

NOTICE OF CLASS ACTION SETTLEMENT*King v. Russ Bassett Corp., et al.*

Superior Court of the State of California, County of Los Angeles, Case No. 19STCV20135

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

If you are or were employed by Russ Bassett Corp. (“Russ Bassett” or “Defendant”) as a non-exempt employee of Russ Bassett in California at any point during the period from May 26, 2013 through March 2, 2021 this class action settlement may affect your rights.

Why should you read this Notice?

A proposed settlement (“Settlement”) has been reached in a class action lawsuit entitled *King v. Russ Bassett Corp., et al.*, which is pending in the Superior Court of the State of California, County of Los Angeles, Case No. 19STCV20135 (the “Action”). Defendant’s records show that you worked as a non-exempt employee for Defendant at some time during the period from May 26, 2013 through March 2, 2021 (“Class Period”), and therefore, you are a Class Member in this Action. The purpose of this Notice of Class Action Settlement (“Notice”) is to describe the Action and the Settlement, and to inform you of your rights and options in connection with the Settlement.

A final hearing will be held to determine whether the Settlement is fair, reasonable, and adequate (“Final Approval Hearing”). The Final Approval Hearing will be held on June 28, 2021 at 11:00 am before the Honorable Amy D. Hogue in Department 7 of the Spring Street Courthouse, located at 312 North Spring Street, Los Angeles, California 90012.

As a Class Member, you are eligible to receive a payment under the Settlement, and unless you timely submit an Exclusion Form, you will be bound by the release of claims described in this Notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	If you do nothing, you will remain a Class Member and you will receive a payment under the Settlement. You will also give up rights to pursue a separate legal action against Defendant for the claims alleged in the Action, as explained more fully below.
OPT OUT OR EXCLUDE YOURSELF FROM THE SETTLEMENT	You have the option to pursue separate legal action against Defendant regarding the claims alleged in this Action and forego any benefits you could be entitled to as a Class Member. If you choose to do so, you must Opt Out of the Settlement in writing as further described herein. As a result, you will not receive any benefits under the Settlement for the class claims. However, you cannot opt out of the PAGA settlement and will still receive your portion of the PAGA settlement.
OBJECT	To object to the Settlement, you must submit a letter to the Settlement Administrator about why you don’t like the Settlement. This option is only available if you do not exclude yourself from the Settlement.

Who is affected by the Settlement?

The Court has certified the following class (“Class”) for settlement purposes: All current and former non-exempt employees of Defendant in the State of California at any time during the period from May 26, 2013 through March 2, 2021 (“Class Period”).

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

What is this case about?

Plaintiff Everett King (“Plaintiff” or “Class Representative”) is a former employee of Defendant who commenced this Action on June 10, 2019. In the Action, Plaintiff alleges, on behalf of himself and the Class Members, the following claims against Defendant: (1) failure to provide required meal periods; (2) failure to provide authorize and permit rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to pay all wages due to discharged or quitting employees; (6) failure to timely pay all wages earned; (7) failure to maintain required records; (8) failure to furnish accurate itemized wage statements; (9) failure to indemnify employees for necessary expenditures incurred in discharge of duties; and (10) unfair and unlawful business practices. The Action also seeks a representative action for (11) unpaid wages, statutory penalties, civil penalties under the Private Attorneys General Act (“PAGA”) and a collective action for (12) failure to pay all wages and overtime compensation in violation of the Fair Labor Standards Act. Plaintiff also seeks restitution, interest, attorneys’ fees, and costs.

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims. Defendant also recognizes the risks and costs associated with litigation. Defendant contends that Plaintiff’s claims do not have merit and do not meet the requirements for class certification.

The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses. This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”) 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 this Settlement is in the best interests of all Class Members.

What is a class action and who is involved?

In a class action lawsuit, one or more people called “Class Representative(s)” sue on behalf of other people who have similar claims. The Class Representative(s) and all of the people whose claims are being pursued in the case are called the “Class” or “Class Members.” One court resolves the issues for everyone in the Class, except for those people who choose to exclude themselves from the Class.

Do I have a lawyer in this case?

On March 2, 2021, the Court granted preliminary approval of the Settlement. At that time, the Court also preliminarily approved the law firm of Matern Law Group, PC to serve as counsel for Plaintiff and the Class (“Class Counsel”). Class Counsel’s contact information is as follows:

MATERN LAW GROUP
Matthew J. Matern
Tagore O. Subramaniam
Sydney A. Adams
1230 Rosecrans Avenue, Suite 200
Manhattan Beach, California 90266
Telephone: (310) 531-1900
Facsimile: (310) 531-1901

What are the Settlement terms?

Subject to approval by the Court, the Settlement provides that Defendant will pay a total amount of \$250,000 (the “Maximum Settlement Amount”)¹ in order to resolve the claims in the Action. This Maximum Settlement Amount includes an award of reasonable attorneys’ fees to Class Counsel (not to exceed \$83,333.33), reimbursement of Class Counsel’s

¹ Defendant will not pay more than the Maximum Settlement Amount save for: 1) the employer’s share of withholding taxes which shall be paid separately by the Defendant and 2) any proportional escalation from previously undisclosed Qualifying Work Weeks. Specifically, Defendant has represented that the total Qualifying Work Weeks for the Class is 18,510. Should the total Qualifying Work Weeks for the Class increase by more than ten percent (10%) for a total of 20,361 Qualifying Work Weeks or more, the Maximum Settlement Amount shall increase a proportional amount as percentage increase in Qualifying Work Weeks.

litigation costs and expenses (not to exceed \$30,000), an enhancement payment to the Class Representative (not to exceed \$5,000), settlement administration costs (estimated to not exceed \$12,000), payment to the California Labor and Workforce Development Agency for its share of the PAGA penalties (in the amount of \$15,000), and the total of each individual “Settlement Sum” to be paid to each Participating Class Member.

Payments to Settlement Class Members: The “Maximum Settlement Portion for Payments to Settlement Class Members” means the Maximum Settlement Amount, less the Court-approved amounts for attorneys’ fees and costs, service payment to the Class Representative, settlement administration costs, and the PAGA payment to the LWDA.

Each Participating Class Member who does not submit a timely and valid Exclusion Form will receive a share of the Maximum Settlement Portion for Payments to Settlement Class Members which will be proportionally based upon the number of calendar weeks in which a Class Member was employed by Defendant in California as a nonexempt employee during the Class Period and worked at least one day (“Qualifying Work Weeks”), calculated as follows: First, the Settlement Administrator will divide the Maximum Settlement Portion for Payments to Settlement Class Members divided by the total number of Qualifying Work Weeks for all Settlement Class Members (“Settlement Sum Variable”). The Settlement Administrator will then take the number of Qualifying Work Weeks worked by each Class Member and multiply it by their Settlement Sum Variable. This calculation will yield the amount of the individual Class Member’s estimated Settlement Sum.

Your estimated number of Qualifying Work Weeks and your individually estimated Settlement Sum are listed on the Information Sheet that is enclosed with this Notice. You may dispute your estimated Settlement Sum. The Information Sheet includes further details regarding the dispute process.

For tax purposes, each Class Member’s individual Settlement Sum will be allocated for reporting reasons as follows: (a) twenty percent (20%) shall be deemed payment in settlement of claims for unpaid wages; and (b) eighty percent (80%) shall be deemed payment for penalties, liquidated damages, and interest. Payroll Taxes on the wage portion of these payments will be paid separately by the Defendant in addition to the Maximum Settlement Amount, or escalation thereof. Those payments (or portions thereof) allocated to the settlement of claims for unpaid wages (a) shall be subject to required withholdings and deductions with the employer’s share of withholding taxes paid separately by the Defendant; and (b) shall be reported in the year of payment as wage income to the Settlement Class Members on a Form W-2 or analogous form. Those payments (or portions thereof) allocated to any other claims, including without limitations claims for penalties, liquidated damages, and interest (a) shall not be subject to withholdings and deductions; and (b) shall be reported in the year of payment as non-wage income to the Settlement Class Members on a Form 1099 or analogous form. Other than the withholdings, reporting requirements, and the employer’s standard share of liability for Payroll Taxes on the portions of the payments characterized as wage payments, the Settlement Class Members shall be solely responsible for the reporting and payment of any federal, state and/or local income or other tax or any other withholdings, if any, on any of the payments made pursuant to this Stipulation. Defendant, its counsel, and Class Counsel make no representations as to the taxability of any payments made pursuant to this settlement. Class Members should seek their own tax advice prior to acting in response to this Notice.

Each Participating Class Member’s Settlement Sum check will contain language stating that by signing the check, the Class Member will be declaring under penalty of perjury that his or her signature constitutes his or her full and complete release of all “Released Claims” as described more fully in the Settlement Agreement and this Class Notice. Cashing the check will also mean that the Class Member electing to opt into an action under the Fair Labor Standards Act (“FLSA”) and that the Class Member releases any and all claims he or she may have had under the FLSA related to the claims that were made or arise out of the facts asserted in the Action.

Checks for individual Settlement Sums issued by the Settlement Administrator to Settlement Class Members must be cashed within one hundred and eighty (180) days of issuance. If a check is returned to the Settlement Administrator as undeliverable or remains uncashed after one hundred and eighty (180) days from issuance, the Settlement Administrator shall void any such checks. Thereafter, the funds represented by any uncashed or undeliverable checks shall be distributed to a *Cy Pres* fund, subject to approval by the Court, donated by Defendant to Legal Aid at Work, a non-profit organization whose main purpose is to combat wage theft and educate workers about their wage-and-hour rights.

What claims are being released by the proposed Settlement?

Participating Class Members’ Released Claims: Upon the date the Defendant fully funds the settlement, Class

Representative and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all claims alleged or that could have been alleged based on the facts, allegations, and legal theories raised in the proposed Complaint including all of the following claims, actions, demands, causes of action, suits, debts, obligations, damages, rights or liabilities: (a) failure to pay minimum wages, straight time wages, or overtime wages; (b) failure to provide proper meal and rest periods, to properly provide premium pay in lieu thereof, or to properly calculate premium pay in lieu of meal and rest periods; (c) failure to maintain required records; (d) failure to provide complete and/or accurate wage statements; (e) failure to timely pay wages due or final wages due; (f) unfair business practices; (g) civil penalties under the Private Attorneys General Act (“PAGA”); (h) any other claims or penalties under the wage and hour laws pleaded in the Litigation; (k) any other claims or penalties under the wage and hour laws pleaded in the Litigation or that could have been pleaded in the operative complaint against the Releasees, and each of them, based on the facts alleged in the operative complaint pursuant to the Labor Code, Business & Professions Code section 17200 et seq., Code of Civil Procedure section 1021.5, the Fair Labor Standards Act, applicable sections of the California Industrial Wage Orders, and applicable sections of the California Code of Regulations, all claimed or unclaimed compensatory, consequential, incidental, liquidated, punitive and exemplary damages, penalties, restitution, interest, costs and attorneys’ fees, injunctive or equitable relief, and any other remedies available at law or equity, and other amounts recoverable under said causes of action under California and federal law, to the extent permissible (collectively, the “Class Members Released Claims”). Only Settlement Class Members who timely cash their check for their individual Settlement Sum will be deemed to have “opted in” to the release of the Released Claims arising under the Fair Labor Standards Act of 1938, 29 U.S.C. § 216(b) (“FLSA”).

Aggrieved Employees’ Released Claims: In addition to the release set forth in Paragraph 2.7.1, this settlement shall result in the release by the Aggrieved Employee of all any and all claims and/or causes of action arising under the California Private Attorneys General Act of 2004 (“PAGA”), codified at California Labor Code section 2698 et seq, which are based upon the factual allegations set forth in the operative complaint and arising at any time during the PAGA period.

What are my options in this matter?

You have two options under this Settlement. You may: (A) participate in the Settlement and receive a payment; or (B) exclude yourself from (i.e., “opt out” of) the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you choose option (A), you will be represented at no cost by Class Counsel, and you will be subject to any Judgment entered in the Action, including the release of claims as described above.

OPTION A. Remain in the Settlement. If you wish to remain in the Settlement and be eligible to receive a payment under the Settlement, you do not need to take any action. If you remain in the Settlement, you will release the claims as described above.

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 Opt Out of the settlement (“Opt Out”) and mail it to the Settlement Administrator at the following address, postmarked no later than May 27, 2021: *Russ Bassett Corp. Settlement, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606*. In order to be valid, your Opt Out 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; and (3) be signed by you. If you do not timely submit a timely and valid Opt Out, 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 timely submit a signed Opt Out, you will not be entitled to any benefit of the class settlement as a result of the Action and Settlement and will not be entitled to or permitted to assert an objection to the Settlement. However, Class Members who are also Aggrieved Employees shall not be eligible to opt out of the settlement for the PAGA claims and will be bound to the Aggrieved Employee release.

Objecting to the Settlement: If you believe the Settlement is not fair, reasonable, or adequate in any way, you may object to it. To object, you must mail a written statement of objection (“Objection”) to the Settlement Administrator at the following address, postmarked no later than May 27, 2021: *Russ Bassett Corp. Settlement, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606*. In order to be valid, your Objection must contain your full name and signature and state the grounds for the objection. You can also hire an attorney at your own expense to represent you in your objection. You may attend the Final Approval Hearing and ask to be heard by the Court regarding your objections regardless of whether you submit a written objection. **You cannot object to the Settlement if you request exclusion from the Settlement.**

Even if you submit an objection, you will be bound by Settlement, including the release of claims as set forth above, unless the Settlement is not finally approved by the Court.

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

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the enhancement payment to the Class Representative, the settlement administration costs, and the PAGA penalties on June 28, 2021 at 11:00 am in Department 7 of the Spring Street Courthouse, located at 312 North Spring Street, Los Angeles, California 90012. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing, but you may do so at your own expense. Due to the COVID-19 pandemic, social distancing protocols have restricted courthouse access and reduced courtroom seating capacity. To ensure public access during the pandemic, the Court provides two ways to access public court proceedings: 1) A new Remote Audio Attendance Program. The Court strongly encourages the use of this remote option; and 2) A limited number of courtroom seats for in-person attendance, with prior approval, when members of the public do not have a smart phone, tablet, or computer with an internet connection to listen remotely to court proceedings. These requests are submitted to the judicial officer for determination. Please check the Los Angeles County Superior Court website for more information on these attendance options.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are contained in the detailed Stipulation Re: Settlement of Class and Collective Action ("Stipulation" or "Settlement") that is on file with the Court. The pleadings and other records in this litigation, including a complete copy of the Settlement, may be examined at the Records Office of the Clerk of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, California 90012. Due to the COVID-19 pandemic, the Clerk's Office and Self-help Centers are inaccessible to the public unless you have a prescheduled appointment. Please check the Los Angeles County Superior Court website for the most current social distancing procedure. More information and Court documents are also available on the case website, at www.cptgroupcaseinfo.com/RussBassettSettlement. Any questions regarding this Notice should be directed to the Class Counsel, whose contact information is listed on page 2 of this Notice. For more information, you may also call the Settlement Administrator toll-free at 1-888-817-0937.

What should I do if my address changes?

If you need to update your contact information, please promptly contact the Settlement Administrator toll-free at 1-888-817-0937. This will ensure that you receive further notices about the Settlement and that you receive your Individual Settlement Award if the Settlement is approved by the Court.

**PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE
BY ORDER OF THE LOS ANGELES SUPERIOR COURT**