

Campos v. Converse, Inc.
**UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 Case No. 5:20-cv-01576-JGB-SP**

This Notice, which has been approved by the United States District Court, Central District of California (the “Court”), is to notify Class Members that a proposed settlement has been reached between the parties in the class action entitled *Campos v. Converse, Inc.* (the “Settlement”). Converse, Inc. is referred to herein as “Converse” or “Defendant.” This is not a solicitation from a lawyer. Your legal rights are affected whether you act or don’t act.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

EXCLUDE YOURSELF BY AUGUST 2, 2022	If you exclude yourself, you won’t get a payment under the settlement and will retain your right to seek a separate recovery for the claims covered by Settlement.
OBJECT IN WRITING BY AUGUST 2, 2022	You can tell the Court why you don’t like the settlement. To do this, you must send written objection to the Claim Administrator. If you fail to object by this date, your objections will be deemed waived. Objecting does not exclude you from the Settlement.
DISPUTE EMPLOYMENT INFORMATION BY AUGUST 2, 2022	If you believe that the employment information is incorrect you must submit any corrections with supporting documentation, if you have any, such as pay stubs or other documents showing different information.
DO NOTHING	If the Settlement is approved, you will be mailed a settlement check at the address in the Claim Administrator’s records. To receive a check, you must ensure that your address is kept up to date. Your payment will be based on the factors discussed below as based on Defendant’s records, unless you dispute that information and support your dispute with documentation.

All disputes, objections, and requests to be excluded from the Settlement must be submitted to the Claims Administrator, CPT Group, Inc., at the address, email, or fax below, and postmarked, if mailed, or sent, if emailed or faxed, by the applicable deadline:

Campos v. Converse, Inc.
 c/o CPT Group, Inc.
 50 Corporate Park
 Irvine, CA 92606
 Tel: (888) 398-3288
 Fax: (949) 419-3446
 Email: converseincsettlement@cptgroup.com

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BASIC INFORMATION**1. What is a class action?**

A class action is a lawsuit in which the claims and rights of many similarly situated people (“class members”) are potentially decided in a single court proceeding. One or more representative plaintiffs (“class representatives”) file a lawsuit asserting claims on behalf of all the class members.

2. What is this settlement about?

Plaintiff’s operative Complaint alleges class action claims against Defendant alleging that Defendant committed various wage and hour violations relating to all non-exempt current and former employees who worked in California at either of its two warehouse facilities.

The Complaint seeks various remedies, including unpaid wages, Section 203 penalties, restitution, and disgorgement, attorney fees and costs, prejudgment interest, and other relief as may be deemed proper.

Defendant has denied and continues to deny the claims asserted or attempted to be asserted in this Action. Without limitation, Defendant specifically denies that Defendant has failed to pay the Representative Plaintiff and Class Members for all hours worked pursuant to law, that Defendant has engaged in any conduct in violation of California Business & Professions Code §§ 17000 *et seq.* or 17200 *et seq.*, that Defendant has failed to pay employees all amounts due at the time of separation, that Defendant owes any interest, attorney fees and costs, and/or penalties pursuant to California Labor Code §§ 203 or any other law. Defendant further denies all other claims raised, asserted, or attempted to be asserted in the Action. Defendant has asserted and continues to assert defenses to this Action and has expressly denied and continues to deny any wrongdoing or legal liability arising out of the Action. Neither the Settlement nor any action taken to carry out the Settlement is or may be construed or used as an admission, concession, or indication by or against Defendant or anyone else of any fault, wrongdoing, or liability.

While Plaintiff and Defendant (together “the Parties”) disagree on the merits of this case, they believe it is in the best interests of all parties to settle Plaintiff’s claims. The Settlement resolves all claims in the action set forth in Section 9 below. Nothing about this Settlement may be used against Defendant or anyone else employed by Defendant or acting on Defendant’s behalf, as an admission or indication of any fault or liability.

The Court hasn’t made a ruling on the merits of the claims or defenses in the lawsuit.

3. Why is there a settlement?

The Parties participated in extensive settlement discussions, including a full day mediation before a neutral third-party mediator. As a result of the mediation, the Parties reached this settlement (the “Settlement”). The Settlement represents a compromise regarding the disputed claims in this Lawsuit after considering the risks and uncertainties of continued litigation. Plaintiff’s attorneys (hereinafter “Class Counsel”) have determined that the settlement is fair, reasonable, and adequate and is in the best interests of the class members.

4. Why am I receiving this notice?

You were sent this notice because Defendant’s records show that you are a member of one or more of the Settlement Classes “Settlement Class Members”

Class 1. Unpaid Wages Class

All non-exempt employees employed by Converse, Inc. at any of Converse, Inc.’s two warehouse facilities in California at any time during the period beginning four years prior to the date of the filing of this action and ending on the date of preliminary approval or as otherwise determined by the Court.

Class 2. Section 203 Class

All members of any of Class 1 who, during the period beginning three years prior to the date of the filing of this action and ending on the date of preliminary approval or as otherwise determined by the Court, were either voluntarily or involuntarily separated from their employment.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the Settlement provide?

Under the Settlement, Defendant will pay \$450,000 (“Gross Settlement Amount”). In exchange, Class Members who do not exclude themselves from the Settlement will release their claims against Defendant as described in Section 9 below.

HOW YOU GET A PAYMENT

6. How can I get a payment?

You don’t need to take any action to receive money from the Settlement. If you have recently moved or if you intend to move soon, be sure to contact the Claims Administrator to provide your correct address. This is important because the address on file will be used for the distribution of checks.

7. How will my settlement payment be calculated?

Calculation of Shares of Class 1 Class Members

One-third of the Net Settlement Amount shall be allocated to this class. The gross earnings received from Defendant by each Class Member who worked in California during the Class Period will be known as the Individual Class Member Payroll. Using the Individual Class Member Payroll for each Class Member, the total gross payroll for the Class shall then be calculated by adding together the Individual Class Member Payroll for all Class Members. This total sum will be known as Total Class Members’ Payroll.

The Settlement Administrator shall divide each Class Member’s Individual Class Member Payroll by the Total Class Members’ Payroll. This calculation will result in a percentage figure for each Class Member (“Percentage Figure”).

The Percentage Figure will then be used to determine each Class Member’s portion of the Net Settlement Amount. This portion will be determined by applying the Percentage Figure to the Net Settlement Amount. This portion will be known as the Class Member Share.

Calculation of Shares of Class 2 Class Members

Two-thirds of the Net Settlement Amount shall be allocated to this class. This amount will be distributed on a *pro rata* basis to those Class 2 Class Members who have not opted out of the Settlement.

Because the Net Settlement Amount will not be finally determined until the Court grants Final Approval of this Settlement, the Parties agree that the Settlement Administrator shall use the following sums in calculating the estimated Net Settlement Amount for purposes of obtaining the information needed to be included on the Notice Forms: (a) The proposed payments of \$8,500.00 to Representative Plaintiff; (b) The amount of \$150,000.00 as Attorney Fees to Class Counsel; (c) The amount of \$15,000.00 as costs to Class Counsel; and (d) The amount of \$8,000.00 as expenses of the Settlement Administrator.

Based on the information provided by Defendant, your gross earnings from Defendant for your work during the Class Period is «**TotalGrossPay**». Your estimated Gross Individual Settlement Payment is «**estAmount**». Your actual Gross Individual Settlement Payment may end up being higher or lower than estimated.

The information above is based on Defendant's records. If you believe that any of this information is incorrect, you must submit any corrections with supporting documentation, if you have any, such as pay stubs or other documents showing different employment dates and/or gross earnings to Class Administrator, and they must be postmarked, if mailed, or sent, if emailed or faxed, on or before **August 2, 2022**. Challenges will be resolved by the Claims Administrator without a hearing. Any corrections that are postmarked or sent via fax or email after this deadline will not be accepted absent good cause shown. Corrections must be mailed, faxed, or emailed to the Claims Administrator at:

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Because of the uncertainties involved, and for purposes of complying with all applicable tax requirements, the Parties agree that 30% of the sum paid to Settlement Class Members constitutes wages and shall be reported on all necessary forms as required by law and to be issued by the Settlement Administrator. The Settlement Administrator shall make appropriate deductions and withholding of all employee taxes from this payment as required by law. Each Settlement Class Member shall be responsible for paying his/her employee's share of taxes to the extent applicable on such Class Member Share payment received pursuant to this Settlement. The employer's share of the tax contributions as required by law (including, for example, where appropriate, FICA, FUTA, SUTA, unemployment, workers compensation and the like) will be paid by Defendant, who shall deposit the amount of such tax contributions with the Settlement Administrator when Defendant deposits the Total Settlement Amount.

The Parties agree that 70% of the Class Member Share payments received represents interest or penalties and any other non-taxable items and shall be reported on a Form 1099 MISC (or other form required by law) if it meets or exceeds the reporting threshold caused to be issued by the Settlement Administrator. Each Class Member shall be responsible for paying his/her own taxes to the extent applicable on this portion of the Class Member Share payment pursuant to this Settlement.

The Settlement Administrator shall report and pay any applicable employment related deductions or other tax reporting related withholding as required by law.

8. When would I get my payment?

The Parties have presented the Settlement to the Court for its review. The Court has granted preliminary approval to the Settlement. As described in this Notice, the Court will hold a Final Approval Hearing on August 15, 2022, at 9:00 a.m. (which may be virtual using Zoom, another Court-determined technology or in Courtroom 1 of United States District Court, Central District of California, located at 3470 Twelfth Street, Riverside, CA 92501, depending on the Court) to determine (1) whether the proposed settlement should be approved as fair, reasonable and adequate to Settlement Class Members; (2) whether the application for attorney fees and costs should be approved; and (3) whether the application for the Class Representative Incentive Payment and payment to the Claims Administrator should be approved. If the Court approves the Settlement, an Order Granting Final Approval will be entered. It is neither required nor necessary that you attend the Final Approval Hearing, though you may do so if you wish.

Once the Settlement becomes final and non-appealable, the Claims Administrator will mail checks to all Participating Class Members. It is expected that checks will be mailed sometime in October of 2022, but that date is subject to change.

Settlement Checks Not Cashed Within 180 days. Any check not negotiated 180 days after the date on the settlement check will be deemed void. The proceeds of any uncashed checks will go to Justice Gap Fund.

9. What claims am I releasing if I remain in the Settlement Class?

As of the date the Final Approval Order is entered by the Court, every Class Member who does not timely file a request for exclusion from the Settlement in accordance with Section 10 below will be deemed a Settlement Class Member and will release all claims against the Released Parties as follows:

“Class Released Claims” are all claims, demands, obligations, actions, causes of action, liabilities, debts, promises, agreements, demands, attorney fees, costs, losses, and expenses, known or unknown, suspected or unsuspected, filed or unfiled against the Released Parties that existed during the Class Period and that were alleged or could have been alleged in and arose out of the facts alleged in the operative complaint in the Action, including, but not limited to, all claims for meal periods, meal period premium payments, unpaid wages including failure to pay minimum wages, straight time compensation, unpaid overtime and double-time, rest periods, rest period premium payments, payment for all hours worked, including off-the-clock work, and waiting time penalties. The released claims include but are not limited to claims brought under California Labor Code sections 201, 202, 203, 204, 223, 226, 226.7, 510, 512, 1194, 1194.2, 1197, 1197.1, 1198, 2802, California Business and Professions Code sections 17200-17208, and the Industrial Welfare Commission Wage Orders. Such claims include claims for wages, statutory penalties, civil penalties, or other relief under the California Labor Code and any other related state, federal or municipal law, relief from unfair competition under California Business and Professions Code section 17200 *et seq.*, attorney fees and costs, and interest.

“Released Parties” are defined as:

Converse, Inc. and its past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related corporations, divisions, joint venturers, assigns, predecessors, successors, service providers, insurers, consultants, subcontractors, joint employers, alleged joint employers, dual employers, alleged dual employers, co-employers, alleged co-employers, alter-egos, alleged alter-egos, vendors, temporary staffing providers, affiliates, employee benefit plans and fiduciaries thereof, affiliated organizations and entities, and all persons acting under, by, through or in concert with any of them.

EXCLUDING YOURSELF FROM THE SETTLEMENT**10. How do I exclude myself from the settlement?**

If you fall within the Settlement Class definition provided in Section 4, you are a Class Member and you will be bound by the Settlement's release of claims unless you elect to opt out of the Settlement. If you want to opt-out of the Settlement, you must send a written notice to the Settlement Administrator requesting to opt-out of the Class on or before August 2, 2022. Such written notice to opt-out: (1) must indicate your intent to be excluded from the Settlement in *Campos v. Converse, Inc.* Case No. 5:20-cv-01576-JGB-SP, (2) contain your name, address, social security number, and primary telephone number, if any; (3) must be returned to the Settlement Administrator at the specific address referenced below; and (4) must be postmarked (if mailed) or received (if otherwise delivered) by the Settlement Administrator on or before August 2, 2022.

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If you chose to opt out of the Settlement, you will **not** receive any money from the Settlement, will **not** have the right to object to the Settlement, will **not** have the right to appear at the Final Approval Hearing to voice any objections to the Settlement, will **not** have the right to appeal from an order approving the Settlement, and will **not** be bound by the Settlement, including its release of claims and will be free to pursue your own claims against Defendant.

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

No. Unless you exclude yourself, you give up the right to sue Defendant for claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. You must exclude yourself from the Settlement Class to continue those parts of any lawsuit you have pending that include the legal issues released by this Settlement.

12. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, you will not receive any money from this Settlement.

13. Can Defendant retaliate against me because of what I do in response to this notice?

No. If you are a current employee of Defendant, your decision whether to participate in this Settlement will not affect your employment in any way. It is unlawful for Defendant to take any adverse employment action against you whether or not you chose to participate in this Settlement.

OBJECTING TO THE SETTLEMENT**14. How do I tell the Court that I don't like the Settlement?**

You may object to the Settlement by submitting a written objection. To be valid and effective, any objections must be postmarked, if mailed, or sent, if emailed or faxed, on or before **August 2, 2022**. The objection doesn't have to be in any specific form -- a short and simple statement of your objection and the reasons you are objecting

is sufficient. You may but do not have to be represented by your own attorney to object. If you comment through an attorney, you will be solely responsible for the attorney's fees and costs.

Objections must be sent via fax, email, U.S. Mail, or professional or personal delivery to the Claims Administrator at:

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If you don't make a timely objection, you may not be permitted to make any objections (by appeal or otherwise) to the Settlement.

15. What is the difference between objecting and excluding myself?

Objecting is simply telling the Court that you don't like something about the Settlement. Excluding yourself is telling the Court that you don't want to be part of the Settlement. If you exclude yourself by submitting a timely written request for exclusion, you will have no right to object because the case no longer affects you.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court has approved the law firms of Peter R. Dion-Kindem, P.C. and The Blanchard Law Group, APC as Class Counsel. Their contact information is:

PETER R. DION-KINDEM (SBN 95267)
THE DION-KINDEM LAW FIRM
PETER R. DION KINDEM, P.C.
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Telephone: 818.883.4900
Email: peter@dion-kindemlaw.com

LONNIE C. BLANCHARD III (SBN 93530)
THE BLANCHARD LAW GROUP, APC
5211 East Washington Boulevard, No. 2262
Commerce, California 90040
Telephone: (213) 599-8255
Fax: (213) 402-3949
Email: lonnieblanchard@gmail.com

17. How will the lawyers be paid?

Class Counsel will request the Court to approve a payment to them of up to \$150,000 of the Gross Settlement Amount in attorney fees to compensate them for their time and effort in filing and prosecuting case and to approve a payment to them of up to \$15,000 to reimburse them for the out-of-pocket costs and expenses they have incurred during the litigation. Class Counsel believe the attorney fees and costs requested are fair and reasonable and Defendant has agreed not to oppose the requests. These attorney fees and cost payments will be paid only if the Court approves them.

THE COURT'S FAIRNESS HEARING**18. When and where will the Court decide whether to approve the settlement?**

The Court will hold a Final Approval Hearing on August 15, 2022, at 9:00 a.m. This hearing may be virtual using Zoom, another Court-determined technology, or in Courtroom 1 of United States District Court, Central District of California, located at 3470 Twelfth Street, Riverside, CA 92501 before the Honorable Jesus G Bernal. The Court will determine whether the Settlement should be finally approved and will also be asked to approve the Class Representative Payment and Class Counsels' request for attorney fees and costs payments. The hearing may be postponed without further notice to you. You don't have to appear, but you may appear at your own expense.

19. Do I have to come to the hearing?

No. If you agree with the Settlement or objected to the Settlement, you may, but don't have to, come to Court to talk about it. If you are an objector, so long as you mailed your written objection on time as described above, the Court will consider it.

20. May I speak at the hearing?

You may appear at the Final Approval Hearing and ask the Court for permission to speak at the hearing. If you appear at the Final Approval Hearing to make a spoken objection but didn't timely submit a written objection, you may be treated as having waived that objection. You can't speak at the hearing if you excluded yourself.

21. Tax Advice Caveat

Any perceived tax advice in this Notice was not intended or written to be used, and it cannot be used by any recipient, for the purpose of avoiding any tax penalties that may be imposed. This Notice imposes no limitation on the disclosure of the tax treatment or tax structure of any transaction. Neither Class Counsel nor Defendant's counsel can give you tax advice.

22. This Notice Provides Only Summary

This Notice only provides a summary of the basic terms of the Settlement. For the complete terms of the Settlement, you are referred to the Joint Stipulation of Class Action Settlement which is on file with the Clerk of the Court. The pleadings and other records in this litigation may also be examined in person at any time during regular business hours with the Clerk of Court of the United States District Court, Central District of California, located at 3470 Twelfth Street, Riverside, CA 92501 or online by going to <http://www.cand.uscourts.gov>. You can also access the records at the Claim Administrator's website at <http://www.cptgroupcaseinfo.com/converseincsettlement/>.

23. Questions?

If you have questions, contact the Claims Administrator at (888) 398-3288. If you would like to speak with Class Counsel, you can contact Class Counsel as set forth above.