

Harris v. ISP2, Inc., No. MSC21-01157
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF CONTRA COSTA
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

Si desea una traducción al Español de este Aviso, por favor llame al administrador al 1-888-413-0473

To: All persons who were employed by Defendant ISP2, Inc. (“Defendant”) or its Subsidiaries¹ in non-exempt, hourly positions, at an Ike’s Love & Sandwiches restaurant in the State of California at any time during the period from April 9, 2020 to April 18, 2023 (“Class Members”).

Introduction

On April 18, 2023, the Honorable Charles S. Treat of the Contra Costa County Superior Court (the “Court”) granted preliminary approval of a proposed class action settlement (the “Settlement”) of the above-captioned action pending in the Court (the “Action”), and ordered the Parties (Defendant and Plaintiff Joss Harris) to notify all Class Members of the Settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, as defined above, and therefore you may be eligible to participate in this Settlement. As a Class Member, you may be entitled to money from the Settlement, you will be mailed a check for your share of the settlement fund, and the Settlement will affect your legal rights, unless you “opt out.”** The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 9:00 a.m. on September 19, 2024 in Department 12 of the Contra Costa County Superior Court located at 725 Court Street, Martinez, California 94533, at which time the Court will decide whether to grant final approval of the Settlement. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.** Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit <https://www.cptgroupcaseinfo.com/ISP2Settlement> for any scheduling changes.

The purpose of this Notice is to: (1) describe the Action, (2) inform you of the terms of the Settlement, and (3) inform you of your rights and options in connection with the Settlement. Class Members are encouraged to carefully read this Notice and understand their rights.

Defendant will not retaliate against, or view in disfavor, any employee who participates in this Settlement. Defendant has agreed to pay the full amount of the Settlement even if some of the employees opt out. Accordingly, Defendant will not pay less if you opt out.

Summary of the Litigation

Plaintiff Joss Harris, on his behalf and on behalf of other Class Members, contends that Defendant did not, among other things: (1) pay minimum and overtime wages under California law to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) reimburse employees for necessary business expenses; (4) appropriately compensate employees for split shifts; (5) timely pay all wages owed to employees during each pay period and upon termination of their employment; and (6) provide employees with accurate, itemized wage statements. Plaintiff also seeks penalties under the California Private Attorney General Act (“PAGA”). Defendant denies these allegations and denies any liability or wrongdoing of any kind associated with these allegations. **The Court has not ruled on the merits of Plaintiff’s claims.**

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of

¹ ISP2 San Ramon, Inc.; ISP2 Bakersfield, Inc.; ISP2 Bakersfield Marketplace, Inc.; ISP2 Burbank, Inc.; ISP2 Burlingame, Inc. ;ISP2 Chino, Inc.; ISP2 Danville Inc.; ISP2 Davis, Inc.; ISP2 Del Mar, LLC; ISP2 Dublin, Inc.; ISP2 Emeryville, Inc.; ISP2 Fountain Valley, Inc.;ISP2 Fresno, Inc.; ISP2 Fresno 2, Inc.; ISP2 Hayward, Inc.; ISP2 Hillsdale, Inc.; ISP2 Long Beach, Inc.; ISP2 Modesto, Inc.; ISP2 Monterey, Inc.; ISP2 Mountain View, Inc.; ISP2 Newport Beach, Inc.; ISP2 NorCal, LLC; ISP2 Northridge, Inc.; ISP2 Oakland, Inc.; ISP2 Rockridge, Inc.; ISP2 Sacramento, Inc.; ISP2 Salinas Inc.; ISP2 San Diego, Inc.; ISP2 San Jose D/T Inc.; ISP2 San Luis Obispo, Inc.; ISP2 Santa Clara Inc.; ISP2 Santa Cruz, Inc.; ISP2 Santana Row, Inc.; ISP2 Serramonte, Inc.; ISP2 SF, Inc.; ISP2 Shattuck, Inc.; ISP2 Skyport, Inc.; ISP2 Stockton, Inc.; ISP2 Stonestown, Inc.; ISP2 Sunnyvale, Inc.; ISP2 The Plant, Inc.;ISP2 The Willows, Inc.; ISP2 Turlock, Inc.; ISP2 Tustin, Inc.; ISP2 Vacaville, Inc.; ISP2 Vallejo, Inc.; ISP2 Walnut Creek, Inc.; ISP2 Westgate, Inc.; ISP2 Manhattan Beach, LLC; and ISP2 SAP, Inc.

continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny, the factual and legal allegations in the case and believes that it has valid defenses to Plaintiff's claims. By agreeing to settle, Defendant is not admitting any wrongdoing or that the case can or should proceed as a class action, and continues to dispute that any of Plaintiff's allegations have any merit or factual support. Defendant has agreed to settle the case as part of a compromise with Plaintiff to avoid the legal expense of litigation.

The Court granted preliminary approval of the Settlement on April 18, 2023. At that time, the Court also preliminarily approved Plaintiff to serve as Class Representative, and the law firm of Capstone Law APC to serve as Class Counsel. The Court also approved CPT Group, Inc. as the Settlement Administrator. The address of CPT Group, Inc. is: 50 Corporate Park, Irvine, CA 92606.

Summary of The Proposed Settlement Terms

Plaintiff and Defendant have agreed to settle the underlying class claims in exchange for a Class Settlement Amount of \$1,029,600. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Joss Harris for his services on behalf of the class, and for a release of all claims arising out of his employment with Defendant; (3) \$258,333 in attorneys' fees and up to \$30,000 in litigation costs and expenses; (4) a \$40,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$30,000 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$10,000 payment to all Class Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$19,750. After deducting the above payments, a total of approximately \$681,517 will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Amount").

Payments from Net Settlement Amount. Defendant will calculate the total number of Pay Periods worked by each Class Member from April 9, 2020 to April 18, 2023 ("Class Period") and the aggregate total number of Pay Periods worked by all Class Members during the Class Period. To determine each Class Member's estimated share of the Net Settlement Amount, the Settlement Administrator will use the following formula: The Net Settlement Amount will be divided by the aggregate total number of Pay Periods, resulting in the "Pay Period Value." Each Class Member's share of the Net Settlement Amount will be calculated by multiplying each individual Class Member's total number of Pay Periods by the Pay Period Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Amount according to the number of Pay Periods worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Amount.

According to Defendant's records, you worked during the Class Period in a non-exempt position for a total of <<PayPeriods>> Pay Periods. Accordingly, your estimated payment from the Net Settlement Amount is approximately \$<<TotalEstAmt_Updated>>.

If you believe the Pay Period information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before August 5, 2024 and must be sent to:

Harris v. ISP2, Inc., et al.

c/o CPT Group Inc.
50 Corporate Park
Irvine, CA 92606
Fax: 949-419-3446

If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 25% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 75% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Questions? Contact the Settlement Administrator toll free at 1-888-413-0473

Your Options Under the Settlement

Option 1 – *Automatically Receive a Payment from the Settlement*

If want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

If you do not opt out in a timely manner, you will be bound by the following release:

Class Members, including Plaintiff, release Defendant, its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its respective successors and predecessors in interest, Subsidiaries, affiliates, parents and attorneys (the “Released Parties”) from the “Released Claims” which are limited to the Class Period and defined as: All claims, rights, demands, liabilities, and causes of action for damages, penalties, interest and other remedies under California law, reasonably arising from, or related to, the same set of operative facts as those set forth in the operative complaint during the Class Period, including: (i) all claims for unpaid overtime; (ii) all claims for meal and rest break violations; (iii) all claims for unpaid minimum wages; (iv) all claims for the failure to timely pay wages upon termination based on the preceding claims; (v) all claims for the failure to timely pay wages during employment based on the preceding claims; (vi) all claims for the failure to reimburse for necessary business expenses; (vii) all claims for split shift violations; (viii) all claims for wage statement violations based on the preceding claims; (ix) all claims asserted through California Labor Code §§ 2698, *et seq.* (“PAGA”) and California Business & Professions Code §§ 17200, *et seq.*, based on the preceding claims.

Option 2 – *Opt Out of the Settlement*

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

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c/o CPT Group Inc.
50 Corporate Park
Irvine, CA 92606
Fax: 949-419-3446

The Request for Exclusion must be postmarked or faxed not later than August 5, 2024. If you submit a Request for Exclusion which is not postmarked or faxed by August 5, 2024, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Amount.
- Not release the Released Claims.

Defendant in its discretion may withdraw from this Settlement if more than 5% of the Class Members opt out of the Settlement.

Option 3 – *Object to the Settlement*

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at **Harris v. ISP2, Inc., et al.** c/o CPT Group Inc., 50 Corporate Park, Irvine, CA 92606.

Questions? Contact the Settlement Administrator toll free at 1-888-413-0473

All written objections must be received by the administrator by not later than August 5, 2024. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for September 19, 2024 at 9:00 a.m. in the Superior Court of the State of California, for the County of Contra Costa and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: 1 (888) 220-0413

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