UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA Carl Thieroff, et al. v. Marine Spill Response Corporation Case No. 2:21-cv-06075-GW-MRW

NOTICE OF CLASS ACTION SETTLEMENT

A court authorized this notice. This is <u>not</u> a solicitation. This is <u>not</u> a lawsuit against you and you are not being sued. However, your legal rights are affected by whether you act or don't act.

TO: All persons currently or formerly employed by Marine Spill Response Corporation ("MSRC") in the State of California as non-exempt Responders, or as other non-exempt response-related employees in a position with similar job duties and/or titles, any time during the period from May 14, 2017 to December 31, 2023.

The United States District Court, Central District of California has granted preliminary approval to a proposed settlement ("Settlement") of the above-captioned action ("Class Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement ("Notice") carefully.

The Court has certified the following class for settlement purposes ("Class" or "Class Members"):

All persons currently or formerly employed by MSRC in the State of California as non-exempt Responders, or as other non-exempt response-related employees in a position with similar job duties and/or titles, any time during the period from May 14, 2017 to December 31, 2023.

The purpose of this Notice is to provide a brief description of the claims alleged in the Class Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

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1. Why Have I Received This Notice?

MSRC's records indicate that you may be a Class Member. The Settlement will resolve all Class Members' Released Claims, as described below, from May 14, 2017 to December 31, 2023 (the "Class Period").

A Preliminary Approval Hearing was held on December 14, 2023, in the United States District Court, Central District of California. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

The Court will hold a Final Fairness Hearing concerning the proposed settlement on April 22, 2024 at 8:30 a.m., before Judge George H. Wu, located at 350 West 1st Street, Los Angeles, CA, 90012, Courtroom 9D, 9th Floor.

2. What Is This Case About?

The action entitled *Carl Thieroff, et al. v. Marine Spill Response Corporation* was commenced by Plaintiffs Carl Thieroff, Joshua Kahane, and Phillip Walton in the Los Angeles County Superior Court (Case No. 21STCV18445) on May 14, 2021 and was then removed to the United States District Court, Central District of California (Case No. 2:21-cv-06075-DMG-MRW) on July 27, 2021. Plaintiffs Carl Thieroff, Joshua Kahane, and Phillip Walton are referred to as a "Plaintiff" or the "Plaintiffs." Plaintiffs' action against MSRC as alleged in their initial Complaint and/or amended Complaints sought damages, restitution, penalties, interests, costs and attorney's fees and other relief based on the following alleged causes of action: (1) Failure to Pay Overtime Compensation; (2) Failure to Pay Wages for Hours Worked; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Pay Reporting Time Pay; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Pay Business Expenses; (8) Failure to Pay Wages Due and Payable Twice Monthly; (9) Failure to Pay Wages Upon Termination of Employment; (10) Unlawful Competition and Unlawful Business Practices; and (11) Penalties under the Private Attorney General Act.

The Court has not made any determination as to whether the claims advanced by Plaintiffs have any merit.

In other words, the Court has <u>not</u> determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or MSRC; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial.

MSRC expressly denies that it did anything wrong or that it violated the law and further denies any liability whatsoever to Plaintiffs or to the Class.

3. Am I A Class Member?

You are a Class Member if you are currently or were formerly employed by MSRC in the State of California as a non-exempt Responder, or as a non-exempt response-related employee in a position with similar job duties and/or a similar title ("Covered Position"), any time during the period from May 14, 2017 to December 31, 2023 ("Class Period").

4. How Does This Class Action Settlement Work?

In this Action, Plaintiffs sued on behalf of themselves and all other similarly situated employees who were employed by MSRC in a Covered Position during the Class Period. Plaintiffs and these other current and former employees comprise a "Class" and are "Class Members." The settlement of this Action resolves the Released Claims of all Class Members (as defined in Section No. 10 below), except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth in Section 7 below.

Plaintiffs and Class Counsel believe the Settlement is fair and reasonable. The Court must also review the terms of the Settlement and determine if it is fair and reasonable to the Class. The Court file has the Settlement

documents, which explain the Settlement in greater detail. If you would like copies of the Settlement documents, you can contact Plaintiffs' counsel, whose contact information is below, and they will provide you with an electronic copy free of charge.

Attorneys for Plaintiffs and the Class
QUINTILONE & ASSOCIATES Richard E. Quintilone II <u>Req@Quintlaw.com</u> 22974 El Toro Road, Suite 100 Lake Forest, CA 92630 Telephone: (949) 458-9675 Facsimile: (949) 458-9679 THE MARKHAM LAW FIRM David R. Markham Dmarkham@Markham-Law.com Maggie K. Realin <u>Mrealin@Markham-Law.com</u> Lisa R. Brevard <u>Lbrevard@Markham-Law.com</u> 888 Prospect Street, Suite 200 La Jolla, CA 92037 Telephone: (619) 399-3995 Facsimile: (619) 615-2067

The Court has decided that Quintilone & Associates and The Markham Law Firm are qualified to represent you and all other Class Members simultaneously.

Plaintiffs' Counsel is working on your behalf. If you want your own attorney, you may hire one at your own cost.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed Settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

<u>Important Note</u>: MSRC will not retaliate against you in any way for either participating or not participating in this Settlement.

- DO NOTHING: If you do nothing and the Court grants final approval of the Settlement, you will become part of this lawsuit and may receive an Individual Settlement Payment based on the total number of workweeks you were employed in a Covered Position during the Class Period. You will release all of the Released Claims, as defined in Section No. 10 below, and you will give up your right to pursue the Released Claims, as defined in Section No. 10 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may "opt out," which will remove you from the Class Action portion of this Settlement. If the Court grants final

approval of the Settlement, you will not receive an Individual Settlement Payment and you will not give up the right to sue the Released Parties, including MSRC, for any the Released Claims as defined in Section No. 10 below. However, even if you choose to "opt out" of the class action portion of the settlement, you will still receive an Individual PAGA Payment and will release the PAGA claims under this Settlement.

- **OBJECT:** You may mail a legal objection to the proposed settlement. If you would like to object, you may not opt out of this Settlement.
- **DISPUTE:** Settlement amounts will be based on the number of eligible workweeks that you worked in a Covered Position during the Class Period. If you believe that MSRC's records regarding your eligible workweeks are incorrect then you may dispute your workweeks by informing the Settlement Administrator, ILYM.

The procedures for opting out, objecting, and submitting a dispute are set forth below in the sections entitled "How Do I Opt Out or Exclude Myself From This Settlement?," "How Do I Object To The Settlement?," and "How Do I Dispute the Number of Workweeks I am Attributed?."

7. How Do I Opt Out Or Exclude Myself From This Settlement?

If you do not want to take part in the Class Action Settlement, you must mail a written request for exclusion to the Settlement Administrator. The written request for exclusion must: (a) state your name, address, telephone number, and last four digits of your social security number or employee identification number; (b) state your intention to exclude yourself from or opt-out of the Settlement, with language such as "I wish to opt out of the MSRC class action settlement"; (c) be addressed to the Settlement Administrator; (d) be signed by you or your lawful representative; and (e) be postmarked no later than March 7, 2024. You must mail your request for exclusion to the Settlement Administrator at ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781.

The Final Judgment entered following approval of the Settlement by the Court will bind all Class Members who do not request exclusion from the Settlement ("Participating Class Members").

8. How Do I Object To The Settlement?

If you are a Class Member who does not opt out of the Settlement ("Settlement Class Member"), you may object to the Settlement, personally or through an attorney, by mailing a written objection to the Settlement Administrator at ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781 by March 7, 2024. The Objection must: (a) state your full name, address, and telephone number; (b) state the words "Notice of Objection"; (c) describe, in clear and concise terms, the basis for the objection, (d) state whether the Class Member intends to appear at the Final Approval hearing, and (e) be signed by you or your lawful representative. If you intend to use any document(s) to support your objection, a copy of the document(s) should be included with the written objection at the time of submission.

Whether or not a Settlement Class Member submits a written objection, Settlement Class Members will have a right to appear at the Final Approval hearing in order to have their objections heard by the Court. Settlement Class Members may appear at the Final Approval hearing, either in person or through the objector's own counsel. The Final Approval hearing is currently scheduled for April 22, 2024 at 8:30 a.m. at 350 West 1st Street, Los Angeles, CA, 90012, Courtroom 9D, 9th Floor.

Settlement Class Members who fail to object in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement.

Again, to be valid and effective, any written objections must be mailed to the Settlement Administrator postmarked on or before on or before March 7, 2024.

If the Court rejects the Notice of Objection, the Class Member will receive an Individual Settlement Payment and will be bound by the terms of the Settlement.

9. How Do I Dispute the Number of Workweeks I am Attributed?

Defendant's records regarding eligible workweeks, as set forth in section 10 below, shall be presumed correct. Class Members who disagree with Defendant's records of their eligible workweeks must notify the Settlement Administrator of the dispute and submit documentation and/or an explanation to show contrary information, such as such as W2s, timesheets, work schedules, etc., to the Settlement Administrator at ILYM Group, Inc. P.O. Box 2031 Tustin, CA 92781 on or before March 7, 2024.

Class Counsel, Defendant's Counsel, and the Settlement Administrator will work together in good faith and do their best to promptly resolve the dispute based on available records. In the event they are unable to resolve any dispute under this Section, the Settlement Administrator shall review all information, material and documents and make a decision regarding the dispute.

10. How Does This Settlement Affect My Rights? What are the Released Claims?

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court's Final Judgment and will fully release and discharge MSRC and any of its past, present and future parents, members, subsidiaries, and affiliates, and their officers, directors, employees, partners, shareholders, attorneys, and agents, and any other successors, assigns, or legal representatives ("Released Parties") from the Released Claims.

The Released Claims are as follows: All Class Members who have not opted out will release and discharge the Released Parties from all claims, demands, rights, liabilities and causes of action that were pled in the initial Complaint, First Amended Complaint, Second Amended Complaint, Third Amended Complaint, Fourth Amended Complaint, and/or letter to the LWDA pursuant to PAGA, or which could have been asserted based on the factual allegations and claims therein, that arose during the Class Period and/or PAGA Period, including but not limited to the following claims: (1) failure to pay overtime compensation; (2) failure to pay minimum and/or regular wages; (3) failure to pay reporting time pay; (4) failure to pay on-call pay; (5) failure to pay wages for all hours worked; (6) failure to provide meal periods; (7) failure to provide rest breaks; (8) failure to pay wages due and payable twice monthly; (9) failure to timely pay wages upon termination of employment; (10) failure to provide accurate itemized wage statements; (11) failure to reimburse necessary business expenses; (12) unlawful competition and unlawful business practices; and (13) civil penalties under the Private Attorney's General Act ("PAGA").

However, if you worked in a Covered Position during the period from August 18, 2020 to December 31, 2023 ("PAGA Period") and the Court grants final approval of the Settlement, you will still receive a share of the PAGA Payment from the Net Fund Value (defined in Section 11 below) and will be bound by the PAGA release provisions of the Settlement, whether or not you submit a request for exclusion.

11. How Much Can I Expect to Receive From This Settlement?

The total maximum amount that MSRC could be required to pay under this Agreement shall be up to but no more than \$325,000 ("Gross Fund Value" or "GFV").

The "Net Fund Value" or "NFV" means the portion of the Gross Fund Value available for distribution to Class Members after the deduction of (1) the Class Representatives' Incentive Payments to Plaintiffs Carl Thieroff, Joshua Kahane, and Phillip Walton in an amount up to \$10,000.00 each, for prosecution of the Action, and for risks undertaken for the payment of attorneys' fees and costs; (2) the Administration Costs to the Settlement Administrator, ILYM Group, Inc., in an amount estimated at approximately \$3,000.00; (3) a PAGA Payment of

\$13,000.00 ("PAGA Payment"); (4) payment to Class Counsel for Class Counsel fees in an amount not to exceed \$108,333.33 (one-third of the Gross Fund Value) for attorneys' fees; and (5) payment to Class Counsel of a Cost Award in an amount not to exceed \$15,000.00 for litigation costs. All of these payments are subject to court approval. Any employer-side payroll taxes due on the wages portion of the settlement will be paid in addition to the GFV.

After deducting the above-referenced items, the remaining Net Fund Value will be proportionately distributed amongst all Class Members who have not opted out of the Settlement. The Settlement Administrator will calculate the Individual Settlement Payments for Participating Class Members. Each Settlement Class Member will receive a proportionate share of the Net Fund Value that is equal to (i) the number of weeks he or she worked based on the Class data provided by MSRC, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class data, which is then multiplied by the NFV. One day worked in a given week will be credited as a week for purposes of this calculation. Therefore, the value of each Class Member's Individual Settlement Payment ties directly to the amount of weeks that he or she worked.

Although your exact share of the Net Fund Value cannot be precisely calculated until after the notice period concludes, based upon the calculation above, your approximate share of the Net Fund Value, is as follows: \$«Est_Individual_Class_Payment», less taxes ("Individual Settlement Payment"). This is based on MSRC records, which show you worked «Weeks_Worked_Class_Period_51417_to_12» eligible workweeks in Covered Position(s) covered by this Settlement, during the Class Period.

Twenty percent (20%) of your Individual Settlement Payment will be treated as unpaid wages. Applicable taxes will be withheld from the wages portion of your Individual Settlement Payment only and reported on an IRS Form W-2. The remaining eighty percent (80%) of your Individual Settlement Payment will be treated as penalties, unreimbursed business expenses, and interest and will be paid pursuant to an IRS Form 1099.

In addition to your Individual Settlement Payment, if you worked for MSRC in a Covered Position(s) during the PAGA Period, then you will receive an Individual PAGA Payment. Each eligible employee will receive a proportionate share of twenty-five percent (25%) of the PAGA Payment that is equal to (i) the number of pay periods he or she worked during the PAGA Period based on the data provided by MSRC, divided by (ii) the total number of pay periods worked by all eligible employees during the PAGA Period based on the same data, which is then multiplied by the twenty-five percent (25%) of the PAGA Payment. One day worked in a given pay period will be credited as a pay period for purposes of this calculation. Therefore, the value of each Aggrieved Employee's Individual PAGA Payment ties directly to the amount of pay periods that he or she worked.

Based on the calculation above, your Individual PAGA Payment is as follows: \$«Est_Individual_PAGA_Payment». This is based on MSRC's records, which show you worked «PAGA_Pay_Periods_BiWeekly_14__Rounded_u» eligible pay periods in a Covered Position(s) during the PAGA Period.

It is strongly recommended that upon receipt of your Individual Settlement Payment and, if applicable, Individual PAGA Payment check(s), you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the Individual Settlement Payments(s) to the State Controller's Office in the name of each involved Settlement Class Member under the unclaimed property laws.

12. How Will the Attorneys for the Class and the Class Representative Be Paid?

The attorneys for Plaintiffs and the Class will be paid from the Gross Fund Value. Subject to Court approval, the attorneys for Plaintiffs and the Class shall be paid an amount not to exceed one-third (33.33%) of the Gross Settlement Value (or \$108,333.33) for attorneys' fees and up to \$15,000.00 for verified litigation costs.

MSRC has paid all of its own attorneys' fees and costs.

As set forth in Section No. 11 above, the Plaintiffs will also be paid Class Representative Incentive Payments in recognition to their service to the Class and risks undertaken, subject to Court approval.

13. How Can I Obtain More Information?

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel listed above, or the Settlement Administrator at the telephone number listed below, toll free. Please refer to the MSRC class action Settlement.

ILYM Group Inc- (888) 250-6810

This Notice does not contain all of the terms of the proposed Settlement or all of the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Court at 350 West 1st Street, Los Angeles, CA, 90012 between 8:30 a.m. and 4:00 p.m. You may also contact Plaintiffs' counsel, whose contact information is above, and they will provide you with a copy of the electronic versions of the Settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.