

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

RAFAEL PEREZ, as an individual and on behalf of all others similarly situated,

Plaintiff,

vs.

KYOCERA SGS PRECISION TOOLS, INC., an Ohio corporation; and DOES 1 through 100,

Defendants.

Case No. 30-2022-01299232-CU-OE-CXC

NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

To: All persons who were employed by Defendant Kyocera SGS Precision Tools, Inc. (“Defendant”) or its predecessor Kyocera Precision Tools, Inc. in California and were classified as non-exempt at any time from December 29, 2018, through August 17, 2023. Collectively, these employees will be referred to as “Settlement Class Members.”

**PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The Court has granted preliminary approval of a proposed settlement (the “Settlement”) of the above-captioned class and representative action (the “Lawsuit”). Your rights may be affected by the Settlement, and it is important that you read this notice carefully. Defined terms in this Notice use the definitions in the parties’ settlement agreement.

You may be entitled to money from this Settlement. Defendant’s records show that you were employed by Defendant as a non-exempt employee in California between December 29, 2018 and August 17, 2023. The Court ordered that this notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from certain aspects of the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Rafael Perez (“Plaintiff”) brought this lawsuit against Defendant, asserting claims on behalf of all Settlement Class Members. Plaintiff is known as the “Class Representative,” and his attorneys, who also represent the interests of all Settlement Class Members, are known as “Class Counsel.”

In the Lawsuit, Plaintiff alleges that Defendant: (1) failed to pay all overtime wages; (2) failed to pay all minimum wages; (3) failed to provide all lawful meal periods; (4) failed to authorize and permit all lawful rest periods; (5) failed to reimburse all necessary business expenditures; (6) failed to timely pay all final wages; (7) engaged in unfair competition; (8) failed to issue accurate and itemized wage statements; and (9) is liable for civil penalties under the Private Attorneys General Act (“PAGA”).

Defendant denies that it has done anything wrong, and denies that it owes Settlement Class Members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendant, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff’s claims. However, to avoid additional expense, inconvenience, and interference with business operations, the parties concluded that it is in the interests of Settlement Class Members and in Defendant’s best interest to settle the Lawsuit on the terms summarized in this Notice. After Defendant provided substantial relevant information to Class Counsel, the Settlement was reached after mediation and arms’-length negotiations between the parties with the assistance of a neutral mediator.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the inherent risks of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by Defendant, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendant’s policy strictly prohibit unlawful retaliation. Defendant will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class Member because of his or her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

<p>Attorneys for Plaintiff/ Settlement Class Members:</p> <p>HAINES LAW GROUP, APC Paul K. Haines (SBN 248226) phaines@haineslawgroup.com Fletcher W. Schmidt (SBN 286462) fschmidt@haineslawgroup.com Matthew K. Moen (SBN 305956) mmoen@haineslawgroup.com Susan J. Perez (SBN 329044) sperez@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com</p>	<p>Attorneys for Defendant:</p> <p>JONES DAY Rick Bergstrom (State Bar No. 169594) rjbergstrom@jonesday.com Koree Wooley (State Bar No. 294489) kbwooley@jonesday.com 4655 Executive Drive, Suite 1500 San Diego, CA 92121-3134 Telephone: 858.314.1200 Facsimile: 844.345.3178 jonesday.com</p>
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What are the terms of the Settlement?

On May 03, 2024, the Court preliminarily certified a settlement class – for settlement purposes only – of all persons who were employed by Defendant or its predecessor Kyocera Precision Tools, Inc. (“KPTI”) in California and were classified as non-exempt at any time from December 29, 2018 through August 17, 2023 (the “Class Period”). Settlement Class Members who do not submit a valid and timely Request for Exclusion Form pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendant, as described below in the “Release” section. The Court also approved an allocation of the Settlement to Plaintiff’s claim pursuant to the Private Attorneys’ General Act. Settlement Class Members who are eligible for a portion of the PAGA Payment, as described below, will be bound by the release of the PAGA claim irrespective of whether they submit a Request for Exclusion from the Settlement.

Defendant has agreed to pay \$196,500.00 (the “Maximum Settlement Amount”) to fully resolve all claims in the Lawsuit, including payments to Settlement Class Members, attorneys’ fees and expenses, settlement administration costs, payment to the California Labor and Workforce Development Agency (“LWDA”) for its share of PAGA civil penalties, and the Class Representative Enhancement Payment. The following deductions from the Maximum Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved CPT Group, Inc. to act as the “Settlement Administrator,” who is sending this Notice to you and who will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$7,500.00 from the Maximum Settlement Amount to pay the Settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Maximum Settlement Amount. Settlement Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to one-third of the Maximum Settlement Amount (which is currently estimated to be \$65,500.00) as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$30,000.00 for verified costs which were incurred by Class Counsel in connection with the Lawsuit.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award \$5,000.00 to Plaintiff as a Class Representative Enhancement Payment. This is meant to compensate Plaintiff for his service and extra work provided on behalf of the Settlement Class Members.

PAGA Payment to the State of California. The parties have agreed to allocate \$10,000.00 of the Maximum Settlement Amount as PAGA civil penalties. Per Labor Code Section 2699(i), 75% of such penalties (\$7,500.00) will be payable to the LWDA for its share of PAGA penalties, and the remaining 25% (\$2,500.00) will be payable to members of the Settlement Class who are eligible for a portion of the PAGA Amount as part of the Net Settlement Amount.

Calculation of Settlement Class Members' Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class Members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount will be divided as follows:

- (i) PAGA Amount: The \$2,500.00 payable to the PAGA Aggrieved Employees as their 25% portion of the PAGA civil penalties shall be designated as the "PAGA Amount." Each Settlement Class Member who was employed by Defendant between one year prior to the date of Plaintiff's PAGA notice letter to the LWDA through the close of the Class Period (the "PAGA Period"), regardless of whether they timely submit a Request for Exclusion Form, shall receive a portion of the PAGA Amount proportionate to the number of workweeks that he or she worked during the PAGA Period compared to the aggregate number of workweeks worked by all PAGA Aggrieved Employees during the PAGA Period ("Individual PAGA Amount"). The PAGA Amount paid to PAGA Aggrieved Employees will be issued separately from the remainder of the Individual Settlement Payment, if any.
- (ii) Wage Statement Amount: Ten percent (10%) of the Net Settlement Amount shall be designated as the "Wage Statement Amount." Each participating Settlement Class member who was employed by Defendant at any time between December 29, 2021 and the end of the Class Period, shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period, by multiplying the Wage Statement Amount by a fraction, the numerator of which is the Settlement Class member's total workweeks worked during the aforementioned time period, and the denominator of which is the aggregate number of workweeks worked by all participating Settlement Class members during the aforementioned time period.
- (iii) Waiting Time Amount: Fifteen percent (15%) of the Net Settlement Amount shall be designated as the "Waiting Time Amount." The Waiting Time Amount shall be distributed in equal, pro-rata shares to each participating Settlement Class Member who separated their employment from Defendant at any time between December 29, 2019 and the end of the Class Period.
- (iv) The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class Member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class Member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class Members during the Class Period.

Individual Settlement Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members who did not submit a valid and timely Request for Exclusion. Each participating Settlement Class Member who receives an Individual Settlement Payment must cash that check within 180 calendar days from the date the Settlement Administrator mails it. Any funds payable to participating Settlement Class Members whose checks are not cashed within 180 calendar days after mailing will be transferred to the California State Controller's Office to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, in the name of the Settlement Class Member to whom the check was issued, until such time that he or she claims his or her property.

Individual PAGA Payments to PAGA Aggrieved Employees. If the Court grants final approval of the Settlement, Individual PAGA Payments will be mailed to PAGA Aggrieved Employees. Each PAGA Aggrieved Employee who receives an Individual PAGA Payment must cash that check within 180 calendar days from the date the Settlement Administrator mails it. Any funds payable to PAGA Aggrieved Employees whose checks are not cashed within 180 calendar days after mailing will be transferred to the California State Controller's Office to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, in the name of the PAGA Aggrieved Employee to whom the check was issued, until such time that he or she claims his or her property.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be allocated as follows: 33.33% wages issued pursuant to an IRS Form W-2, with employee-side payroll withholding taxes withheld; 33.33% Labor Code penalties and/or reimbursement of expenses, issued pursuant to an IRS Form 1099; and 33.33% interest, issued pursuant to an IRS Form 1099. Each Individual PAGA Payment shall be allocated as 100% penalties. Settlement Class Members are responsible for the proper income tax treatment of the Individual Settlement Payments and Individual PAGA Payments. The Settlement Administrator, Defendant and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, each Settlement Class Member who has not submitted a timely and valid Request for Exclusion Form will, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, assigns, and any entities or businesses in which any of them have a controlling ownership interest, shall fully and finally release and discharge Defendant, KPTI, and their respective former and present parents, subsidiaries, affiliated corporations and entities, clients, and vendors and independent contractors through which Defendant conducts business, and each of their respective current, former, and future officers, directors,

members, managers, employees, consultants, vendors, independent contractors, clients, partners, shareholders, joint venturers and third-party agents, and any successors, assigns, or legal representatives (collectively the “Released Parties”) from all applicable California wage and hour claims, rights, demands, liabilities, and causes of action, arising from the claims pled in the Action or that could have been asserted based on the facts alleged in the Action against Defendant, including, but not limited to, claims for: failure to timely pay all wages at termination (California Labor Code §§ 201, 202, 203); failure to timely pay all minimum and overtime wages (California Labor Code §§ 204, 510, 558, 1182.12, 1194, 1194.1, 1194.2, 1197); meal and rest period violations, including with respect to the rate at which premiums are paid (California Labor Code §§ 226.7, 512, 516, 558, and applicable sections of the relevant Order of the Industrial Welfare Commission); failure to provide for or properly pay sick time (California Labor Code §§ 233, 246, 248, 248.5); failure to reimburse all necessary business expenses (California Labor Code §§ 2802, 2804); violation of the IWC California Wage Orders; failure to provide accurate wage statements in violation of California Labor Code § 226; failure to maintain records in violation of California Labor Code § 1174; violations of the PAGA, Labor Code § 2698 *et seq.* based on the foregoing claims or based on failure to timely pay wages during employment (California Labor Code § 210); unfair competition in violation of California Business and Professions Code section 17200 *et seq.*; and any damages, penalties, restitution, disgorgement, interest, costs, or attorneys’ fees as a result thereof (“Released Claims”). The period of the Release shall run from December 29, 2018, until August 17, 2023, and become effective on the date upon which the Court signs an order granting final approval of the Settlement Agreement.

It is understood and acknowledged that all PAGA Aggrieved Employees, regardless of whether they opt-out of the Settlement, shall be deemed to have released and discharged Defendant from all PAGA claims that are based on the Labor Code violations pled in the operative First Amended Complaint in the Action or Plaintiff’s letter to the LWDA, or which could have been pled in the operative First Amended Complaint in the Action or included in the letter to the LWDA based on the factual allegations therein, that arose during the PAGA Period (the “PAGA Released Claims”). This release shall run from one year prior to the date of Plaintiff’s PAGA notice letter to the LWDA through the close of the Class Period.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class Members, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your Individual Settlement Payment and Individual PAGA Payment, which have been calculated for you based on the formulas set forth above, and as stated in the accompanying Notice of Individual Settlement Payment and Individual PAGA Payment. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Individual Settlement Payment and Individual PAGA Payment. Your payment(s) is (are) based on the proportionate number of workweeks that you worked during the relevant time periods and whether your employment separated during the relevant time period. The information contained in Defendant’s records regarding this information, along with your estimated Individual Settlement Payment and estimated Individual PAGA Payment, is listed on the accompanying Notice of Individual Settlement Payment and Individual PAGA Payment. If you disagree with the information in your Notice of Individual Settlement Payment and Individual PAGA Payment, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Individual Settlement Payment and Individual PAGA Payment. Any disputes, along with supporting documentation, must be postmarked no later than July 8, 2024. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class Members. Should a consensus not be reached, any outstanding disputes will be submitted to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the full Settlement, you may exclude yourself by sending to the Settlement Administrator the attached “Request for Exclusion Form” postmarked no later than July 8, 2024, with your name, address, telephone number, last four digits of your social security number, and your signature. Please note that you may **not** exclude yourself from the portion of the settlement related to the claim under PAGA.

Send the Request for Exclusion Form directly to the Settlement Administrator at Perez v. Kyocera SGS Precision Tools, Inc. c/o CPT Group, Inc. 50 Corporate Park Irvine, CA 92606. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class Member, and shall be barred from participating in the Settlement, with the exception that all PAGA Aggrieved Employees shall receive a portion of the PAGA Amount, regardless of whether they timely submit a Request for Exclusion from the remainder of the Settlement. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection to the Settlement Administrator. Your written objection should include your name, address, last four digits of your social security number, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. All objections or other correspondence must state the name and number of the case, which is *Rafael Perez v. Kyocera SGS Precision Tools, Inc.*, Orange County Superior Court, Case No. 30-2022-01299232-CU-OE-CXC. Objections in writing must be postmarked on or before July 8, 2024.

You may also appear at the Final Approval Hearing scheduled for August 30, 2024 at 10:00 a.m., in Department CX105 of the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, California 92701. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing, if you wish to appear in person. You have the right to appear either in person or through your own attorney at this hearing, whether or not you submit a written objection. If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object. **PLEASE REVIEW THE INFORMATION BELOW REGARDING THE IMPACT OF COVID-19 ON YOUR ABILITY TO APPEAR IN PERSON AT THE FINAL APPROVAL HEARING.**

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on August 30, 2024 at 10:00 a.m., in Department CX105 of the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, California 92701. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, the Enhancement Payment to the Class Representative, the Settlement Administrator's costs, and the amount related to the PAGA civil penalties. **You are not required to attend the Final Approval Hearing. PLEASE REVIEW THE INFORMATION BELOW REGARDING THE IMPACT OF COVID-19 ON YOUR ABILITY TO APPEAR IN PERSON AT THE FINAL APPROVAL HEARING.**

If the Court grants Final Approval of the Settlement, a notice of the court's final judgment and order will be posted on the Settlement Administrator's website, at www.cptgroupcaseinfo.com/kyocerasettlement.

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Central Justice Center, located at 700 Civic Center Drive West, Santa Ana, California 92701, during regular business hours. You may also contact the Settlement Administrator at 1-888-710-5737 toll free, or Class Counsel using the contact information listed above for more information. In light of the COVID-19 pandemic, the Orange County Superior Court has implemented certain protocols that may impact your ability to review the Court's files in person. As of the date of this mailing, you may be required to schedule an in-person counter service prior to accessing the Court's files. Current information regarding how to make an appointment, as well as additional rules, regulations, and safety protocols, can be viewed on the Court's website, at www.occourts.org.

PLEASE DO NOT CALL OR WRITE THE CLERK OF THE COURT OR THE JUDGE FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

Notice Regarding Impact of COVID-19.

In light of the COVID-19 pandemic, the Orange County Superior Court has implemented certain protocols that may impact your ability to review the Court's files in person and/or appear at the Final Approval Hearing in person, should you choose to do so. Current information regarding the Court's COVID-19 rules, regulations, and safety protocols, can be viewed on the Court's website, at www.occourts.org.

Additional information regarding viewing live court proceedings, such as the Final Approval Hearing, or scheduling an in-person counter service appointment can be found here: <https://www.occourts.org/media-relations/CoronaVirusUpdate.html>

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **July 8, 2024**.