

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

*Lopez v. Innovative Coatings Technology Corporation*

(County of Orange, California Superior Court Case No.30-2020-01173245-CU-OE-CXC)

**As a current or former non-exempt, hourly-paid California employee of Innovative Coatings Technology Corporation doing business as Incotec, you are entitled to receive money from a class action settlement.**

**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 receive a payment from the Settlement fund.**

You have received this Notice of Class Action Settlement because the records of Innovative Coatings Technology Corporation doing business as Incotec (“Defendant”) show you are a “Class Member,” and therefore entitled to a payment from this class action Settlement. Class Members are all persons who currently work or formerly worked for the Defendant as non-exempt, hourly-paid employees in the State of California at any time from September 1, 2019, through April 23, 2022 (“Class Period”).

- The settlement is to resolve a class action lawsuit, *Lopez v. Innovative Coatings Technology Corporation* pending in the Superior Court of California for the County of Orange, Case Number 30-2020-01173245-CU-OE-CXC(the “Lawsuit”), which alleges that Defendant: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to timely pay wages upon separation from employment; (6) failed to issue accurate and compliant wage statements; (7) failed to pay vested vacation time; (8) failed to reimburse employees for business expenses; and (8) engaged in unfair competition. Based on these and other alleged Labor Code violations, Plaintiff also seeks penalties under the California Labor Code Private Attorneys General Act (“PAGA”).
- On July 27, 2023, the Orange County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendant vigorously denies the claims in the Lawsuit and contends that it fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you worked from September 1, 2019 through April 23, 2022 (“PAGA Period”) as a non-exempt, hourly-paid employee of Defendant, as well, then you will be deemed an “Aggrieved Employee” and you will still receive your share of the proceeds available from the settlement of the PAGA Released Claims, defined below, (your “Individual PAGA Payment”) even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, ILYM Group, Inc., about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for November 17, 2023, at 1:30 p.m., in Department CX-103 of the Civil Complex Center of the Orange County Superior Court, located at 751 West Santa Ana Blvd, Santa Ana, California 92701.

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 1:30 p.m., on November 17, 2023, in the Civil Complex Center of the Orange County Superior Court, located at 751 West Santa Ana Blvd, Santa Ana, California 92701 in Department CX-103. You are not required to attend the Hearing, but you are welcome to do so.

**Why Am I Receiving This Notice?**

Defendant’s records show that you currently work, or previously worked, for Defendant as a non-exempt, hourly-paid employee in the State of California at some point during the Class Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a “Settlement Administrator” appointed by the Court will make the payments described in this

**Questions? Contact the Settlement Administrator toll free at (888) 250-6810**

Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

### **What Is This Case About?**

Miguel Angel Lopez was a non-exempt, hourly-paid employee of Defendant. He is the “Plaintiff” in this case and is suing on behalf of himself and Class Members for Defendant’s alleged failure to pay overtime and minimum wages, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to timely pay wages due upon separation from employment, failure to issue compliant and accurate wage statements, failure to pay vested vacation time, failure to reimburse employees for business expenses, and engaging in unfair competition.

Based on these and other alleged Labor Code violations, Plaintiff also seeks to recover penalties under the California Labor Code Private Attorneys General Act.

Defendant denies all of the allegations made by Plaintiff and denies that it violated any law. The Court has made no ruling on the merits of Plaintiff’s claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

### **Summary of the Settlement Terms**

Plaintiff and Defendant have agreed to settle this case on behalf of themselves and Class Members and Aggrieved Employees for the Gross Settlement Amount of \$350,000.00. The Gross Settlement includes: (1) Administration Costs up to \$7,500.00; (2) a service payment of up to \$7,500.00 to Plaintiff Miguel Angel Lopez for his time and effort in pursuing this case and in exchange for a broader release of claims against Defendant; (3) up to 35% of the Gross Settlement Amount in attorneys’ fees which, unless escalated pursuant to the Settlement Agreement, amounts to \$122,500.00; (4) up to \$25,000.00 in litigation costs to Class Counsel, according to proof; and (5) payment allocated to PAGA penalties in the amount of \$30,000.00. Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA (\$22,500.00) will be paid to the LWDA and twenty-five percent (25%) (\$7,500.00) will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than \$157,500.00 will be available for distribution to Class Members (“Net Settlement Amount”).

The settlement is based on Defendant’s representation Class Members worked approximately 9,100 workweeks during the period from September 1, 2019, through February 22, 2022. In the event the number of workweeks worked increases by more than 10%, or there are more than 10,010 workweeks worked during the Class Period, then the Gross Settlement Amount shall be increased proportionally by the workweeks in excess of 9,100 multiplied by the workweek value. The workweek value shall be calculated by dividing the Gross Settlement Amount by 9,100. The Parties agree that the workweek value amounts to and the settlement amounts to \$38.46 per workweek ( $\$350,000 / 9,100$  workweeks). Thus, for example, should there be 11,000 workweeks worked by Class Members during the Class Period, then the Gross Settlement Amount shall be increased by \$73,074. ( $11,000$  workweeks –  $9,100$  workweeks x  $\$38.46/\text{workweek}$ ).

### **Distribution to Class Members**

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks worked by Class Members in non-exempt, hourly-paid positions for Defendant in California during the Class Period (“Eligible Workweeks”). Specifically, Class Members’ payments will be calculated by dividing the number of Eligible Workweeks attributed to the Class Member by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount (“Individual Settlement Payment”). Otherwise stated, the formula for a Class Member is:  $(\text{Net Settlement Amount} \div \text{Total Settlement Class Eligible Workweeks}) \times \text{Individual’s Eligible Workweeks}$ . In addition, Class Members who worked during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the \$7,500.00 allocated as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Period (“Individual PAGA Payment”).

Defendant’s records indicate that you worked <<Workweeks>>Workweeks as a non-exempt, hourly-paid employee in California during the Class Period and <<Workweeks>>Workweeks during the PAGA Period. Based on these records, your estimated payment as a Class Member would be \$<<ESA>> and your estimated payment as an Aggrieved Employee would be \$<<ESA>>. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than September 25, 2023. Please include any documentation you have that you contend supports your dispute.

### **Tax Reporting**

100% of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099.

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20% of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and 80% will be allocated as penalties and interest reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

### **Your Options Under the Settlement**

#### **Option 1 – Do Nothing and Receive Your Payment**

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the settlement, you will be bound by the entire release in the settlement and receive a your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an Aggrieved Employee. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.**

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Settlement Class Released Claims he or she may have or had upon final approval of this Settlement and payment by Defendants to the Settlement Administrator. Aggrieved Employees, regardless of whether they are also a Class Member and elect to opt-out, will be deemed to have fully, finally, and forever released, settlement compromised, relinquished, and discharged the Released Parties of all Aggrieved Employee Released Claims.

“Settlement Class Released Claims” refers to all claims during the Class Period that were alleged in the Complaint or could have been asserted based on the facts and allegations made in the Complaint, and any amendments thereto, including the following claims: (a) failure to pay overtime wages in violation of California Labor Code §§ 510 and 1194; (b) failure to pay minimum wages in violation of California Labor Code §§ 1194.2 and 1197; (c) failure to provide meal periods in violation of California Labor Code §§ 226.7 and 512; (d) failure to provide rest periods in violation of California Labor Code § 226.7; (e) failure to pay all wages due upon termination in violation of California Labor Code §§ 201, 202, and 203; (f) failure to provide accurate wage statements in violation of California Labor Code § 226; (g) violation of Labor Code § 227.3; (h) violation of Labor Code § 2802; (i) all claims for unfair business practices under California Business & Professions Code Section 17200 et seq. that could have been premised on the claims, causes of action or legal theories of relief described above in (a)-(h); and (j) all applicable damages, including, but not limited to, liquidated damages, civil and statutory penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief identified above in (a)-(i). (the “Class Released Claims”).

“Aggrieved Employee Released Claims” refers to all claims for penalties pursuant to PAGA during the PAGA Period that were asserted in Plaintiff’s September 1, 2020 letter to the California Labor and Workforce Development Agency and alleged in the Complaint or could have been asserted based on the facts and allegations made in Plaintiff’s September 1, 2020 letter to the California Labor and Workforce Development Agency and in the Complaint, and any amendments thereto, including the following claims: (a) failure to pay overtime wages in violation of California Labor Code §§ 510 and 1194; (b) failure to pay minimum wages in violation of California Labor Code §§ 1194.2 and 1197; (c) failure to provide meal periods in violation of California Labor Code §§ 226.7 and 512; (d) failure to provide rest periods in violation of California Labor Code § 226.7; (e) failure to pay all wages due upon termination in violation of California Labor Code §§ 201, 202, and 203; (f) failure to accurate wage statements in violation of California Labor Code § 226; (g) violation of Labor Code § 227.3; (h) violation of Labor Code § 2802; (i) civil penalties pursuant to California Labor Code §§ 204 and 210; (j) civil penalties pursuant to California Labor Code § 226.3; (k) civil penalties pursuant to California Labor Code § 558; and (l) civil penalties pursuant to California Labor Code § 1197.1. (the “PAGA Released Claims” and collectively with Class Released Claims, the “Released Claims”).

“Released Parties” means the Defendant and its former and present parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns, as well as all past and present officers, directors, employees, partners, shareholders and agents, attorneys, insurers, and any other successors, assigns, or legal representatives, if any.

#### **Option 2 – Opt Out of the Settlement**

If you do not wish to receive your Individual Settlement Payment or release the Class Released Claims, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must expressly and clearly indicate that you do not want to participate in the Settlement, and you desire to be excluded from the Settlement. The written request for exclusion must include your name (and former names, if any), current address, telephone number, and the last four digits of your Social Security Number, and the following statement: “I wish to be excluded from the *Lopez vs. Innovative Coatings Technology Corporation* settlement” or a statement of similar meaning standing for the proposition that you wish to be excluded from the Settlement.

Sign, date, and mail your written request for exclusion by U.S. First-Class Mail to the address below.

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

Your written request for exclusion must be mailed to and received by the Administrator and must be postmarked not later than September 25, 2023.

The proposed settlement includes the settlement of the Aggrieved Employee Released Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are an Aggrieved Employee, you will still receive your Individual PAGA Payment and will be deemed to have released the Aggrieved Employee Released Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Settlement Class Released Claims.

### **Option 3 – File an Objection to the Settlement**

If you wish to object to the Settlement, you may file an objection in writing stating why you object to the Settlement. Your written objection must provide your full name, dates of employment, the last four digits of your Social Security Number and/or Employee ID number, signature, a statement of whether you plan to appear at the Final Approval Hearing, and a statement of the reason(s) why you believe that the Court should not approve the Settlement. Your written objection must include the name of the case and case number, *Lopez vs. Innovative Coatings Technology Corporation*, Case No. 30-2020-01173245-CU-OE-CXC, and it must be mailed to the Administrator no later than September 25, 2023. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

### **Final Approval Hearing**

You may, if you wish, also appear at the Final Approval Hearing set for November 17, 2023, at 1:30 p.m., in the Department CX-103 of the Civil Complex center of the Orange County Superior Court, located at 751 West Santa Ana Blvd, Santa Ana, California 92701, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may also retain an attorney to represent you at the Hearing at your own expense.

### **Additional Information**

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at (888) 250-6810 or Class Counsel, whose information appears below:

**BIBIYAN LAW GROUP, P.C.**  
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You may also visit the Settlement Administrator's website at [www.ILYMGroup.com](http://www.ILYMGroup.com) to gain access to key documents in this case, including the Operative Complaint, Settlement Agreement, the Class Notice, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Civil Complex Center of the Orange County Superior Court, located at 751 West Santa Ana Blvd, Santa Ana, California 92701, during regular business hours of each court day. You may also obtain these documents through the Court's website at <https://www.occourts.org/online-services/case-access/>.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,  
DEFENDANT, OR DEFENDANT'S ATTORNEYS WITH INQUIRIES.**

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