the right to assert all of the Released Claims (see Section 7 below) against Defendants and the other Released Parties.</p>

2. WHY DID I GET THIS NOTICE?

Defendants' records show that you were employed by Defendants as a non-exempt employee in California at some point during the period from April 5, 2014 to April 18, 2023 (the "Class Period"). The Court has authorized this notice because you have the right to know about the Settlement and your options before the Court decides whether to approve it. This notice explains what the Lawsuit is about, the terms of the Settlement, and your rights.

3. WHAT IS THIS LAWSUIT ABOUT?

On April 25, 2022, Plaintiffs filed a Class Action Complaint in the Superior Court for the County of San Bernardino. On June 3, 2022, Plaintiffs filed a First Amended Class Action, Representative Action, and Collective Action Complaint. On March 6, 2023, Plaintiffs filed a Second Amended Class Action, Representative Action, and Collective Action Complaint (the "Operative Complaint"). Plaintiffs alleged that Defendants 1) failed to pay and/or accurately calculate minimum, regular, overtime, double time, prevailing and vacation wages; (2) failed to provide meal periods or pay premiums in lieu thereof; (3) failed to provide rest periods or pay premiums in lieu thereof; (4) failed to reimburse and indemnify expenses; (5) failed to timely pay wages during and upon termination of employment; (6) failed to furnish and/or keep timely and accurate wage statements and payroll records; (7) violated the Unfair Competition Law; (8) owed penalties pursuant to the California Labor Code Private Attorneys' General Act of 2004, codified at California Labor Code §§ 2698, et seq. ("PAGA"); and (9) violated the Fair Labor Standards Act, codified at 29 U.S.C. §§ 201, et seq. ("FLSA"). In the Operative Complaint, Plaintiff sought to represent a class of all current and former non-exempt and/or hourly-paid employees who worked for Defendants in the State of California at any time during the period from April 5, 2014 to final judgment.

Defendants deny all of the material allegations in the Operative Complaint.

The Parties participated in a mediation with mediator Tripper Ortman, Esq. and reached this Settlement.

4. WHY IS THERE A SETTLEMENT?

The Court has not made any decision about the merits of Plaintiffs' Lawsuit. There has been no trial. However, to avoid additional expense and the risks of continued litigation, Plaintiffs and Defendants have concluded that it is in their respective best interests and the interest of the Settlement Class Members to settle the Lawsuit on the terms summarized in this Notice.

The Settlement was reached after an exchange of extensive information about the facts and legal arguments in support of, and against, all of the claims raised in the Lawsuit. Plaintiffs, Class Counsel, and Defendants all support this Settlement due to, among other things, Defendants' potential defenses to liability, the inherent risk associated with a trial on the merits, the delays and uncertainties associated with litigation, and the benefits provided to Settlement Class Members under the Settlement.

5. SUMMARY OF THE SETTLEMENT

Defendants have agreed to pay a settlement amount of One Million Seven Hundred Fifty Thousand Dollars and Zero Cents (\$1,750,000.00) (the "Gross Settlement Amount"). The portion of the Gross Settlement Amount that is available for payment to the Settlement Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) Class Counsel's fees, not to exceed one-third of the Gross Settlement

Amount (\$583,333.33), (2) Class Counsel's actual expenses; (3) Incentive Awards paid to each named Plaintiff in an aggregate amount not to exceed Twenty Seven Thousand Five Hundred Dollars and Zero Cents (\$27,500.00); (4) the Settlement Administrator's costs in an amount not to exceed Eleven Thousand Five Hundred Dollars and Zero Cents (\$11,500.00); and (5) the PAGA Payment in an amount not to exceed Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) (including both the PAGA payment to the LWDA and the PAGA Settlement Checks).

Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) of the Gross Settlement Amount has been allocated towards penalties under the PAGA, of which the California Labor and Workforce Development Agency ("LWDA") will be allocated 75%, and the remaining 25% will be allocated to those non-exempt individuals who were employed by Defendants in the State of California at any time during the period from May 13, 2018 to April 18, 2023.

Settlement Class Members are eligible to receive payment of their pro rata share of the Net Settlement Amount ("Individual Settlement Payment") based on the number of weeks that each Settlement Class Member was credited to have worked for Defendants as a non-exempt employee in the State of California at any time during the Class Period ("Workweeks").

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Estimated Workweek Value" and multiplied each Settlement Class Member's individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Payment that he or she may be eligible to receive under the Settlement. If the Court grants final approval of the Settlement, the Settlement Administrator shall divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members who did not submit a valid and timely Request for Exclusion to yield his or her Individual Settlement Payment, which shall be paid from the Net Settlement Amount, less applicable employee-side tax withholdings.

Each Individual Settlement Payment will be allocated twenty percent (20%) to wages, which will be reported on an IRS W-2, and eighty percent (80%) to penalties and interest, which will be reported on an IRS Form 1099-MISC (if applicable). The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wage portion of the Individual Settlement Payments, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Payment net of these taxes and withholdings). The employer's share of taxes on the wage portion of Individual Settlement Payments will be paid by Defendants separately and in addition to the Gross Settlement Amount.

6. WHAT IS MY ESTIMATED INDIVIDUAL SETTLEMENT SHARE?

According to Defendants' records, during the period **from April 5, 2014 to April 18, 2023 you worked for Defendants as a non-exempt, hourly paid employee in California for approximately <<Workweeks>> Workweeks.**

If you wish to dispute the Workweeks credited to you in this Notice, you must submit a written, signed challenge ("Dispute") to the Settlement Administrator. The Dispute must contain: (a) the case name and number of the Action (*Angel Garcia v. J&B Investments, Inc., et al.*, San Bernardino Superior Court, Case No. CIVSB2208601), (b) your signature, (c) your full name, address, telephone number, and the last four digits of your Social Security Number and/or Employee ID number, (d) a statement that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you, and (e) information and/or documentation demonstrating that the number of Workweeks that you contend should be to you are correct.

Under the terms of the Settlement, **your Individual Settlement Payment is estimated to be \$<<TotalEstAmt>>, which includes \$<<EstPAGAamt>> for your PAGA payment, if applicable, for the weeks you worked between May 13, 2018 and April 18, 2023.** The Individual Settlement Payment is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payment and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

You Individual Settlement Payment reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

7. WHAT RIGHTS AM I RELEASING IF I PARTICIPATE IN THE SETTLEMENT?

If the Court approves the Settlement, the Court will enter a judgment and the Settlement Agreement will bind all Settlement Class Members who have not submitted a timely and valid Request for Exclusion. This will bar all such Settlement Class Members from bringing certain claims against Defendants.

As more fully explained in the Settlement Agreement, upon the Effective Date, each and every Settlement Class Member who does not timely opt out of the Settlement, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns, shall be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all of the Released Parties of and from any and all claims that were alleged in this Lawsuit, or that could have been raised that arise out of or are related to the allegations, claims, and theories alleged in the Lawsuit, including claims under the Fair Labor Standards Act ("FLSA"), or any of the PAGA notices filed with the LWDA during the pendency of this Lawsuit by Class Counsel on behalf of any Settlement Class Member, and that occurred at any time between April 5, 2014 to April 18, 2023, including all claims for unpaid wages, unpaid overtime wages, unpaid minimum wages, unpaid prevailing wages, unpaid vacation wages, meal period violations, rest period violations, failure to reimburse necessary business expenses, final wages not timely paid, wages not timely paid during employment, failure to provide accurate wage statements, failure to maintain accurate payroll records, and unlawful business practices under the California Labor Code and/or the California Business and Professions Code, including all claims for restitution or equitable relief, liquidated damages, punitive damages, penalties, attorneys' fees and costs. "Released Parties" means J&B Investments, Inc. d/b/a J&B Materials, Inc., Pacific Gypsum Supply, Inc. and Gypsum Management and Supply, Inc. and any of their past, present and future direct or indirect parents, subsidiaries, predecessors, successors and affiliates, as well as each of their past, present and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers and any individual or entity which could be jointly liable with Defendants. Settlement Class Members shall be permanently barred and enjoined from the institution or prosecution of any and all Released Claims against the Released Parties, except as to such rights or claims as may be created by the Settlement, subject to the continuing jurisdiction of the Court.

The information provided in this Notice is only a summary. The terms of the Settlement Agreement are the binding terms of this settlement, and all of these terms, including the releases that will bind you as a class member if you do not submit a Request for Exclusion, are set forth fully in the Settlement Agreement that is on file with the Court and which can also be found at <https://www.cptgroupcaseinfo.com/JBInvestments>. If the Court does not approve the Settlement, or the Settlement does not become final for some other reason, the litigation against Defendants will continue.

8. WHAT ARE MY RIGHTS AND OPTIONS AS A SETTLEMENT CLASS MEMBER?**A. PARTICIPATE IN THE SETTLEMENT**

If you wish to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and will be issued your Individual Settlement Payment. If you participate in the Settlement, you will be bound by its terms and any judgment that may be entered by the Court based thereon, and you will release all of the claims described in Section 7 above. As a Settlement Class Member, you will not be separately responsible for the payment of attorneys' fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorneys' fees and expenses.

B. EXCLUDE YOURSELF FROM THE SETTLEMENT

If you wish to exclude yourself from the Settlement because you wish to pursue a separate lawsuit against Defendants for the claims asserted in this Action, or if you do not wish to participate in the Settlement for other reasons, you must submit a signed Request for Exclusion to the Settlement Administrator asking to exclude yourself from the Settlement. The Request for Exclusion must: (a) contain the case name and number of the Action (*Angel Garcia v. J&B Investments, Inc., et al.*, San Bernardino Superior Court, Case No. CIVSB2208601), (b) include your signature, (c) include your name, address, telephone number, and the last four digits of your Social Security number and/or the Employee ID number, (d) include a clear statement requesting to be excluded from the Settlement, and (e) be submitted to the Settlement Administrator by mail, postmarked no later than July 24, 2023 to the following mailing address or fax number:

Garcia, et al. v. J&B Investments, Inc., et al.
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Tel: 1-833-816-0818
Fax: 949-419-3446

No Requests for Exclusion that are postmarked after July 24, 2023 will be valid. Requests for Exclusion that do not include all of the required information will be deemed null, void, and ineffective.

If the Court grants final approval of the Settlement, any Settlement Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section 7 above), and will not have any right to object to, appeal, or comment on the Settlement. Any Settlement Class Members who do not submit a valid and timely request for exclusion will be deemed Settlement Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section 7 above, as well as any judgment that may be entered by the Court based thereon.

Settlement Class Members will receive their share of the PAGA payment, regardless of whether they opt out of being a Class Member.

C. OBJECT TO THE SETTLEMENT

If you don't think the Settlement is fair, you can object to the Settlement and tell the Court you don't agree with the Settlement or some part of it as long as you have not submitted a Request for Exclusion from the

Settlement. The Court will consider your views. To object, you must submit a written objection to the Settlement Administrator or appear at the final settlement hearing to explain your objection. To be valid, a written objection must: (1) state the case name and number of the Action (*Angel Garcia v. J&B Investments, Inc., et al.*, San Bernardino Superior Court, Case No. CIVSB2208601), (2) state your name, address, telephone number, and the last four digits of your Social Security number and/or your Employee ID number; (3) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (4) list identifying witness(es) you may call to testify at the Final Approval Hearing; (5) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval Hearing; (6) state whether the objection applies only to you, to a specific subset of the Class, or to the entire Class; (7) be addressed to the Settlement Administrator; (8) be signed by you or your lawful representative; and (9) be submitted to the Settlement Administrator by mail, postmarked no later than July 24, 2023 to the Settlement Administrator listed in Section 10.

9. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will hold a Final Approval Hearing on August 16, 2023 at 1:30 PM in Department S17 of the San Bernardino County Courthouse, located at 247 West Third Street, San Bernardino, California 92415, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve and award attorneys' fees and costs to Class Counsel and the Class Representative Incentive Award. The hearing may be postponed without further notice to Settlement Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

10. WHAT IF I HAVE QUESTIONS?

A complete copy of the Settlement Agreement and this Notice are available at <https://www.cptgroupcaseinfo.com/JBInvestments>. This website will be updated periodically to update the Settlement Class Members on any developments in the case.

For further information about this case, you may contact Class Counsel, or the Settlement Administrator, CPT Group.

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c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Tel: 1-833-816-0818

DO NOT CONTACT THE COURT, DEFENDANTS, OR DEFENDANTS' ATTORNEYS ABOUT THIS NOTICE.