

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Murillo v. Quanta Computer USA, Inc.
Alameda Superior Court Case No. 22CV005095

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 QUANTA COMPUTER USA, INC., QUANTA MANUFACTURING NASHVILLE, LLC (DBA QUANTA MANUFACTURING FREMONT), QUANTA MANUFACTURING INCORPORATION (COLLECTIVELY “QUANTA”) OR TPS SOLUTIONS, INC. (“TPS”, QUANTA and TPS are referred to jointly as “Defendants”) and placed to work at QUANTA IN CALIFORNIA AS AN HOURLY-PAID EMPLOYEE AT ANY TIME BETWEEN JANUARY 6, 2018 THROUGH SEPTEMBER 27, 2023 YOU ARE A CLASS MEMBER AND PART OF THE CLASS. THIS PROPOSED 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 *Murillo v. Quanta Computer USA, Inc., et al.* Alameda Superior Court (“Court”) Case No. 22CV005095 (the “Action”). The purpose of this Notice of Proposed 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 final approval of the proposed Settlement will be held before the Hon. Michael Markman on October 3, 2024, at 10:00 a.m. in Department 23 of the Alameda Superior Court, 1221 Oak Street, Oakland, CA 94612, 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 filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING – GET MONEY	If you do nothing, you will be considered part of the Class and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendant for the released claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS DEADLINE TO EXCLUDE YOURSELF: AUGUST 12, 2024	You have the option to pursue separate legal action against Defendants about the claims in the Action. If you choose to do so, you must exclude yourself, in writing, from the Settlement by submitting a written request to be excluded. As a result, you will not receive any benefits under the Settlement except for any payment you may receive for the PAGA portion of the settlement as explained more fully below.
OBJECT TO THE SETTLEMENT DEADLINE TO SUBMIT WRITTEN OBJECTIONS: AUGUST 12, 2024	To object to the Settlement, you may mail a written explanation of why you don’t like the Settlement to the settlement administrator, appear at the final approval hearing, or hire an attorney at your expense to object for you. This option is available only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit a request to be excluded if you wish to object. <i>Written</i> objections must be submitted by August 12, 2024.

Who is affected by this proposed Settlement?

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

Anyone who was employed by Defendant Quanta or placed with Defendant Quanta by Defendant TPS in the State of California, as a non-exempt or hourly-paid employee at any time during the Class Period (the “Class Period” is January 6, 2018, through September 27, 2023). According to Defendants’ records, you are a member of the Class (“Class Member”).

What is this case about?

In the Action, Plaintiff Yuny Dulia Bonilla Murillo (“Plaintiff”) alleges on behalf of herself and the Class that Defendants: (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to indemnify necessary business expenses; (6) failed to timely pay all wages to terminated employees; (7)

failed to furnish accurate itemized wage statements; (8) violated California's Unfair Competition Law, California Business and Professions Code section 17200 et seq.; and (9) violated provisions of the Labor Code giving rise to civil penalty liability under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.] ("PAGA"). Plaintiff seeks unpaid wages, actual damages, declaratory relief, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys' fees, and costs.

Defendants deny all liability and are confident that they have strong legal and factual defenses to these claims, but they recognize the risks, distractions, and costs associated with litigation. Defendants contend that their conduct is and has been lawful at all times relevant and that Plaintiff's claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiff and Defendants (the "Parties"), through their attorneys, and is not an admission of liability on the part of Defendants. Both sides agree that this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interests of all Class Members.

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

Who are the attorneys representing the Parties?

The attorneys representing the Plaintiff and Settlement Class in the Action are:

Class Counsel

Kane Moon (SBN 249834)
Allen Feghali (SBN 301080)
Charlotte Mikat-Stevens (SBN 327047)
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The attorneys representing the Defendants are:

Counsel for Quanta

Daniel F. Pyne (SBN 131955)
HOPKINS & CARLEY
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Counsel for TPS

Tom T. Nagashima (SBN 233636)
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What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$2,250,000 (the "Gross Settlement Amount") for: (a) individual settlement payments to Class Members who do not request to be excluded from the Settlement; (b) the Court-approved class representative service payment to Plaintiff (\$10,000 to be requested); (c) the Court-approved attorneys' fees and costs to class counsel (up to one-third of the Gross Settlement Amount) in fees and up to \$25,000 in costs to be requested; (d) payment of PAGA penalties in the amount of \$200,000 (\$150,000 to the Labor and Workforce Development Agency ("LWDA"); \$50,000 to qualifying Class Members); and (e) proposed payment to the Settlement Administrator for settlement administration services (up to an estimated maximum of \$20,000).

Individual Settlement Payments. After deduction from the Gross Settlement Amount for attorneys' fees and costs, the class representative service payment to Plaintiff, PAGA penalties, and settlement administration costs, there will be a "Net Settlement Amount". From this Net Settlement Amount, Defendants will make an individual Settlement Payment to each Class Member who does not request to be excluded from the Settlement ("Settlement Class Members").

The Net Settlement Amount shall be divided among all Settlement Class Members on a pro rata basis based upon the total number of workweeks worked by each respective Settlement Class Member as a non-exempt hourly employee in the State of California during the Class Period. Your estimated individual Settlement Payment is listed below.

Your estimated minimum settlement payment is <<MERGED_ClassAward>> and your covered Work Weeks worked during the relevant period between January 6, 2018, through September 27, 2023, are <<MERGED_ClassWW>>. To the extent you dispute the number of Work Weeks, you must make your dispute ("Work Week Dispute") in writing and send it to the settlement administrator via fax or mail. Your Work Week Dispute must be postmarked or faxed no later than August 12, 2024 (the "Response Deadline") to:

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

Your Work Week Dispute must be in writing and contain: (a) your full name, signature, address, telephone number, and the last four digits of your Social Security number; (b) the number of Work Weeks you contend is correct; and (c) any evidence supporting your contention. Defendant's records will be presumed correct unless you prove otherwise by credible evidence. The settlement administrator will resolve and decide all Work Week Disputes, and its decisions will be final and non-appealable. **REMINDER:** If you believe your estimated individual Settlement Amount is incorrect because your work weeks (the number of total weeks you worked within the Class Period only) are wrong, the deadline to dispute the workweeks reported for you is August 12, 2024.

For tax reporting purposes, the payments to Settlement Class Members will be allocated 20% to wages, 40% to penalties, and 40% to interest, excluding the \$50,000 in PAGA Settlement Payments, which will be allocated as 100% penalties. 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 employee-side payroll taxes from the wage portion of the individual Settlement Payments. The portion of the Settlement Payments allocated to penalties and interest shall be classified as other miscellaneous income and reported on IRS Form 1099-MISC. Any taxes owed on that other miscellaneous income will be the responsibility of settlement Class Members receiving those payments. The employer's share of any payroll taxes will be separately paid by Defendant.

All checks for individual Settlement Payments paid to Settlement Class Members shall advise that the checks will remain valid and negotiable for one hundred eighty (180) days from the date of the checks' issuance and shall thereafter automatically be void if not cashed by a participating Class Member within that time. Any individual Settlement Payment that is not cashed by a Settlement Class Member within one hundred eighty (180) days of issuance shall be transmitted to the California State Bar's "Justice Gap Fund". The settlement administrator shall void any tax documents issued to Settlement Class Members who did not cash their checks within 180 days of issuance. In such event, the Settlement Class Member shall nevertheless remain bound by the Settlement.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Settlement 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.

Calculation of Individual PAGA Settlement Payments. The PAGA allocation (a total of \$200,000) will be distributed to the California Labor and Workforce Development Agency ("LWDA") and to hourly paid non-exempt employees who worked for Quanta or were placed at Quanta by TPS at any time between January 6, 2021, through September 27, 2023 ("the PAGA Employees"). In accordance with California law, 75 percent of the PAGA allocation (or \$150,000) will be paid to the LWDA and the remaining 25 percent of the PAGA allocation (or \$50,000) will be paid to the PAGA Employees on a pro-rata basis (the "PAGA Settlement Payments") based on the number of work weeks each PAGA Employee worked for Defendants in California from January 6, 2021, through September 27, 2023 (the "PAGA Period"). Your estimated individual work weeks during the PAGA Period and estimated PAGA Settlement Payment are listed below:

You worked a total of <<MERGED_PAGAPP>>. Based on your work weeks during the PAGA Period, your estimated PAGA Settlement Payment is approximately \$<<MERGED_PAGAAward>>.

Each PAGA Settlement Payment will be allocated as 100 percent miscellaneous income and reported to state and federal taxing authorities by the Settlement Administrator using Form 1099-MISC. Any taxes owed on the PAGA Settlement Payment will be the responsibility of the PAGA Employee receiving this payment.

Class Counsel Attorneys' Fees and Costs, Class Representative Service Award, Settlement Administration Costs and Payment to the LWDA. Class Counsel will ask the Court to award attorneys' fees up to one-third of the Gross Settlement Amount (\$750,00.00) and reimbursement of reasonable costs incurred in the Action not to exceed \$25,000. In addition, Class Counsel will ask the Court to authorize a class representative service payment of \$10,000 for Plaintiff for her efforts in bringing the case on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed \$20,000.00. A proposed payment in the amount of \$150,000.00 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$200,000 set aside for payment under PAGA, the remaining \$50,000.00 will be distributed to PAGA Employees as detailed above.

What claims are being released by the proposed Settlement?

Upon the final approval by the court of this Settlement, and except as to such rights or claims as may be created by this Settlement, the Plaintiff, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

(a) **Identity of Released Parties.** The released parties are Defendants, and each of their former and present direct and/or indirect owners, dba's, affiliates, parents, subsidiaries, brother and sister corporations, divisions, related companies, successors and predecessors, and current and former employees, attorneys, officers, directors, shareholders, owners, trustees, attorneys, fiduciaries, beneficiaries, subrogees, executors, partners, privies, agents, servants, insurers, representatives, administrators, employee benefit plans, and assigns of said entities (collectively "Releasees").

(b) **Date Release Becomes Active.** The Released Claims and Released PAGA Claims will be released upon the later of (1) the Settlement's Effective Date ("Effective Date": "The terms of settlement embodied in this Settlement shall become effective when all of the following events have occurred: (i) this Joint Stipulation of Settlement has been executed by all Parties and their respective counsel; (ii) the Court has given preliminary approval to the Settlement; (iii) the Notice has been given to the Class, providing them with an opportunity to dispute information contained in the Notice, to opt out of the Settlement, or to object to the Settlement; (iv) the Court has held a final approval hearing and entered a final order and judgment certifying the Class and approving this Settlement; and (v) the later of the following events: (a) the day final approval is granted if there are no objections to the settlement; (b) sixty-five (65) days following notice of entry of the Court's final order approving the Settlement if there are any objections by any Class Member; (c) or if any appeal, writ or other appellate proceeding opposing this Settlement has been filed within sixty-five (65) days following notice of entry of the Court's final order approving the Settlement, then twenty (20) days after when any appeal, writ or other appellate proceeding opposing the Settlement has been resolved finally and conclusively with no right to pursue further remedies or relief"), or (2) the satisfaction of Defendants' obligation to provide to the settlement administrator a sum in the amount required to satisfy all required payments and distributions pursuant to this Settlement and the order and judgment of final approval. Class Members will not release the Released Claims or Released PAGA Claims until both the Effective Date of the Settlement has occurred, **and** Defendants have paid all amounts owing under the Settlement.

(c) **Claims Released by Settlement Class Members.** Each and every Class Member, on behalf of himself or herself and his or her heirs and assigns, unless he or she has submitted a timely and valid Request for Exclusion (which will not effectuate an opt-out from the release of Released PAGA Claims), hereby releases Releasees from the following claims for the entire Class Period:

1) any and all claims stated in the Action, or that could have been stated based on the facts alleged in the Action, including but not limited to all state wage and hour claims (including all claims under the California Labor Code) for unpaid wages, minimum wage, overtime, off-the-clock work, meal periods, rest periods, meal period premiums, rest break premiums, unreimbursed business expenses, wage statement violations, interest, penalties, and attorneys' fees, waiting time penalties, withholding from wages and the related provisions of the Labor Code including but limited to Labor Code §§ 201-204, 210, 216, 218.6, 226, 226.3, 226.7, 510, 512, 512.5, 558, 1194, 1194.2, 1198, 2802 derivative claims under California Business & Professions Code §§ 17200 et seq., and all claims under the governing Wage Order, and FLSA ("Released Claims");

2) as to any Class Member who cashes their Settlement Payment, the Settlement Administrator shall include language on the Settlement Payments that informs the Class Members that the signing and negotiation of that check shall serve as the Class Member's consent to join the Action for purposes of releasing all claims arising under the Fair Labor Standards Act that are alleged in the Action or related to the claims stated or that could have been stated in the Action;

d) **Claims Released by the Class, Including PAGA Employees.** All Class Members, including all PAGA Employees, release the Released PAGA Claims, regardless of whether they have requested exclusion from the Settlement as to Class Released claims. "Released PAGA Claims" means all claims for penalties and any other available relief pursuant to PAGA based on the facts and/or claims asserted in, or the facts and/or claims that could have been asserted in, Plaintiff's PAGA Notice, and only to claims arising during the PAGA Period.

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.

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 making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an individual Settlement Payment under the Settlement, **you do not need to take any action.** By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

Any amount paid to Settlement Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendant, unless otherwise required by law.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate in any way, you have several options that you may use to object to it or express any concerns. To object, you may appear in person at the final approval hearing, have an attorney object for you, or submit a written brief or statement of objection (“Written Objection”) to the Settlement Administrator at P.O. Box 2031, Tustin, CA 92781. If you submit a Written Objection, it should contain sufficient information to confirm the your identity and the basis of the objection, including: (1) your full name; (2) the grounds for the objection; (3) your signature; and (4) be postmarked on or before August 12, 2024 and returned to the settlement administrator at the address listed above to ensure that it is received in time to be transmitted to and considered by the Court. You can also hire an attorney at your own expense to represent you in your objection. The Parties shall file responses to any written objections before the final approval hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Settlement hearing. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.**

Regardless of the form, an objection alone will not satisfy the requirement that a Settlement Class Member must formally intervene and become a party of record in the action to appeal a judgment entered following an order finally approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018).

OPTION B. Request to Be Excluded from the Settlement and Receive No Money from 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 to the Settlement Administrator at P.O. Box 2031, Tustin, CA 92781. In order to be valid, your written request to be excluded from the Settlement must be signed and include your name, address, and telephone number (to confirm your identity and make certain that only persons requesting exclusion are removed from the settlement). You may also submit your request for exclusions via fax or email by August 12, 2024, to Fax: (888) 845-6185 and Email: info@ilymgroup.com along with a statement like the following:

Your written request to be excluded from the Settlement must then be signed and postmarked on or before August 12, 2024. If you do not submit a written request to be excluded from the Settlement on time (as evidenced by the postmark, fax confirmation, or received email timestamp), your written request to be excluded from the Settlement will be rejected, you will be deemed a participating Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a written request to be excluded from the Settlement by the deadline to request exclusion, you will have no further role in the Action. **You will not be entitled to any benefit, including money,** as a result of the Action and Settlement, except to the extent that you recovered to receive a portion of the penalties provided for under PAGA. You will not be able to complain to the Court about any aspect of the Settlement.

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 Class Representative Service Payment to Plaintiff, the settlement administration costs, and the payment of PAGA penalties on October 3, 2024, at 10:00 a.m. in Department 23 of the Alameda County Superior Court, 1221 Oak Street, Oakland, CA 94612.

The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an individual Settlement Payment.

IF YOUR ADDRESS CHANGES AT ANYTIME FOLLOWING YOUR RECEIPT OF THIS NOTICE, IT IS IMPORTANT THAT YOU ADVISE THE ADMINISTRATOR SO THAT YOU TIMELY RECEIVE YOUR SETTLEMENT PAYMENT. YOU CAN CONTACT THE ADMINISTRATOR AT: P.O. Box 2031, Tustin, CA 92781

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class Action Settlement attached to the Declaration in Support of Plaintiff's Motion for Preliminary Approval. The Joint Stipulation of Class Action Settlement, the pleadings and other records in this litigation may be examined online on the Alameda County Superior Court's website, known as "eCourt Public Portal," at <https://eportal.alameda.courts.ca.gov>. After arriving at the website, click the "Search" tab at the top of the page, then select the Document Downloads link, enter the case number and click "Submit." Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings. You may also request a copy of the Settlement Agreement from Class Counsel referenced above. You can also obtain further information regarding this action and this settlement at: <https://ilymgroup.com/QuantaUSA>.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.