

NOTICE OF CLASS ACTION SETTLEMENT

Gilbert Gonzales v. LRB Millwork & Casework, Inc., et al.
Superior Court of the State of California, San Bernardino County
Case No. CIVSB2204728

*You are **not** being sued. This is **not** an advertisement. This notice affects your rights.*

YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants’ records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Gilbert Gonzales (“Plaintiff”) and Defendant LRB Millwork & Casework, Inc. and Rene Alberto Bernhardt (“Defendants”) (Plaintiff and Defendants are collectively referred to as the “Parties”) in the case entitled Gilbert Gonzales v. LRB Millwork & Casework, Inc., et al., San Bernardino County Superior Court, Case No. CIVSB2204728 (“Action”), which may affect your legal rights. Although Defendants have denied any and all liability in the Action, and continue to do so, in order to avoid the expense of paying attorneys in litigation and the natural risks and uncertainties presented by litigation, the Parties agreed to resolve the claims upon mutually-agreeable terms. On October 27, 2023, the Court granted preliminary approval of the settlement and scheduled a hearing on March 4, 2024 at 8:30 a.m. (“Final Approval Hearing”) to determine whether or not the Court should grant final approval of the settlement. You have received this Notice of Class Action Settlement because Defendants’ records show that you are what is called a “Class Member,” and are entitled to a payment from this class action settlement (“Settlement”). **Class Members are all current and former non-exempt, hourly employees of Defendants who worked at least one shift in California from March 28, 2018, to September 27, 2023 (“Class Period”).** PAGA Members are those Class Members who worked at least one shift in California from July 8, 2022, to September 27, 2023, and are entitled to an Individual PAGA Payment under the terms of this Settlement.

On October 27, 2023, the Honorable David Cohn of the Superior Court of California for the County of San Bernardino granted preliminary approval of this Class Action Settlement and ordered that all Class Members be notified of the Settlement.

Unless you choose not to participate in the Settlement (in other words, should you choose to “opt out”) by following the procedures described below, you will be considered a “Participating Class Member.” If the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement fund, which is estimated to be <<Total_estAmount>>.

IF YOU STILL WORK FOR DEFENDANTS, PARTICIPATION IN THIS SETTLEMENT WILL NOT AFFECT OR DISRUPT YOUR WORK IN ANY MANNER. YOU WILL NOT BE RETALIATED AGAINST BY DEFENDANTS FOR YOUR PARTICIPATION. California law strictly prohibits retaliation. Defendants are prohibited by law from taking any adverse action against any Class Member or otherwise targeting, retaliating, or discriminating against any Class Member because of the Class Member’s participation in or decision not to participate in this Settlement.

Applicable Background

Plaintiff was a former employee of Defendants and filed the instant lawsuit on behalf of himself and all other Class Members, alleging: (1) failure to pay minimum wages for all hours worked; (2) failure to pay overtime wages; (3) failure to pay applicable prevailing wage rates; (4) failure to provide meal periods; (5) failure to provide rest periods; failure to reimburse necessary business expenses; (6) failure to reimburse necessary business expenditures; (7) failure to provide and maintain accurate records; (8) failure to timely pay wages due; (9) civil penalties under the Private Attorneys General Act (“PAGA”); and (10) violations of the Unfair Competition Law.

This notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations raised in the Action or the merits of the claims or defenses asserted. The Court has made no ruling on the merits of Plaintiff’s claims or Defendants’ defenses thereto. Defendants deny the merits of Plaintiff’s claims and deny Plaintiff’s claims are appropriate for class treatment.

By entering into the Settlement, Defendants do not admit, and expressly deny, all of Plaintiff’s allegations in this case.

Plaintiff and Defendants entered into settlement discussions in an attempt to resolve the disputed claims in this case. On June 28, 2023, the Parties negotiated a Settlement on behalf of themselves and the Class Members with the assistance of a third-party mediator. The Parties’ agreement has been documented in a Joint Stipulation of Settlement and Release of Class Action (“Settlement Agreement”). The Court has preliminarily approved the Settlement Agreement.

The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing. The Final Fairness and Approval Hearing (“Hearing”) on the adequacy, reasonableness, and fairness of the Settlement will be held at 8:30 a.m. on March 4, 2024, in Department S-26 of the Superior Court of California for the County of San Bernardino, 247 West Third Street, San Bernardino, CA 92415. You may, but are not required to, attend the Hearing.

You can view the Settlement, proposed Final Approval Order, Final Judgment, and payment schedule at www.cptgroupcaseinfo.com/LRBSettlement.

Attorneys for Plaintiff and the Class Members (“Class Counsel”) are:

Elliot J. Siegel
Julian Burns King
Brent R. Boos
KING & SIEGEL LLP
(213) 465-4802
724 S. Spring Street, Ste. 201
Los Angeles, California 90014

Class Counsel has investigated and researched the facts and circumstances underlying the issues raised in this case and the applicable law. While Class Counsel believe Plaintiff’s claims in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Because of this, Class Counsel believe the proposed Settlement is fair, adequate, reasonable, and in the best interests of the Class Members.

Summary of the Settlement Terms

Plaintiff and Defendants have agreed to settle this case on behalf of themselves and the Class Members for \$300,000.00 (“Gross Settlement Amount”). The Gross Settlement Amount includes: (1) Individual Settlement Payments to Participating Class Members; (2) individual PAGA payments to PAGA Members; (3) subject to Court approval, up to a \$10,000 service payment to the Plaintiff for his time and effort in pursuing this case and in exchange for a general release of claims against Defendants; (4) Settlement Administration Costs not to exceed \$15,000; (5) \$18,750 to the California Labor & Workforce Development Agency, representing the State of California’s portion of civil penalties under PAGA (or 75% of \$25,000); and

Questions? Contact the Settlement Administrator toll free at 1 (888) 433-0364

(6) subject to Court approval of an application for fees and costs, an award of up to \$100,000.00 in attorneys' fees and up to \$15,000 in litigation costs and expenses to Class Counsel. After deducting the service payments to Plaintiff, the Settlement Administration Costs, the payment of \$18,750 to settle the PAGA claims with the California Labor and Workforce Development Agency, the payment of \$6,250 to the PAGA Members, and attorneys' fees and costs/expenses, a total of approximately \$135,000.00 will be available to Class Members who do not opt out of the Settlement. Employer-side payroll taxes will be paid by Defendants in addition to the Gross Settlement Amount.

Plan of Distribution to Class and PAGA Members

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of weeks a Participating Class Member worked during the Class Period ("Workweeks"). Specific calculations of Individual Settlement Payments will be made as follows:

- a. The Settlement Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendants' possession, custody or control.¹ Workweeks will be determined based on such data as is physically and electronically available in Defendants' existing timekeeping and payroll data. Class Members' Individual Workweeks shall be calculated to the nearest hundredth of a full workweek.
- b. Using the Class List, the Settlement Administrator will calculate the total Workweeks for all Settlement Class Members by adding together the number of Workweeks worked by each Settlement Class Member during the Class Period.
- c. The respective Workweeks for each Settlement Class Member will be divided by the total Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member.
- d. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated Individual Settlement Payment.
- e. The minimum payment to any given Settlement Class Member shall be no less than Twenty-Five Dollars and Zero Cents (\$25.00) regardless of their number of weeks worked. In addition, prior to distribution of an Individual Settlement Payment, applicable employee-side taxes and withholdings will be deducted from the wage portion of such payments.
- f. Using the Class List, the Settlement Administrator will calculate the total number of Workweeks for each PAGA Member from July 8, 2022, to the date of Preliminary Approval, or September 27, 2023, whichever occurs first (the "PAGA Release Period") to then calculate each individual's PAGA Pay Periods. The Settlement Administrator will divide each PAGA Member's PAGA Pay Periods by the aggregate number of PAGA Pay Periods of all PAGA Members during the PAGA Release Period to determine each PAGA Member's pro rata portion of the 25% of the PAGA payment allocated to PAGA Members. A PAGA Member's pay periods shall be calculated to the nearest hundredth of a full pay period.
- g. According to Defendants' records, you worked <<WorkWeeks>> Workweeks during the Class Period. According to Defendants' records, you worked <<PAGA_WorkWeeks>> Workweeks during the PAGA Release Period. Accordingly, your estimated payment pursuant to the terms of the Settlement is approximately <<Total_estAmount>>.

¹ Defendants' Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator in consultation with Class Counsel and counsel for Defendants. The Settlement Administrator's decision on all Workweek disputes will be final and non-appealable.

If you believe the information provided above as to the number of your Individual Workweeks is incorrect and you wish to dispute it, please submit a written statement detailing what you believe to be the correct number of weeks you were employed as a non-exempt, hourly employee of Defendants in California during the Class Period (March 28, 2018, to September 27, 2023) and include any and all information and/or documentary evidence to support your challenge to the Settlement Administrator at.

Gonzales v. LRB Millwork & Casework, Inc., et. al.
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Phone: 1 (888) 433-0364
Fax: (949) 419-3446

no later than 30 days after the date this Notice of Class Action Settlement was mailed to you. The workweek count provided above is assumed to be correct unless you provide documentation to the Settlement Administrator that establishes otherwise. Any disputes, along with supporting documentation (“Disputes”), must be postmarked no later than December 20, 2023. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

Class Members’ Taxes Owed on Settlement Payments

IRS Forms W-2 and 1099-MISC will be distributed to Participating Class Members and the appropriate taxing authorities reflecting the payments Class Members receive under the Settlement. Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 33% of each Individual Settlement Payment will be allocated to resolve the disputed amount of allegedly unpaid wages and 67% will be allocated to allegedly unpaid civil penalties and interest. Again, please consult with a tax advisor regarding the significance of how each Individual Settlement Payment is allocated between wages, penalties, and interest. This notice is not intended to provide legal or tax advice. To the extent this notice or any of its attachments are interpreted to contain or constitute advice regarding any United States or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the Settlement, then **no further action is required** on your part. You will **automatically** receive your Individual Settlement Payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1** and the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement funds. In addition, you will be deemed to have released or waived the following claims (“Released Claims”) against the Released Parties for the Release Period.

The “Released Claims” include:

All claims and causes of action either alleged, or that reasonably could have been alleged, based on the factual allegations contained in the operative Complaint in the case known as *GILBERT GONZALES, an individual, v. LRB MILLWORK & CASEWORK INC., a California corporation; RENE ALBERTO BERNHARDT, an individual, and DOES 1 through 10, inclusive*, pending in the Superior Court of California, County of San Bernardino, Court Case No. CIVSB2204728 and/or LWDA letter(s), including, but not limited to, claims pursuant to Labor Code sections, 201, 202, 203, 204, 210, 226(a), 226.2, 226.3, 512, 1174(d), 1194, 1194.2,

1197, 2699 et seq, and also unpaid wages, including under any theory of piece-rate law, unpaid minimum wage, meal and rest period violations, waiting time penalties, itemized wage statement penalties, expense reimbursement, safety equipment reimbursement, wages for unpaid time, other civil or statutory penalties, attorneys' fees, and/or costs and all claims under the Unfair Competition Law, and which were alleged in the Action, or that could have reasonably been alleged in the Action based on the factual allegations in the operative Complaint, within the Class Period. It is the intent of the Parties that the judgment entered by the Court upon Final Approval of the Settlement shall have res judicata and/or collateral estoppel effect and be final and binding upon Plaintiff and all Participating Class Members regarding all the Released Claims.

The "Released Parties" are:

Defendants Rene Alberto Bernhardt and LRB Millwork & Casework, Inc., and its present and former parents, subsidiaries, or co-employers.

The "Release Period" means the period from March 28, 2018, to September 27, 2023.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written "Request for Exclusion from The Class Action Settlement" letter or card to the Settlement Administrator postmarked no later than December 20, 2023. Your written request must expressly and clearly state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *GILBERT GONZALES V. LRB MILLWORK & CASEWORK, INC., ET AL.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT."

The written request for exclusion must include your name, address, telephone number, and last four digits of your Social Security number (or other Taxpayer Identification Number, if applicable). You must sign, date, and mail your written request for exclusion by U.S. First-Class Mail, or equivalent, to the address below.

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The written request to be excluded from the Settlement must be postmarked to the Settlement Administrator not later than December 20, 2023. If you submit a request for exclusion which is not postmarked by December 20, 2023, your request for exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, you will **NOT** be a Class Member. Therefore, you (1) will **NOT** receive any payment from the Settlement, with the exception of your pro-rata portion of the employee portion of the settlement of the PAGA cause of action to which PAGA Members are entitled; (2) will **NOT** be deemed to have released any claims due to this Settlement with the exception of the PAGA cause of action; and (3) will be **prohibited** from filing an objection to the Settlement.

Do not submit both a Dispute and a Request for Exclusion. If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you can mail a written objection to the Settlement Administrator. Your objection should provide: your full name, signature, address, and telephone number, the last four digits of your Social Security number (or other Taxpayer Identification Number, if applicable), the dates you were employed as a non-exempt, hourly employee of LRB Millwork & Casework, Inc. and/or Rene Alberto Bernhardt in California, and your objections to the Settlement, including the case name, the case number, the reasons you object, and any legal support for each objection, together with any evidence in support of your objection. Your objection should be mailed to the Settlement Administrator at the address below and must be postmarked on or before December 20, 2023.

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You may also appear at the Final Fairness and Approval Hearing set for 8:30 a.m. on March 4, 2024 in Department S-26 of the Superior Court of California for the County of San Bernardino, located at 247 West Third Street, San Bernardino, CA 92415, to discuss your objections with the Court and the Parties. All costs associated with your travel and/or appearance at the Hearing must be paid at your own expense.

You may appear at the Hearing regardless of whether you submitted a written objection. You may also retain an attorney to represent you at the Hearing at your own expense. All objections or other correspondence must state the name and number of the case, which is *Gilbert Gonzales v. LRB Millwork & Casework, Inc., et al.*, San Bernardino County Case Number No. CIVSB2204728.

If you choose **Option 3**, you will still be entitled to your share of the Settlement fund. You will remain a member of the Settlement Class, and if the Court overrules your objections and approves the Settlement, you will receive your Individual Settlement Payment and will be bound by the terms of the Settlement in the same way as Class Members who do not object, including being deemed to have released the Released Claims. You cannot both object to the settlement and exclude yourself. You must choose one option only.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Office of the Clerk of the Superior Court of California for the County of San Bernardino, during regular business hours of each court day.

All questions by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator or Class Counsel.

You can view the preliminary approval order and other documents referenced in this Notice at www.cptgroupcaseinfo.com/LRBSettlement. If the Court gives final approval after the Final Fairness and Approval Hearing, that Order will be posted on the website within 10 days of final approval.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
DEFENDANTS, OR DEFENDANTS' ATTORNEYS WITH QUESTIONS. INSTEAD, YOU MAY CONTACT THE SETTLEMENT
ADMINISTRATOR OR CLASS COUNSEL.**