NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

Janet Duenas et. al v. First Quality Painting Inc.

San Bernardino County Superior Court, Case No. CIVSB2121824 (Class Action) (Lead Case)

Janet Duenas v. First Quality Painting Inc.

San Bernardino County Superior Court, Case No. CIVSB2126998 (PAGA Action) (Consolidated Case)

THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY. YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.

To: All current and former hourly-paid, non-exempt employees who are or were employed by First Quality Painting, Inc. in the State of California at any time between July 27, 2017, and December 2, 2024.

BASIC INFORMATION

1. What is this settlement about?

A lawsuit was commenced by Janet Duenas a former employee of First Quality Painting, Inc. ("Defendant") on July 27, 2021. This case is currently pending in the San Bernardino County Superior Court, Case No. CIVSB2121824 (Class Action).

On September 17, 2021, Janet Duenas filed a separate lawsuit against Defendant in the San Bernardino County Superior Court, Case No. CIVSB2126998 (PAGA Action). On January 19, 2023, the Court consolidated the Class Action and PAGA Action with the Class Action as the Lead Case.

On October 30, 2024, the Class Action Complaint was amended adding Alejandra Martinez and Walter Rios, former employees of Defendant, as additional Plaintiffs.

The lawsuits claim that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiffs alleges that Defendant failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, did not maintain accurate payroll records, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act ("PAGA"). The lawsuit claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties and restitution.

Defendant strongly denies that it violated any laws or failed to pay any wages. Defendant contends that it complied with all applicable laws. Also, the Court has not made any rulings on the merits of the case.

2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case Janet Duenas, Alejandra Martinez and Walter Rios, also known as "Plaintiffs"), sue on behalf of people who appear to have similar claims (in this case, all individuals who were employed by Defendant First Quality Painting, Inc. in the state of California as hourly-paid, non-exempt employees at any time from July 27, 2017, to December 2, 2024. All these people are referred to here as "Class Members". In a class action, one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The San Bernardino County Superior Court is in charge of this class action.

3. Why is there a settlement?

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement ("Agreement" or "Settlement"). On June 3, 2025, the Court granted preliminary approval of the Settlement, appointed Plaintiffs Janet Duenas, Alejandra Martinez and

Walter Rios as the Class Representatives, and appointed their attorneys at Protection Law Group, LLP and Lawyers for Justice, P.C. as counsel for the Class ("Class Counsel"). The Class Representatives and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as an hourly-paid, non-exempt employee in the state of California at any time between July 27, 2017, and December 2, 2024.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of One Hundred and Fifty Thousand Dollars (\$150,000.00) ("Gross Settlement Amount"). This includes all costs and attorneys' fees for Class Counsel.

The "Net Settlement Amount" is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys' Fees to Class Counsel** not to exceed Twenty Percent (20%) of the Gross Settlement Amount or Thirty Thousand Dollars and Zero Cents (\$30,000.00);
- B. Litigation Costs/Expenses to Class Counsel not to exceed Thirty Five Thousand Dollars (\$35,000);
- C. Enhancement Payments to the Class Representatives in an amount not to exceed a total of Eight Thousand Dollars (\$8,000), as follows: Five Thousand Dollars and Zero Cents (\$5,000.00) for Plaintiff Janet Duenas; and One Thousand Five Hundred Dollars and Zero Cents (\$1,500.00) for Plaintiff Alejandra Martinez and One Thousand Five Hundred Dollars and Zero Cents (\$1,500.00) for Walter Rios.
- D. **Settlement Administration Costs** which are currently estimated to be Nine Thousand Dollars and Zero Cents (\$9,000.00); and
- E. **PAGA Payment** in the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for the settlement of claims arising under the Private Attorney's General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$5,625.00) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$1,875.00) will be distributed to hourly-paid, non-exempt employees who worked for Defendant between July 27, 2020, and December 2, 2024, for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your "Individual Settlement Payment" will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly-paid, non-exempt employee of Defendant from July 27, 2017, to December 2, 2024 ("Workweeks"). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment based on the number of workweeks you worked during the PAGA Period.

The Class Portion of your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest, and forty percent (40%) penalties. The PAGA Portion of your Individual Settlement Payment will be allocated as 100% Penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member's settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked <<MERGED_ClassWW>> workweeks during the class period. Your Individual Settlement Payment is \$<<MERGED_ClassAward>>. The amount of the payment may change depending on the number of timely and valid requests for exclusions submitted in the Settlement, if any.

You worked << MERGED_PAGAPP>> workweeks during the PAGA Period. The PAGA Portion of your Individual Settlement Payment is \$<< MERGED_PAGAAward>>.

This Amount was determined based on Defendant's record of your employment from July 27, 2017, to December 2, 2024, and is presumed correct. If you dispute the accuracy of Defendant's records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by August 29, 2025. All disputes regarding your workweeks, where you and the Parties cannot agree, will be resolved and decided by the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

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

Telephone: (888) 250-6810 Fax: (888) 845-6185

Email: info@ilymgroup.com

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

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

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the complete funding of the Gross Settlement Amount by Defendant, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion will release the "Released Parties" from the "Released Class Claims" that arose during the "Class Period."

The "Released Parties" include Defendant First Quality Painting, Inc., and its past, present and/or future officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The "Released Class Claims" include: all claims, rights, demands, liabilities and causes of actions that are alleged, or that reasonably could have been alleged, based on the facts asserted in the operative complaint in the Action including the following claims: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii)failure to provide timely pay wages during employment; (viii) unfair business practices that could have been premised on the facts pled in the operative complaint; and (ix) failure to maintain required payroll records.

The "Class Period" during which the release of Released Class Claims pertains is from July 27, 2017, to December 2, 2024.

Upon the complete funding of the Gross Settlement Amount by Defendant, in exchange for the consideration set forth by the Settlement, the LWDA, and the State of California, through Plaintiffs as their agent and/or proxy, shall be deemed to have released and discharged the Released Parties from the Released PAGA Claims that arose during the PAGA Period. You cannot opt-out of the release of the claims alleged under PAGA.

The "Released PAGA Claims" include: all claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the facts alleged both in the PAGA Notice provided to the LWDA and in the operative complaint.

The "PAGA Period" during which the release of the Released PAGA Claims pertains is from July 27, 2020, to December 2, 2024.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Class Claims, then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

If you <u>do not</u> wish to take part in the release of the Class Claims in the Settlement, you must exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" by no later than August 29, 2025, or it will be invalid. A Request for

Exclusion Form has been provided for you to use. This form must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number.

Your Request for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by August 29, 2025. You cannot exclude yourself by phone.

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

Telephone: (888) 250-6810 Fax: (888) 845-6185

Email: info@ilymgroup.com

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will <u>not</u> be legally bound by the release of Released Class Claims.

If you do not want to participate in the Settlement, the Administrator will exclude you based on timely receipt of a writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Janet Duenas et. al v. First Quality Painting, Inc.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits of social security number or your date of birth for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. Send your request to be excluded to the Administrator by August 29, 2025, or it will be invalid.

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

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

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

No. (Except if you worked between July 27, 2020, and December 2, 2024, in which case you will still receive the portion of your Individual Settlement Payment that arises under PAGA). But if you submit a timely and valid request for exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against Released Parties for Released Class Claims.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved PROTECTION LAW GROUP, LLP, and LAWYERS FOR JUSTICE, P.C., as Class Counsel. The firms' contact information is:

PROTECTION LAW GROUP LLP

Heather Davis, Esq. Ryan T. Chuman, Esq. Arnel O. Tan, Esq. Joseph O. Marshall Christine V. Reyes 149 Sheldon Street

El Segundo, California 90245 Telephone: (424) 290-3095

LAWYERS FOR JUSTICE, P.C.

Edwin Aiwazian, Esq. Arby Aiwazian, Esq. Joanna Ghosh, Esq. 450 N Brand Blvd, Suite 900 Glendale, California 91203 Telephone: (818) 265-1020 Class Counsel will ask the Court for attorneys' fees of up to \$30,000.00 and reimbursement of litigation cost/expenses of up to \$35,000. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court if I don't like the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. An Objection Form has been sent with this Notice for you to use if you wish. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than August 29, 2025. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number; the name of the case and case number; and the grounds for your objection accompanied by legal support, if any. You may also come to the Final Approval Hearing on October 21, 2025, and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and requesting to be excluded?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at 9:00 a.m.on October 21, 2025, at Department S36 of the San Bernardino County Superior Court, located at 247 West Third Street San Bernardino, CA 92415-0210.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf. You may attend in person, but you may also attend remotely if you wish. Remote appearances may be scheduled through the San Bernardino County Superior Court's website at https://www.sbcourt.org/sites/default/files/General%20Information/RemoteAppearancePostingCivilProbate.pdf.

16. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at https://ilymgroup.com/FirstQualityPainting

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Class Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or Released Parties about the Released Class Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Home Aid Orange County.

GETTING MORE INFORMATION

18. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at https://ilymgroup.com/FirstQualityPainting or by contacting the Settlement Administrator or Class Counsel.

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE