

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN BERNARDINO

CHRISTIAN LEMUS; individually, and on behalf  
of other members of the general public similarly  
situated;

Plaintiff,

v.

SLATER, INC., an unknown business entity; and  
DOES 1 through 50, inclusive,

Defendant.

CASE NO. CIVDS1703633

[PUTATIVE CLASS ACTION]

**NOTICE OF PROPOSED CLASS ACTION  
SETTLEMENT, AND HEARING DATE FOR  
FINAL COURT APPROVAL OF  
SETTLEMENT**

**ATTENTION: ALL PERSONS WHO ARE OR WERE EMPLOYED BY SLATER, INC. (“DEFENDANT”) AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA AT ANY TIME BETWEEN MARCH 2, 2013 AND APRIL 1, 2018**

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO MAKE A CLAIM FOR PAYMENT OR TO OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.**

Pursuant to the Order Granting Preliminary Approval of Class Action Settlement of the Superior Court of the State of California for San Bernardino County entered April 27, 2018, YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A class action settlement has been reached between the Parties in the above-captioned lawsuit pending in the Superior Court of the State of California for San Bernardino on behalf of all persons who were employed by Slater, Inc. (“Defendant”) as non-exempt employees in California at any time between March 2, 2013 and April 1, 2018 (the “Settlement Class” or the “Class Members”); however, the Settlement Class does not include persons who submit valid Requests for Exclusion (as explained below), or who previously settled, released or received awards for claims covered by the Settlement.

“Defendant” and “Released Parties” in the Action include Slater, Inc., its past, present and former parent companies, subsidiaries, divisions, partnership entities, related or affiliated companies, trust, foundation and non-profit entity which controls, is controlled by, or is under common control with Defendant including, but not limited to, its past, current and future shareholders, partners, officers, fiduciaries, directors, members, directors, supervisory committee members, volunteers, managers, clients, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity who could be jointly liable with any of the foregoing.

You have received this notice because Defendant’s records indicate you worked as a Class Member during the Class Period (defined below). This notice is to advise you of how you can participate in the Settlement or be excluded from the Settlement.

## **I. BACKGROUND OF THE CASE**

On March 2, 2017, Plaintiff Christian Lemus (“Plaintiff” or “Class Representative”) filed a complaint against Defendant in the San Bernardino County Superior Court on behalf of himself and all other non-exempt employees who worked for Defendant. On June 6, 2017, Plaintiff filed a First Amended Complaint (“Complaint”) to allege a cause of action under the California Private Attorneys’ General Act (“PAGA”). The term “Action” means the putative class action pending in San Bernardino County Superior Court, Case No. CIVDS1703633. The Class Period is between March 2, 2013 and April 1, 2018 (the “Class Period”).

Plaintiff alleges in the Action causes of action for unpaid overtime, unpaid meal period premiums, unpaid rest period premiums, wages not timely paid during employment, non-compliant wage statements, failure to keep requisite payroll records, unreimbursed business expenses, prevailing wages and unfair competition, on behalf of Class Members from March 2, 2017 through trial. Plaintiff’s Complaint seeks recovery of alleged damages, penalties, interest, and attorneys’ fees and costs. Defendant denies all claims, denies that Plaintiff and the Class Members are entitled to any recovery, and asserts affirmative defenses in response to Plaintiff’s claims.

The Action has been actively litigated. There have been on-going investigations, and there has been an exchange of extensive documentation and information. Furthermore, the Parties have engaged in arms-length private settlement negotiations. Based upon the negotiations, and all know facts and circumstances, including the various risks and uncertainties related to legal actions, the Parties reached a class-wide Settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Settlement, Defendant continues to deny all allegations and claims.

The Parties have since entered into a Joint Stipulation of Settlement and Release between Plaintiff and Defendant, which has been preliminarily approved by the Court.

If you are part of the Settlement Class, you are entitled to participate in the Settlement and object to it or to exclude yourself (“opt out”) from the Settlement.

## **II. SUMMARY OF THE PROPOSED SETTLEMENT**

### **A. The Amount of the Settlement**

Under the terms of the Settlement, Defendant agrees to pay a maximum of \$750,000.00, which sum shall include all claims by Class Members and all Settlement Awards, Class Counsel’s attorneys’ fees, Class Counsel’s litigation expenses and costs, the enhancement award to the Class Representative, the employer’s payroll taxes for the wage portion of the Settlement Awards, \$15,000.00 allocated to penalties under the California Private Attorneys General Act (“PAGA”) with \$11,250.00 paid to the California Labor and Workforce Development Agency (“LWDA”) and \$3,750.00 paid to the Settlement Class, and all Settlement administration expenses (“Maximum Settlement Amount”). The entire Maximum Settlement Amount will be fully paid out.

The net settlement amount will be calculated by deducting all Class Counsel’s attorneys’ fees, Class Counsel’s litigation expenses and costs, the enhancement award to the Class Representative, the employer payroll taxes, the fees and expenses of the Claims Administrator, and \$11,250.00 payable to the California Workforce Development Agency (“LWDA”) for alleged PAGA penalties, which will result in a “Net Settlement Amount” for distribution to all Class Members. As explained further below, the amount of each Class Member’s Settlement Award will depend on the number of weeks worked by Class Members during the Class Period.

**B. Settlement Formula, and Your Settlement Award**

Defendant will pay Settlement Awards, as described below, to each Class Member who does not submit a Request for Exclusion. All Settlement Awards will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action, that all Settlement Awards payable to eligible Class Members will be allocated from the Net Settlement Amount and paid as follows: 1/3 will be allocated to alleged unpaid wages for which IRS Forms W-2 will issue; 1/3 will be allocated to alleged unpaid penalties and alleged unreimbursed business expenses for which IRS Forms 1099-MISC will issue; and 1/3 will be allocated to alleged unpaid interest for which IRS Forms 1099-MISC will issue.

Settlement Awards to Class Members will be based on the number of weeks worked by individual Class Members during the Class Period. The number of workweeks will be determined by reference to Defendant's records. The Claims Administrator, based on Defendant's records, will calculate the number of workweeks for each Class Member during the Class Period. The amount to be paid per workweek to eligible Class Members will be calculated by the Claims Administrator by dividing the Net Settlement Amount by the total number of weeks worked during the Class Period by all Class Members.

Receipt of the Settlement Awards will not entitle any Class Member to additional compensation or benefits under any company compensation or benefit plan or agreement in place during the period covered by the Settlement.

**C. Calculations to Be Based on Defendant's Records**

The amount payable to the Class Member will be calculated by the Claims Administrator from Defendant's records. Defendant's records will be presumed correct, unless evidence to the contrary is provided to the Claims Administrator. Defendant's records, and any additional evidence, will be reviewed by the Claims Administrator in the event of a dispute about the number of workweeks worked by an individual Class Member. If a Class Member disputes the accuracy of Defendant's records, all supporting documents evidencing additional workweeks must be submitted by the Class Member by July 20, 2018, which is 60 calendar days from the date this notice was mailed to all Class Members. Any workweek disputes will be resolved by the Claims Administrator as described in Section E below.

**Your Estimated Settlement Share is \$<<Est.SettlementAmt>>. The amount of the payment may change depending on the number of timely and valid Requests for Exclusions submitted in the Settlement, if any.**

**D. Release of Claims**

The Joint Stipulation of Settlement and Release between Plaintiff and Defendant contains a release which releases Slater, Inc. and the Released Parties from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action of any nature under any state, federal or local law, that were or could have been asserted based on the facts and allegations made in the Action, and any amendments thereto, as to the Class Members, including without limitation, California Labor Code sections 203, 204, 218, 226, 226.3, 226.7, 227.3, 510, 512, 1174, 1194, 1198, 1770, 2698, 2699, 2699.3, 2699.5, 2800, 2802, California Industrial Commission Wage Orders, Cal. Code Regs., Title. 8, section 11040, *et seq.*, and Business and Professions Code sections 17200, *et seq.*, and including all claims for alleged unpaid wages, overtime or double time wages, minimum wages, regular rate of pay, timely payment of wages at separation, meal periods and meal period premiums, rest periods and rest period premiums, off-the-clock work, business expenses, wage statements, payroll records and recordkeeping, vacation pay, failure to pay prevailing wage, failure to pay additional 401(k) benefits and/or deferred compensation benefits and/or matching benefits for payments received under the Settlement, unfair competition, unfair business practices, unlawful business practices, fraudulent business practices, conversion, class actions, representative actions, aggrieved party claims,

injunctive relief, declaratory relief, accounting, punitive damages, liquidated damages, penalties of any nature (including but not limited to civil penalties, waiting-time penalties, PAGA penalties), interest, fees, costs, as well as all other claims and allegations alleged in the Action, from March 2, 2013 through April 1, 2018 (collectively “Released Claims”). Expressly excluded from the release are claims for retaliation, discrimination, unemployment insurance, disability, workers compensation, and claims outside the Released Claims.

**E. Resolution of Workweek Disputes**

If a Class Member disputes the accuracy of Defendant’s records as to the number of weeks worked during the Class Period, any documentation supporting such dispute must be must be postmarked or actually received via facsimile or email by the Claims Administrator before July 20, 2018, which is 60 calendar days from the date this notice was mailed to all Class Members. All workweek disputes will be resolved and decided by the Claims Administrator, and the Claims Administrator’s decision on all disputes will be final and binding.

**F. Enhancement Award for the Class Representative**

Subject to approval by the Court, Class Representative will receive an Enhancement Award up to \$7,500.00. This payment will be made for service as a Class Representative, including active participation in prosecution of the Action, as well as willingness to accept the risk of incurring Class Counsel’s costs or paying Defendant’s attorneys’ fees and costs for an unsuccessful outcome in the Action. The Class Representative also signed a general release of all claims, which is broader than the release applicable to all other Class Members, to be eligible for the Enhancement Award.

**G. Attorneys’ Fees and Costs**

As consideration for the Settlement and in exchange for the release by the Settlement Class, Defendant agrees to pay Class Counsel’s attorneys’ fees and costs to be set by the Court, up to a maximum of thirty-five percent (35%) of the Maximum Settlement Amount which equals \$262,500, and attorneys’ costs estimated at \$7,500. Class Counsel’s attorneys’ fees and costs will be paid and deducted from the Maximum Settlement Amount.

**H. Reasonableness of Settlement**

All attorneys for the Parties to the Action believe the amounts for attorneys’ fees and costs requested are fair and reasonable. The Class Representative and Class Counsel support this Settlement. Among the reasons for support are the complete defenses to liability potentially available to Defendant, the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation.

**III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER**

**A. Participating in Settlement**

You do not have to do anything to qualify for a payment of your portion of the Net Settlement Amount.

**B. Excluding Yourself from the Settlement**

If you do not wish to participate in the Settlement, you may be excluded (i.e., “opt out”) by submitting a timely written request to the Claims Administrator stating you have received notice of the Settlement, decided not to participate in the Settlement, and desire to be excluded from the Settlement, or words to that effect (“Request for Exclusion”). Your Request for Exclusion must also state your full name, address, date of birth, and the dates you were employed by Defendant as a Class Member in California. The Request for Exclusion must be signed, dated and mailed by First Class U.S. Mail, facsimile or email, or the equivalent, to:

Christian Lemus vs. Slater, Inc.  
c/o ILYM Group, Inc.  
P.O. Box 2031  
Tustin, CA 92781  
Fax: (888) 845-6185

The Request for Exclusion must be postmarked or received via facsimile or email no later than July 20, 2018. If you submit a Request for Exclusion which is not postmarked or received via facsimile or email by July 20, 2018 your Request for Exclusion will be rejected and you will be bound by the Release and all other Settlement terms. If the Request for Exclusion is sent from within the United States it must be sent through the United States Postal Service by First Class Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Request for Exclusion.

Any person who submits a complete and timely Request for Exclusion shall, upon receipt by the Claims Administrator, no longer be a Class Member, shall be barred from participating in any portion of the Settlement, shall receive no benefits from the Settlement, shall not be deemed to have relinquished the Released Claims against the Released Parties, and, at his or her own expense, may pursue any claims he or she may have against the Released Parties.

### **C. Objection to Settlement**

If you do not exclude yourself from the Settlement, you can object to the terms of the Settlement before Final Approval. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement, and you will receive your portion of the Settlement amount. To object, you must file a written objection. You must mail your objection to the Claims Administrator below. If you wish to attend the Final Hearing to object, you may appear at the Final Approval hearing currently set for September 7, 2018, at 8:30 a.m. (Pacific Time) in Department S26, with the Clerk of the Superior Court of the State of California for the County of San Bernardino, 247 West 3<sup>rd</sup> Street, San Bernardino, California 92415.

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c/o ILYM Group, Inc.  
P.O. Box 2031  
Tustin, CA 92781

Any written objection must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and the dates of you were employed in California by Defendant. To be valid and effective, any objections to approval of the Settlement must be delivered to the Claims Administrator no later than July 20, 2018. **DO NOT TELEPHONE THE COURT.**

### **IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS**

Upon Final Approval being granted by the Court, each and every Class Member, who does not opt out of the Settlement, will release Defendant and the Released Parties from the Released Claims as described above. In other words, if you were employed as a Class Member by Defendant in California during the Class Period, and you do not exclude yourself from the Settlement Class, you will be deemed to have entered into this release and to have released the above-described Released Claims. In addition, you will be barred from ever suing Defendant and the Released Parties with respect to the Released Claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue as though the Settlement never occurred and without prejudice to any Party.

## **V. FINAL SETTLEMENT APPROVAL HEARING**

The Court will hold a final hearing in Superior Court of the State of California for the County of San Bernardino, 247 West 3<sup>rd</sup> Street, San Bernardino, California 92415, on September 7, 2018, at 8:30 a.m. (Pacific Time) in Department S26, to determine whether the Settlement should be finally approved as fair, reasonable and adequate. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs, and the Enhancement Award to be paid to the Class Representative. Class Counsel's application for attorneys' fees and litigation costs will be on file with the Court no later than August 15, 2018, and will be available for review after that date. Class Counsel are seeking approval of a total of not more than thirty-five percent (35%) of the Settlement for Class Counsel's attorneys' fees which equals \$262,500.00, and not more than \$7,500 for Class Counsel's attorneys' litigation expenses and costs.

The hearing may be continued without further notice to the Settlement Class. It is not necessary for you to appear at this hearing, unless you wish to object to the Settlement.

## **VI. ADDITIONAL INFORMATION**

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed "Joint Stipulation of Settlement and Release between Plaintiff and Defendant" which is on file with the Clerk of the Court. The pleadings and other records in this Action, including the Joint Stipulation of Settlement, may be examined at any time during regular business hours at the Office of the Clerk of the San Bernardino County at 247 West 3<sup>rd</sup> Street, San Bernardino, California 92415 or through the website of the Claims Administrator at [www.ilymgroupclassaction.com](http://www.ilymgroupclassaction.com).

If you want additional information about this lawsuit and its proceedings, you can contact Class Counsel:

Heather Davis, Esq.  
Protection Law Group LLP  
136 Main Street, Suite A  
El Segundo, CA 90245  
Telephone: (424) 290-3095  
Facsimile: (866) 264-7880  
Email: [heather@protectionlawgroup.com](mailto:heather@protectionlawgroup.com)

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR  
INFORMATION REGARDING THIS SETTLEMENT.**

**BY ORDER OF THE SUPERIOR COURT**