COURT APPROVED SUPPLEMENTAL NOTICE OF CLASS ACTION SETTLEMENT

Rachel Roberts v. Westways Staffing Services, Inc., Case No. 37-2022-00044619-CU-OE-CTL

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Westways Staffing Services, Inc. ("Westways") for alleged wage and hour violations. The Action was filed by a Westways employee Rachel Roberts ("Plaintiff") and seeks payment of (1) back wages for a class of hourly employees ("Class Members") who worked for Westways during the Class Period, September 5, 2021 to May 25, 2023; and (2) penalties under the California Private Attorneys General Act ("PAGA") for hourly employees who worked for Westways during the PAGA Period October 20, 2021 to May 25, 2023 ("Aggrieved Employees").

The Settlement has two main parts: (1) a Class Settlement requiring Westways to fund Individual Class Payments, and (2) a PAGA Settlement requiring Westways to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on Westways' records, and the Parties' current assumptions, your Individual Class **Payment is estimated to be** <<**EstSettAmnt>>** (less withholding). The actual amount you receive may be different and will depend on a number of factors.

The above estimates are based on Westways' records showing that **you worked** <<**PayPeriods**>> **pay periods** during the Class Release Period (September 5, 2021 to February 8, 2024). If you believe that you worked more workweeks during the Class Release Period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already approved the Settlement and issued a judgment requiring Westways to make payments under the Settlement and required Class Members and Aggrieved Employees to give up their rights to assert certain claims against Westways.

The Court has approved this additional notice and subsequent settlement disbursement because you are part of the Settlement but were inadvertently omitted from the initial mailing and disbursement. The Court has ordered Westways to make a settlement payment available to you to comply with the terms of the approved Settlement. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it.

If you worked for Westways during the Class Period, you have two basic options under the Settlement:

- (1) **Do Nothing**. You don't have to do anything to participate in the Settlement and be eligible for an Individual Class Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Westways.
- (2) Opt-Out of the Class Settlement. You can exclude yourself from the Class Settlement (optout) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Westways

Westways will not retaliate against you for any actions you take with respect to the Settlement.

| SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT | |
|---|--|
| You Don't Have to Do | If you do nothing, you will be a Participating Class Member, eligible for |
| Anything to | an Individual Class Payment. In exchange, you will give up your right to |
| Participate in the | assert the wage claims against Westways that are covered by this |
| Settlement | Settlement (Released Claims). |
| You Can Opt-out of | If you don't want to fully participate in the Settlement, you can opt-out of |
| the Class Settlement | the Class Settlement by sending the Administrator a written Request for |
| The Opt-out Deadline | Exclusion. Once excluded, you will be a Non- Participating Class |
| is January 27, 2025 | Member and no longer eligible for an Individual Class Payment. Non- |
| 15 Januar y 27, 2025 | Participating Class Members cannot object to any portion of the proposed |
| | Settlement. See Section 6 of this Notice. |
| You Can Challenge the | The amount of your Individual Class Payment depend on how many pay |
| Calculation of Your | periods you worked at least one day during the Class Release. The |
| Pay Periods | number of Class Release Period pay periods you worked according to |
| | Westways' records is stated on the first page of this Notice. If you |
| Written Challenges | disagree with either of these numbers, you must challenge it by January |
| Must be Submitted by | 27, 2025. See Section 4 of this Notice. |
| January 27, 2025 | |

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Westways employee. The Action accuses Westways of violating California labor laws by failing to pay overtime wages at the correct hourly rate. Based on the same claim, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Hayes Pawlenko LLP ("Class Counsel.")

Westways strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court did not make any determination whether Westways or Plaintiff is correct on the merits. In the meantime, Plaintiff and Westways hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Westways negotiated a Settlement and the Court granted Final Approval on August 6, 2024. Both sides agree the Settlement is a compromise of disputed claims. By agreeing to settle, Westways did not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Westways has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court approved the Settlement as fair, reasonable and adequate, authorized this Notice, and held a hearing before granting Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- a. <u>Westways Paid \$4,000,000 as the Gross Settlement Amount (Gross Settlement)</u>. Westways deposited the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator used the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties paid to the California Labor and Workforce Development Agency ("LWDA").
- b. <u>Court Approved Deductions from Gross Settlement</u>. At the Final Approval Hearing, the Court approved the following deductions from the Gross Settlement:
 - A. \$1,333,333.33 (1/3 of the Gross Settlement) to Class Counsel for attorneys' fees and \$6,109.61 for their litigation expenses.
 - B. \$10,000 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award are monies only Plaintiff received other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - C. \$16,250 to the Administrator for services administering the Settlement.
 - D. \$100,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Release Period pay periods.
- c. <u>Net Settlement Distributed to Class Members.</u> After making the above deductions in amounts approved by the Court, the Administrator distributed the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Release Period pay periods. The Net Settlement resulted in an estimated rate per pay period of \$41.69 for the Participating Class Members.
- d. <u>Court Approved Augmented Disbursement for Inadvertently Omitted Class Members.</u> The Court approved a supplemental payment to be made by Westways in the amount of \$68,913.57 to be distributed on a pro rata basis to the employees who were inadvertently omitted from the initial disbursement. Consistent with the Net Settlement distributed from the initial disbursement, this supplemental payment likewise makes available an estimate rate per pay period of \$41.69 for those employees who were inadvertently omitted from the initial disbursement.
- e. <u>Taxes Owed on Payments to Class Members.</u> The Court to approved an allocation of 25% of each Individual Class Payment to taxable wages ("Wage Portion") and 75% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Westways will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Westways have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- f. <u>Need to Promptly Cash Payment Checks</u>. The front of every check issued for Individual Class Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
- g. <u>Requests for Exclusion from the Class Settlement (Opt-Outs).</u> You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than January 27, 2025, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the January 27, 2025, Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Westways, if any.
- h. <u>Administrator</u>. The Court has appointed a neutral company, CPT Group, Inc. (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over pay periods, mail and re- mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 8 of this Notice.
- i. <u>Participating Class Members' Release</u>. Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue or be part of any other lawsuit against Westways or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Westways and its agents from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including claims for (1) failure to pay overtime wages; (2) violation of Business & Professions Code section 17200; and (3) violation of California Labor Code section 2698, *et seq.* ("PAGA") based on the allegations in the Operative Complaint, as well as any and all wage and hour claims asserted or which could have been asserted based on the factual allegations contained in the Operative Complaint, through the Class Release Period. This also includes, but is not limited to, any and all claims alleged or that could have been alleged based on the facts of the Operative

Complaint or any further amended complaint for unpaid wages, economic damages, noneconomic damages, any other damages, civil or statutory penalties, waiting time penalties, liquidated damages, and all other associated damages and/or penalties, including but not limited to claims under Labor Code section 2698, et seq., Labor Code section 510, all applicable IWC Wage Orders, Business and Professions Code section 17200 et seq., and any and all claims or potential claims for lost wages and/or benefits, consequential economic damages, other economic damages, punitive damages, any other damages, attorneys' fees and costs and interest, through the Class Release Period. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- 1. <u>Individual Class Payments.</u> The Administrator will calculate Individual Class Payments by (a) dividing the additional payment in the amount of \$68,913.57 by the total number of pay periods worked by all Participating Class Members who were inadvertently omitted from the class settlement data, and (b) multiplying the result by the number of pay periods worked by each individual Participating Class Member who was inadvertently omitted from the class settlement data.
- 2. <u>Pay Period Challenges.</u> The number of Class pay periods you worked during the Class Release Period, as recorded in Westways' records, are stated in the first page of this Notice. You have until January 27, 2025 to challenge the number of pay periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 8 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Westways' calculation of pay periods based on Westways' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve pay period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Westways' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

<u>Participating Class Members.</u> The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 8 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request,

identify the Action as *Rachel Roberts v. Westways Staffing Services, Inc.*, and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by January 27, 2025, or it will be invalid. Section 8 of the Notice has the Administrator's contact information.

7. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Westways and Plaintiff have promised to do under the Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to CPT Group, Inc.'s website at www.cptgroupcaseinfo.com/WestwaysStaffingSettlement. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

<u>Class Counsel</u>: Matthew B. Hayes mhayes@helpcounsel.com Kye D. Pawlenko kpawlenko@helpcounsel.com HAYES PAWLENKO LLP 1414 Fair Oaks Avenue, Suite 2B South Pasadena, California 91030 Tel: (626) 808-4357 Fax: (626) 921-4932

Settlement Administrator: *Roberts v. Westways Staffing Services, Inc.* c/o CPT Group, Inc. 50 Corporate Park Irvine, California 92606 Tel: 1-888-529-0565 Fax: 949-419-3446 Email: WestwaysStaffingSettlement@cptgroup.com

8. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

9. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.