

## NOTICE OF CLASS ACTION SETTLEMENT

*Wilson v. Hydro Systems, Inc.*  
Los Angeles Superior Court Case No.19STCV41455

*A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.*

IF YOU WORKED FOR HYDRO SYSTEMS, INC. AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA AT ANY TIME BETWEEN NOVEMBER 19, 2015 AND DECEMBER 13, 2020, THIS CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

### ***Why should you read this Notice?***

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Wilson v. Hydro Systems, Inc.*, Los Angeles Superior Court Case No.19STCV4145 (the “Action”). The purpose of this Notice of Class Action Settlement (“Notice”) is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

A hearing concerning the Settlement (the “Settlement Hearing”) will be held before the Hon. Daniel J. Buckley on April 9, 2021 at 10:30 a.m. in Department SS-1 of the Los Angeles Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012, to determine whether the Settlement is fair, adequate and reasonable.

**AS A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT UNDER THE SETTLEMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE AND THE SETTLEMENT AGREEMENT FILED WITH THE COURT, UNLESS YOU TIMELY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
<b>DO NOTHING</b>	If you do nothing, you will be considered part of the Class and will receive an Individual Settlement Payment. You will also give up the right to pursue a separate legal action against defendant Hydro Systems, Inc. (“Defendant”) and affiliated persons and entities, as explained more fully below.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS</b>	You have the option to pursue separate legal action against Defendant about the claims in this lawsuit. If you choose to do so, you must exclude yourself, in writing, from the Settlement. As a result, you will not receive any benefits under the Settlement.
<b>OBJECT</b>	To object to the Settlement, you must submit a written statement explaining why you don’t like the Settlement or explain your objections in person at the Settlement Hearing. This option is available only if you do not exclude yourself from the Settlement.

***Who is affected by this proposed Settlement?***

The Court has certified, for settlement purposes only, the following class (the “Class”):

All current and former non-exempt employees of Defendant in California at any time during the period from November 19, 2015 through December 13, 2020 (the “Class Period”).

According to Defendant’s records, you are a member of the Class (“Class Member”).

***What is this case about?***

In the Action, plaintiff Johnathan Wilson (“Plaintiff”) alleges on behalf of himself and the Class the following claims against Defendant: (1) failure to provide meal periods; (2) failure to authorize and permit rest periods; (3) failure to pay minimum wages; (4) failure to pay overtime wages; (5) failure to pay all wages due to discharged and quitting employees; (6) failure to furnish accurate itemized statements; (7) failure to maintain required records; (8) failure to indemnify employees for necessary expenditures incurred in discharge of duties; (9) unfair and unlawful business practices; and (10) penalties under the Labor Code Private Attorneys General Act (“PAGA”), as a representative action. Plaintiff seeks unpaid wages, statutory penalties, restitution, interest, attorneys’ fees, and costs.

Defendant denies all liability and is confident it has strong legal and factual defenses to these claims.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff also believes the Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses.

***Who are the attorneys representing the Parties?***

The attorneys representing the Parties in the Action are:

**Class Counsel**

Matthew J. Matern  
Launa Adolph  
Deanna S. Leifer  
MATERN LAW GROUP, PC  
1230 Rosecrans Ave., Suite 200  
Manhattan Beach, California 90266  
310-531-1900

**Defense Counsel**

Brian E. Koegle  
Michael Fostakowsky  
POOLE, SHAFFERY & KOEGLE, LLP  
25359 Magic Mountain Pkwy, Second Fl.  
Santa Clarita, California 91355  
661-290-2991

### ***What are the Settlement terms?***

Subject to final Court approval, Defendant will pay \$825,000.00 (the “Maximum Settlement Amount”) for: (a) Individual Settlement Payments to Class Members who do not request to be excluded from the Settlement (“Participating Class Members”); (b) the Court-approved Service Award to Plaintiff; (c) the Court-approved attorneys’ fees and costs to Class Counsel; (d) the costs of administering the Settlement; and (e) PAGA penalties to be paid to the State of California Labor and Workforce Development Agency (“LWDA”) and non-exempt employees who worked for Defendant during the PAGA period, which is September 15, 2018 to September 14, 2020 (“Aggrieved Employees”).

**Individual Settlement Payments.** After deduction from the Maximum Settlement Amount for Class Counsel’s attorneys’ fees and costs, the Service Award to Plaintiff, the PAGA Payment, and the costs of administering the Settlement, there will be a Net Settlement Amount. From the Net Settlement Amount, each Participating Class Member will receive an Individual Settlement Payment. The Net Settlement Amount shall be divided pro rata among all Participating Class Members based on the total number of weeks worked during the Class Period.

In addition, all Aggrieved Employees shall receive a pro rata share of the portion of the PAGA Payment allocated to Aggrieved Employees based on their Compensable Workweeks during PAGA Period.

Your estimated Individual Settlement Payment is listed on the Information Sheet enclosed in this Notice Packet.

If a settlement check remains uncashed after 180 days from issuance, the Settlement Administrator will pay over the amount represented by the check to the State Controller’s Office Unclaimed Property Fund, with the identity of the Class Members to whom the funds belong. In such event, the Class Member will remain bound by the terms of the Settlement and all Court orders.

For tax reporting purposes, the payments to Participating Class Members will be allocated 25% as wages and 75% as non-wages. The wage portion of the Individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payments.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Participating Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

**Class Counsel Attorneys’ Fees and Costs, Service Award, Settlement Administration Costs and PAGA Payment.** Class Counsel will ask the Court to award attorneys’ fees up to \$275,000.00 (one-third of the Maximum Settlement Amount) and reimbursement of actual and reasonable costs incurred in the Action not to exceed \$15,000.00. In addition, Class Counsel

will ask the Court to authorize a Service Award payment of up to \$7,500.00 to Plaintiff for his efforts in prosecuting the Action on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed \$6,500.00. In addition, \$24,000.00 will be allocated to penalties under PAGA, of which 75%, or \$18,000.00, will be paid to the LWDA, and the remaining 25%, or \$6,000.00, will be distributed to Aggrieved Employees. Any amounts not requested or awarded by the Court will be included in the Net Settlement Amount and will be distributed to Participating Class Members, as set forth above.

#### ***What claims are being released by the proposed Settlement?***

**Release by Participating Class Members.** Upon Defendants providing the Maximum Settlement Amount to the Settlement Administrator, Plaintiff and all Participating Class Members shall be deemed to have fully, finally, and forever released the Released Parties from any and all claims, demands, rights, liabilities, and/or causes of action that were pleaded or could have been pleaded based upon the factual allegations set forth in the operative complaint filed in this Action and arising at any time during the Class Period, including claims for (1) failure to provide meal periods; (2) failure to authorize and permit rest periods; (3) failure to pay minimum wages; (4) failure to pay overtime wages; (5) failure to pay all wages due to discharged and quitting employees; (6) failure to furnish accurate itemized statements; (7) failure to maintain required records; (8) failure to indemnify employees for necessary expenditures incurred in discharge of duties; and (9) unfair and unlawful business practices.

**Release by Aggrieved Employees.** In addition, upon Defendants providing the Maximum Settlement Amount to the Settlement Administrator, all Aggrieved Employees shall be deemed to have released the Released Parties of any and all claims and/or causes of action under PAGA which are based upon the factual allegations set forth in the operative complaint and arising at any time during the PAGA Period.

The “Released Parties” are Defendant and its present or former parents, owners, subsidiaries, and any affiliated or related persons or entities and each of its officers, directors, employees, partners, shareholders, attorneys and agents, and any other successors, assigns, or legal representatives.

#### ***What are my options in this matter?***

You have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

**OPTION A. Remain in the Settlement Class.** If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment, **you do not need to take any action.** By remaining in the Class, you consent to the release of claims as described above.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of objecting to the Settlement.

**Objecting to the Settlement:** If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you must appear at the Settlement Hearing to explain your objection or submit a written brief or statement of objection (“Notice of Objection”) to the Settlement Administrator at the following address:

Wilson v. Hydro Systems Settlement  
c/o CPT Group, Inc.  
50 Corporate Park,  
Irvine, CA 92606

The Notice of Objection must: (1) state your full name; (2) state the grounds for the objection; (3) be signed by you; and (4) be postmarked on or before February 22, 2021 and returned to the Settlement Administrator at the address listed above. You can also hire an attorney at your own expense to represent you in your objection. Any Class Member who does not object in writing or at the Settlement Hearing shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of claims as set forth above, unless the Settlement is not finally approved by the Court.**

**OPTION B. If You Do Not Want to Be Bound By the Settlement.** If you do not want to be part of the Settlement, you must submit a written request to be excluded from the Settlement (“Request for Exclusion”). In order to be valid, your Request for Exclusion must (1) state your full name, address, and telephone number and the last four digits of your Social Security Number (for identification purposes only); (2) contain a clear statement that you are requesting to opt out of, or be excluded from, the Settlement in *Wilson v. Hydro Systems*; (3) be signed by you; and (4) be postmarked on or before February 22, 2021 and returned to the Settlement Administrator at the following address:

Wilson v. Hydro Systems Settlement  
c/o CPT Group, Inc.  
50 Corporate Park,  
Irvine, CA 92606

If you do not submit a valid Request for Exclusion, you will be deemed a Participating Class Member and you will be bound by the release of claims as described above and all other terms of the Settlement. If you submit a valid Request for Exclusion, you will have no further role in the Action, and you will not be entitled to any benefit as a result of the Action and Settlement and will not be entitled to or permitted to object to the Settlement.

***What is the next step in the approval of the Settlement?***

The Court will hold a hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, and Plaintiff’s request for a Service Award to Plaintiff and attorneys’ fees and costs to Class Counsel on April 9, 2021 at 10:30 a.m. in Department SS-1 of the Los Angeles Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012. You may attend the hearing telephonically or by video conference

through LACourtConnect. You will need to access the LACourtConnect website ([www.lacourt.org/lacc](http://www.lacourt.org/lacc)) to schedule your remote appearance. The Settlement Hearing may be continued without further notice to Class Members. You are not required to attend the Settlement Hearing to receive an Individual Settlement Payment.

If the Court grants final approval of the Settlement, notice of final judgment will be posted on the Settlement Administrator's website ([www.cptgroupcaseinfo.com/hydrosystems](http://www.cptgroupcaseinfo.com/hydrosystems)) within seven (7) calendar days after entry of the Final Order and Judgment.

***How can I get additional information?***

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Settlement Agreement. You may also request a copy of the Settlement Agreement from Class Counsel, at the address and telephone number listed above. If you have questions regarding the Settlement, you may contact the Settlement Administrator at 1-888-416-3115.

**PLEASE DO NOT CONTACT THE COURT REGARDING THIS SETTLEMENT.**