Gomez, et al. v. 4400 WE Technologies, Inc. dba Pattern Jobs, et al., Superior Court of California, County of San Bernardino, Case Number CIVSB2207056

NOTICE OF SETTLEMENT PLEASE READ THIS NOTICE CAREFULLY.

You received this Notice of Settlement ("Notice") because the records of 4400 WE Technologies, Inc. doing business as Pattern jobs ("Pattern"), Radial, Inc. ("Radial"), and Metro Air Service, Inc. ("Metro") (collectively "Defendants") show that you were engaged by Pattern as an independent contractor or non-exempt employee in California, and performed services for, without limitations, Radial and/or Metro or were assigned to work at a facility operated by Radial or Metro sometime between December 9, 2017, and July 21, 2023. Because you fit this definition, you may be entitled to receive money from a Settlement in this case, as described below.

1. Why Should You Read This Notice?

The Superior Court of California, County of San Bernardino, has preliminarily approved the Settlement as fair and reasonable. The Court will hold a Final Approval Hearing on November 7, 2023 at 9:00 a.m., before the Honorable David Cohn in Department S26 of the San Bernardino Superior Court, located at 247 W 3rd St., San Bernardino, CA 92415.

This Notice explains your right to share in the monetary proceeds of this Settlement, exclude yourself ("opt out") from the Settlement, or object to the Settlement. Because your rights may be affected by the Settlement, it is important that you read this Notice carefully. The purpose of this Notice is to provide you with a brief description of the class and Private Attorneys General Act ("PAGA") action, what investigation of the claims has taken place, to inform you of the terms of the proposed Settlement and discuss your rights and options in connection with the Settlement.

2. What Is This Case About?

This lawsuit alleges that California workers of Pattern including, but not limited to, those who performed services for Radial and/or Metro or those assigned to work at a facility operated by Radial or Metro between December 9, 2017, and and July 21, 2023 were misclassified as independent contractors instead of employees, were not provided meal and rest breaks, were not compensated for all hours worked, were not paid minimum, straight time, or overtime, were not provided paid sick days, were not paid all wages due upon termination, were not provided timely and compliant itemized wage statements, and were not reimbursed for necessary business expenses. This lawsuit seeks recovery of unpaid wages, statutory damages, civil penalties under the California PAGA, restitution, interest, and attorneys' fees and costs. The claims in this lawsuit are brought under California law.

Defendants deny all of the allegations of the lawsuit, deny any liability or wrongdoing of any sort, and maintain that they have complied with all California wage-and-hour laws, such that Plaintiffs cannot recover any damages including but not limited to civil penalties under PAGA. Nonetheless, both sides recognize the risks, distractions, and costs associated with litigation and the parties have therefore agreed to resolve the matter based upon the terms set forth in the Settlement Agreement.

This Settlement is the result of good faith, arm's length negotiations between Plaintiffs and Defendants, through their respective attorneys.

The Settlement provides for certification of the class for settlement purpose only. Both sides agree that considering the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Class Members. This Settlement is a compromise and is not an admission of liability on the part of Defendants.

The Court has not ruled on the merits of Plaintiffs' claims or Defendants' defenses.

The Settlement Administrator has created a Settlement website, which can be accessed at https://ilymgroup.com/WETechonologies. The Settlement website allows interested persons to view the Settlement Agreement, all papers filed by Class Counsel to obtain Court approval of the Settlement Agreement, and this Notice of Settlement (in generic form). The Settlement website also provides contact information for Class Counsel and the Settlement Administrator.

3. What Are the Terms of the Settlement?

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¹ This notice summarizes the proposed Settlement. The capitalized terms in this Notice of Settlement have defined meanings that are set out in detail in the Settlement Agreement. To review a copy of the Settlement Agreement, please visit the Settlement website at https://ilymgroup.com/WETechonologies.

Defendants have agreed to pay One Million Nine Hundred Thousand Dollars (\$1,900,000.00) to settle this lawsuit ("Gross Settlement Amount"). Deductions from this amount will be made for attorneys' fees and costs for Class Counsel (up to \$633,333.133, plus attorneys' costs not to exceed \$24,677.74; see Section 10 below), settlement administration costs (not to exceed \$25,000.00), a service award in the amount not to exceed Ten Thousand Dollars (\$10,000.00) each to Named Plaintiff Luz Gomez and Plaintiff Philip Hughes, respectively, for their service to the Class, and penalties of Fifty Thousand Dollars (\$50,000.00) to be allocated to PAGA penalties with 75% of that amount (\$37,500) to be distributed to the Labor and Workforce Development Agency ("LWDA"). After deductions of these amounts, what remains of the Gross Settlement Amount (the total of the "Net Settlement Amount") will be available to pay monetary Settlement Awards to (i) Plaintiffs; (ii) all Class Members who do not opt out of the Class ("Participating Individuals") and (iii) Aggrieved Employees for their portion of the remaining 25% of the PAGA Allocation (\$12,500) (regardless of whether they opt-out of the Class).

The following persons will be eligible to receive a monetary award from the Net Settlement Amount (less the PAGA allocation to be paid to PAGA Aggrieved Employees): (1) Plaintiffs and (2) all individuals who worked for Pattern including, but not limited to, those who performed services for Radial and/or Metro or those assigned to work at a facility operated by Radial and/or Metro, between December 9, 2017, and July 21,2023 in the state of California ("Class Period").

Individuals who worked for Pattern including, but not limited to, those who performed services for Radial and/or Metro between January 17, 2021, and July 21,2023 ("PAGA Period") in the state of California ("Aggrieved Employees") will also receive a monetary award from the PAGA allocation to be paid to PAGA Aggrieved Employees.

4. How Much Can I Expect to Receive?

All Participating Class Members will receive a *pro rata* share of the Net Settlement Amount (less the PAGA allocation to be paid to PAGA Aggrieved Employees) based on the total number of workweeks that the Participating Class Members worked for Defendants during the Class Period. Participating Individuals shall receive *a pro rata* portion of the Net Settlement Amount as follows:

- 1. Each Participating Class Member shall be eligible to receive a *pro rata* portion of the Net Settlement Amount (less the PAGA allocation) based on the number of workweeks the Participating Class Member worked during this Class Period. Each workweek will be equal to one (1) settlement share.
- 2. The total number of settlement shares for all Participating Class Members will be added together and the resulting sum will be divided into the Net Settlement Amount (less the PAGA allocation) to reach a per share dollar figure. That figure will then be multiplied by each Participating Individual's number of settlement shares to determine the Participating Individual's Settlement Payment.

Aggrieved Employees who worked for Defendants between January 17, 2021, and July 21,2023 in the state of California shall also receive their share of the \$12,500.00 PAGA allocation to be paid to PAGA Aggrieved Employees. The PAGA allocation will be divided by the total number of PAGA workweeks worked in the aggregate by Aggrieved Employees. That amount will be multiplied by the number of PAGA workweeks worked by the individual PAGA Aggrieved Employee resulting in the Individual PAGA payment. The resulting Individual PAGA Payment will be added to the Participating Class Member's share of the Net Settlement Amount (less the PAGA allocation), to determine the Participating Class Member's Settlement Payment. Aggrieved Employees who are not Participating Class Members because they have timely opted out will still receive their share of the PAGA allocation.

All Settlement Payment determinations will be based on Defendants' timekeeping, payroll, and/or other records for Participating Class Members. According to records maintained by Defendants and based on the calculations set forth above, your total estimated Individual Settlement Payment will be at least \$<<MERGED_ClassAward>>>. Based on Defendants' records, you are estimated to have worked <<MERGED_ClassWW>>> workweeks for Defendants during the Class Period.

If you dispute the number of workweeks as shown on this Notice of Settlement, you may produce evidence to the Settlement Administrator establishing the dates you contend to have worked for Defendants. To do so, send a letter to the Settlement Administrator explaining the basis for your dispute and attach copies of the supporting evidence. Unless you present convincing evidence proving you worked more workweeks than shown by Defendants' records, your Settlement Award will be determined based on Defendants' records. Any disputes must be postmarked by September 28, 2023 and should be mailed to ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781. The Settlement Administrator will notify you of the decision on the dispute.

For tax reporting purposes, Settlement Payments to Participating Class Members and Aggrieved Employees will be allocated as follows: any portion of each Settlement Award that is provided from the PAGA allocation shall be allocated as penalties; for the remainder, if any, of each Individual Settlement Payment, one hundred percent (100%) of each Individual Settlement Payment shall be allocated as penalties and as interest. You will receive an IRS form 1099 for your portion of the PAGA penalties and, where applicable, penalties and interest portion of your Individual Settlement Award. None of the Parties or attorneys makes 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.

If you participate in the Settlement, you will have 180 days to cash the check that will be sent to you, and if not cashed by then, the check will be void. If at the conclusion of the 180-day check void period, there are any uncashed checks, those monies will be paid to the Parties' agreed upon *cy pres* recipient, Legal Aid at Work, subject to the Court's approval in the Final Approval Order.

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your monetary Settlement Award. If you fail to keep your address current, you may not receive your Settlement Award. You may contact the Settlement Administrator ILYM Group, Inc. at (888) 250-6810 to update your address.

5. How Do I Appear at the Final Approval and Fairness Hearing?

If you do not request to be excluded from the settlement, you may appear at the Final Approval Hearing. You do not have to attend the Final Approval Hearing, but you may do so at your own expense. You may also pay your own lawyer to attend, but it is not necessary.

You may remotely appear at the Final Approval Hearing via Zoom (via PC: https://www.zoomgov.com/my/dept.s26; via Phone: 1-669-254-5252 or 1-669-216-1590; use Meeting ID: 160 2319 7614). You may also attend the Final Approval Hearing in person.

6. What Are the Releases?

Upon Final Approval of the Settlement Agreement and the Judgment becoming final, all Participating Class Members release claims as follows ("Released Claims") against Defendants, their present and former parent companies, subsidiaries, related or affiliated companies, and their shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims (collectively, the "Releasees"):

- Participating Class Members: The Participating Class Members release the Releasees from the following rights or claims: any and all claims, demands, rights, liabilities, penalties, fees, and causes of action that were or could have been asserted by reason of or in connection with any matter or fact set forth or referred to in the operative complaint in the Lawsuit (whether in tort, contract, statute or otherwise) during the Class Period, including, but not limited to, for alleged violations of Labor Code sections 200, 201-204, 206, 210, 216, 218.5, 218.6, 221, 223, 225.5, 226, 226.3, 226.7, 226.8, 246, 248.5, 256, 510, 512, 515, 551-553, 558, 1174, 1174.5, 1182.11, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1720.9, 1771, 1775, 1776, 1777.5, 2698, et seq., 2699, 2802, 2810.5, applicable Wage Orders, or any claims based on the following allegations: misclassification of individuals as independent contractors, failure to pay minimum, regular, or hourly wages; failure to pay all hours worked including off-the-clock work; failure to pay overtime wages or accurate overtime wages; failure to provide compliant meal periods and pay meal premiums; failure to provide compliant rest periods and pay rest premiums; failure to provide paid sick days; failure to reimburse for necessary business expenses; failure to pay timely wages during employment or upon separation; failure to provide accurate and/or complete wage statements; or violation of Cal. Bus. & Prof. Code section 17200 et seq. by engaging in the foregoing conduct. The released claims include all claims for unpaid wages, overtime wages, statutory penalties, civil penalties, damages of any kind, interest, attorneys' fees, costs, injunctive relief, restitution, and any other equitable relief under California or federal statute, ordinance, regulation, common law, or other source of law, including but not limited to the California Labor Code, California Business & Professions Code, California Civil Code, California Industrial Welfare Commission Wage Orders, and the Fair Labor Standards Act (FLSA).
- PAGA Aggrieved Employees: All Aggrieved Individuals release the Releasees from all claims for civil penalties under PAGA during the PAGA Period based on or reasonably related to the factual allegations in the operative complaints in the Lawsuits or Plaintiffs' PAGA notices to the LWDA, including but not limited to alleged violations of Labor Code sections 200, 201–204, 206, 210, 216, 218.5, 218.6, 221, 223, 225.5, 226, 226.3, 226.7, 226.8, 246, 248.5, 256, 510, 512, 515, 551-553, 558, 1174, 1174.5, 1182.1, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1720.9, 1771, 1775, 1776, 1777.5, 2698, et seq., 2699, 2802, 2810.5, applicable Wage Orders, and any other civil penalties that could have been sought by the Labor Commissioner or through PAGA for violations reasonably arising out of the facts, policies, practices, occurrences, or acts alleged in the operative complaints in the Lawsuits or PAGA Representative Plaintiffs' PAGA notices to the LWDA or that derive from the alleged misclassification of the Aggrieved Individuals as independent contractors, failure to pay minimum, regular, or hourly wages; failure to pay all hours worked including off-the-clock work; failure to pay overtime wages or accurate overtime wages; failure to provide compliant meal periods and pay meal premiums; failure to provide compliant rest periods and pay rest premiums; failure to provide paid sick days; failure to reimburse for necessary business expenses; failure to pay timely wages during employment or upon separation; failure to provide accurate and/or complete wage statements; or violation of Cal. Bus. & Prof. Code section 17200 et seq. by engaging in the foregoing conduct (the "PAGA Release"). The PAGA Period is defined from January 17, 2021, through July 21,2023.

7. What Are My Rights?

- **Do Nothing**: If you wish to participate in the Class Action Settlement, remain a Class Member and be issued a payment under the Settlement, you are not required to take any further action. If the Court grants final approval of the Settlement and the Judgment becomes final, you will automatically become a Class Member and receive your prorated Individual Settlement Payment. You will also be bound by the Settlement including its release provisions set forth above in Section 6.
- Opt-Out: If you do not wish to be bound by the Settlement, you must submit a written exclusion from the Settlement ("opt-out"), postmarked by September 28, 2023. The written request for exclusion must contain your full name, address, telephone number, email address (if applicable), last four digits of your social security number, and must be signed individually by you. No opt-out request may be made on behalf of a group. The opt-out request must be sent by mail to the Settlement Administrator at ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781. <a href="Any person who requests exclusion (opts out) of the settlement will not be entitled to any Individual Class Settlement Payment and will not be bound by the Settlement Agreement or have any right to object, appeal or comment thereon, however Class Members may not Opt-Out of the PAGA portion of the release. Any Class Member who opts out of the settlement will still remain bound by the PAGA portion of the settlement and receive their portion of the PAGA allocation.</p>
- **Object**: Provided you do not opt out of the settlement, you may object to the Settlement. To do so, you must submit a written statement objecting to the Settlement by September 28, 2023. The statement must state the factual and legal grounds for your objection to the settlement. The statement must state your full name, address, telephone number, and email address (if applicable), and must be signed by you. If you object to the Settlement, you cannot opt out of the Settlement, and you will be bound by the terms of Settlement in the event the Court denies your objection.

If you mail a written objection, you may also, if you wish, appear at the Final Approval Hearing to discuss your objection with the Court and the parties to the Lawsuit. Your written objection must state whether you will attend the Final Approval Hearing, and your written notice of your intention to appear at the Final Approval Hearing must be served upon the Settlement Administrator on or before the Notice Deadline, which is September 28, 2023. To be heard at the Final Approval Hearing you must also not opt out of the Settlement. If you wish to object to the Settlement but fail to return your timely written objection in the manner specified above, you shall be deemed to have waived any objection and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. The postmark date of mailing to the Settlement Administrator shall be the exclusive means for determining that an objection is timely mailed. Objections shall only be considered if the Class Member has not opted out of the Settlement. The failure to submit a written objection as a prerequisite to appearing in court to object to the settlement may be excused upon a showing of good cause.

8. Can Defendants Retaliate Against Me for Participating in this Lawsuit?

No. Your decision as to whether or not to participate in this Lawsuit will in no way affect your work or employment with Defendants or future work or employment with Defendants. It is unlawful for Defendants to take any adverse action against you as a result of your participation in this Lawsuit.

9. Who Are the Attorneys Representing Plaintiffs and the Class Members?

Plaintiffs and the Class Members are represented by the following attorneys acting as Class Counsel:

Carolyn H. Cottrell
Ori Edelstein
Eugene Zinovyev
Philippe M.J. Gaudard
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Defendant Pattern is represented by the following attorneys:

Andrew R. Livingston Alexandra Stathopoulos

ORRICK, HERRINGTON & SUTCLIFFE LLP

The Orrick Building 405 Howard Street San Francisco, CA 94105-2669 Telephone: (415) 773-5700

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Defendant Radial is represented by the following attorneys:

Caroline P. Donelan **BLANK ROME LLP**

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Defendant Metro is represented by the following attorneys:

Tae Kim

COLLINSKIM LLP

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Annie H. Chen Paul Rodriguez ORRICK, HERRINGTON & SUTCLIFFE LLP 355 S. Grand, Suite 2700

Los Angeles, CA 90071 Telephone: (213) 612-2337 annie.chen@orrick.com prodriguez@orrick.com

10. How Will the Attorneys for the Class Be Paid?

Class Counsel will be paid from the Gross Settlement Amount of \$1,900,000.00. You do not have to pay the attorneys who represent the Class. The Settlement Agreement provides that Class Counsel will receive attorneys' fees of up to thirty-three and one-third (33 1/3%) of \$1,900,000.00 (i.e., \$633,333.33) plus their out-of-pocket costs, not to exceed \$24,677.74. The amount of attorneys' fees and costs awarded will be determined by the Court at the Final Approval Hearing.

11. Where can I get more information?

If you have questions about this Notice, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Settlement, you should contact the Class Counsel.

This Notice is only a summary. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at the Settlement website at https://ilymgroup.com/WETechonologies, by contacting the Settlement Administrator toll-free at [dedicated phone number] or Class Counsel at the contact information listed above, by accessing the Court docket in this case for free by search the case number (CIVSB2207056) through the San Bernardino Superior Court's electronic public records system at https://www.sbcourt.org/, or by visiting the office of the Clerk of the Court for the San Bernardino Superior Court located at 257 W 3rd St., San Bernardino, CA 92415, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays, to simply request to order public court documents filed in the Action.

PLEASE DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, THE JUDGE, OR DEFENDANTS FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.