

NOTICE OF CLASS AND COLLECTIVE ACTION SETTLEMENT

*Superior Court of the State of California, County of Riverside
Darren Thomas v. Goodman Manufacturing Company, L.P., et al., Case No. RIC 1513262*

A California court has authorized this notice. This is not a solicitation.

To: All individuals currently or formerly employed in California by Goodman Distribution, Inc. or Goodman Manufacturing Company, L.P. (collectively, “Goodman” or “Defendants”) in an hourly-paid position during the time period between November 5, 2011 and April 9, 2017 (the “Class Period”). (These individuals are referred to herein as the “Class.”)

YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A class action settlement has been reached between the parties in a lawsuit pending in the Superior Court of California, County of Riverside (“Court”) on behalf of the Class identified above.

You have received this notice because Defendants’ records indicate that you are a member of the Class and may be entitled to receive a monetary recovery from the settlement. This notice is designed to advise you of how you can participate in this settlement, and your rights under the settlement.

PLEASE READ THIS NOTICE CAREFULLY.

Summary of Your Legal Rights and Options in this Settlement	
DO NOTHING AND YOU WILL RECEIVE A SHARE OF THE SETTLEMENT	You do not need to do anything in order to receive your pro rata share of the settlement. You will automatically receive two checks representing your pro rata share of the settlement and you will release certain claims under state law, if you do not exclude yourself from the settlement. One of the checks will contain language releasing claims under the Federal Fair Labor Standards Act (“FLSA”); if you cash this settlement check, you will be deemed to have participated in the settlement for purposes of releasing claims under the FLSA.
EXCLUDE YOURSELF FROM THE SETTLEMENT	You may submit a written request to exclude yourself no later than March 23, 2018. You will not receive your pro rata share of the settlement and you will retain your right, if you so desire, to pursue your own claims under state and federal law against Defendants in a separate lawsuit at your own expense.
OBJECT TO THE TERMS OF THE SETTLEMENT	If you do not exclude yourself from the Class, you may submit a written objection if you disagree with the proposed settlement. If the court agrees with your objection, the parties can choose whether to withdraw the settlement or change its terms. If the court rejects your objection, you will be entitled to participate in the settlement.

I. BACKGROUND OF THE SETTLEMENT

On November 5, 2015, a lawsuit was filed by former Goodman Distribution, Inc. employee Darren Thomas (“Plaintiff” or “Class Representative”) alleging claims on behalf of California employees. On August 11, 2017 Plaintiff filed a Second Amended Class Action Complaint alleging claims against Goodman for failure to pay overtime and minimum wages, provide meal and rest breaks and associated premium payments, timely pay wages and associated waiting time penalties, provide complete and accurate wage statements, keep requisite payroll records, and reimburse for necessary business-related expenses, and a claim for unfair business practices. For purposes of this settlement, Plaintiff’s Second Amended Class Action Complaint shall be referred to herein as the “Lawsuit.”

Defendants deny that they violated the law in any manner described in the Lawsuit. The Court has not entered judgment or determined that Defendants engaged in any wrongdoing alleged in the Lawsuit. As a result of extensive settlement negotiations, the parties reached an agreement to settle the Lawsuit and have entered into a Joint Stipulation of Settlement and Release, Amendment No. 1 to Joint Stipulation of Settlement and Release, and Stipulation Amending Settlement Agreement and Order Granting Preliminary Approval of Class Action Settlement (together, “Settlement Agreement”).

The Settlement Agreement was granted preliminary approval by the Court on January 12, 2018, Darren Thomas was preliminarily appointed as the representative of the Class, and Lawyers *for* Justice, PC was preliminarily appointed as counsel for the Class (“Class Counsel”). The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement Agreement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the Final Approval Hearing (described below).

If you are part of the Class (referred to as “Class Members”), then you have the opportunity to participate in the settlement and receive a payment.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. THIS SETTLEMENT IS NOT AN ADMISSION OF LIABILITY.

The Settlement Agreement represents a compromise and settlement of highly disputed claims. Nothing contained in this Notice, nor the consummation of this settlement, is to be construed or deemed an admission of liability, culpability, negligence or wrongdoing on the part of Defendants. Defendants vigorously deny all of Plaintiff’s material allegations. Specifically, Defendants deny that Plaintiff and the Class Members are owed any compensation for alleged unpaid wages, overtime hours, off-the-clock work, minimum wages, business expenses, meal periods or rest periods, or any related claims, or interest or penalties of any kind.

Counsel for the class (“Class Counsel”) believes that further proceedings in this case, including a trial and probable appeals, would be very expensive and protracted. Class Counsel cannot confidently predict how the various legal questions at issue, including the amount of damages, would ultimately be resolved. Therefore, upon careful consideration of all of the facts and circumstances of this case, Class Counsel believes that the proposed settlement is fair, reasonable and adequate.

B. HOW WILL THE SETTLEMENT FUNDS BE DISTRIBUTED?

The total settlement to be paid by Goodman is \$420,000.00 (“Gross Settlement Amount”). The portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not timely submit a Request for Exclusion (“Net Settlement Amount”), will be the Gross Settlement Amount less the following amounts which are subject to authorization and approval by the Court:

1. Class Counsel attorneys’ fees of up to \$147,000.00 (35% of the Gross Settlement Amount) and costs of up to \$40,000.00;
2. Settlement Administrator’s expenses of administering the settlement, estimated to not exceed \$11,000;

3. Class Representative's enhancement payment of up to \$9,000.00; and
4. All legally-required employer's share of taxes with respect to the wage-portion of payments made under the settlement;

Assuming these requests are granted in full, the Net Settlement Amount will be approximately \$204,301.95.

Based on the Net Settlement Amount, the range of estimated gross settlement payments to Class Members is \$7.90 to \$2,608.28. The estimated average gross settlement payment is \$1,135.01.

C. HOW WILL MY SHARE OF THE SETTLEMENT BE DETERMINED?

Class Members who do not submit a timely Request for Exclusion ("Participating Class Members") will be paid pursuant to the Court-approved plan of distribution as described in the Settlement Agreement.

This plan of distribution provides that each Participating Class Member will be entitled to a pro rata share of the Net Settlement Amount based on the number of weeks that each Participating Class Member was employed as an hourly-paid employee in California during the Class Period ("Compensable Workweeks"), compared to the total Compensable Workweeks of all Participating Class Members. In addition, Participating Class Members whose employment ended on or before April 9, 2017 will be entitled to an additional \$50.00.

Based on Defendants' records, your Compensable Workweeks are _____ and your estimated share of the settlement is \$_____.

If this box is checked, Defendants' records indicate that your employment ended on or before April 9, 2017 and your "estimated share of the settlement" includes the additional \$50.00 allocated for former employees.

Your estimated share of the settlement is subject to change depending on the number of Participating Class Members and further orders by the Court. Thirty-three percent of each Participating Class Member's share of the Net Settlement Amount is allocated to civil penalties, thirty-three percent is allocated to interest, and thirty-four percent is allocated to wages. The wage-portion is subject to normal withholding for taxes.

If you believe in good faith that the Compensable Workweeks credited to you, as stated above, are incorrect, you must submit a written statement and documents to support why you believe those determinations are incorrect. You must authorize the Settlement Administrator to review your records and related documents to determine the number of Compensable Workweeks that should be credited to you and/or to determine the end date of your employment. Any such written statement and supporting documents must be mailed no later than March 23, 2018, and addressed to: Goodman Distribution, Inc. Class Action Settlement c/o Atticus Administration, PO Box 1440, Minneapolis, MN, 55440.

Upon timely receipt of any such written statement, the Settlement Administrator will review the pertinent records showing the dates you were employed by Defendants in California as an hourly-paid employee during the Class Period. Defendants have agreed to make these records available for this purpose.

III. YOUR RIGHTS AS A CLASS MEMBER

A. DO NOTHING

You will automatically receive two checks representing your share of the settlement and you will release certain state law and non-FLSA claims provided that you do not submit a Request for Exclusion Form in conformity with Section III.B, below. By cashing your settlement check containing FLSA release language, you are consenting to the settlement of the FLSA claims and will release your FLSA rights as described in this notice.

Whether you decide to participate in the settlement will have no impact on your employment with Defendant(s).

B. REQUEST EXCLUSION FROM THE SETTLEMENT

If you do not wish to participate in the settlement then you may exclude yourself from the settlement. If you choose to exclude yourself from the settlement (and thereby NOT receive a settlement check), you must complete, sign, and return the enclosed Request for Exclusion Form to the Settlement Administrator, postmarked no later than March 23, 2018 addressed to: Goodman Distribution, Inc. Class Action Settlement c/o Atticus Administration, PO Box 1440, Minneapolis, MN, 55440.

Any person who files a complete and timely Request for Exclusion Form will not be a member of the Settlement Class, will not be permitted to participate in any portion of the settlement, and will receive no payment from the settlement. Any such person, at their own expense, may pursue any claims he or she may have against Defendant(s).

C. OBJECT TO THE SETTLEMENT

If you do not exclude yourself from the settlement by submitting a valid and timely Request for Exclusion Form, you may object to the settlement before the Final Approval Hearing. However, if the Court grants final approval of the settlement, you will still be bound by the terms of the settlement and will release your state law claims. You will additionally release your Fair Labor Standards Act claims if you cash your FLSA settlement check. The release of claims is described in Section IV.

If you want to object to the settlement, you must complete, sign, and mail the enclosed Objection Form to the Settlement Administrator, postmarked no later than March 23, 2018, addressed to: Goodman Distribution, Inc. Class Action Settlement c/o Atticus Administration, PO Box 1440, Minneapolis, MN, 55440.

Any objection must state each specific reason in support of your objection and any legal support for each objection.

You may appear at the Final Approval Hearing and you may choose to represent yourself and appear on your own, or you may hire your own attorney to represent you and appear, at your own expense. You will be solely responsible for the fees and costs of your attorney. The Final Approval Hearing at which the Court will be asked to approve the settlement will be at 8:30 a.m. on May 23, 2018, in Department 10 of the Riverside County Superior Court located at 4050 Main Street, Riverside, CA 92501, or such other later date as the Court may authorize.

D. CHANGE OF ADDRESS

If you move after receiving this notice, if it was misaddressed or if for any reason you want your payment or future correspondence concerning the Lawsuit and the settlement to be sent to a different address, you should supply your current preferred address to the Settlement Administrator by telephone at: (888)-442-8688 or by mail at: Goodman Distribution, Inc. Class Action Settlement c/o Atticus Administration, PO Box 1440, Minneapolis, MN, 55440.

IV. EFFECT OF THE SETTLEMENT

A. RELEASED RIGHTS AND CLAIMS

1. Released State and Federal Law Claims By Class Members. Upon Final Approval by the Court of this Settlement, all Participating Class Members (i.e., Class Member who have *not* timely returned a valid request for exclusion) will be deemed to have released Defendants and all of their present and former officers, directors, employees, agents, and successors and assigns, from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, actions, or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that were alleged or could have been alleged in the Lawsuit, based upon the facts alleged in the Lawsuit, including any claims under federal and state law for unpaid wages, untimely wages, unpaid overtime, liquidated damages, conversion of wages, record-keeping violations, meal period or rest period violations, business expenses and "waiting time" penalties. This release shall include all claims that were raised, or that reasonably could have been raised, under the applicable California Wage Orders and Labor Code sections 201, 202, 203, 204, 206, 218, 218.5, 226, 226(a), 226.3, 226.7, 510, 511, 512, 514, 551, 552, 558, 1174(d), 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, as well as claims under Business and Professions Code section 17200 *et seq.* This release shall apply to released claims that arise during the Settlement Period of November 5, 2011 through April 9, 2017.
2. One of the two settlement checks sent to Participating Class Members shall have a FLSA release printed on the backside of the check, or appended thereto ("FLSA check"). All Participating Class Members who cash this FLSA check will be deemed to participate in the settlement for purposes of releasing all claims, based upon the facts alleged in the Lawsuit, for violations of the Fair Labor Standards Action, 29 U.S.C. § 201, *et seq.*
3. The release of claims under this settlement specifically excludes any claim (a) for vested benefits pursuant to the terms of any Defendants' employee benefit plans, in accordance with the terms of any such plan and applicable law; or (b) any claim that, as a matter of law, may not be released.
4. Defendants will not use any settlement payments made under the settlement to calculate any additional benefits including vacations, holiday pay, bonus pay or other compensation of any kind or employee welfare or retirement plan benefits, and settlement payments will not represent any modification of any individual's previously credited hours of eligibility or vesting service, compensation, or other eligibility or benefit determination criteria under any employee retirement or welfare benefit plan sponsored by Defendants. Defendants will not consider settlement payments made under this settlement as compensation for purposes of determining eligibility for or benefits under any employee retirement or welfare benefit plans, or other plan sponsored by Defendants or their predecessors, subsidiaries, parent companies or successors.

V. PAYMENT TO CLASS MEMBERS

Payment under the settlement will occur after the Court grants final approval of the Settlement and enters judgment, and the final approval order and judgment are no longer appealable, or if an appeal has been filed, the date on which the final approval order and judgment are upheld on appeal with no possibility of subsequent appeal or the date on which the appeal is finally dismissed with no possibility of subsequent appeal. Currently, the Court's Final Approval Hearing is set for May 23, 2018. Only those Class Members who do not submit a valid Request for Exclusion to the Settlement Administrator will be issued payment under the settlement.

VI. WHAT IS THE NEXT STEP?

The Court will hold a hearing in Department 10 of the Riverside County Superior Court located at 4050 Main Street, Riverside, CA 92501 on May 23, 2018, at 8:30 a.m. to determine whether the settlement should be finally approved as fair, reasonable, and adequate (“Final Approval Hearing”). The Court will also be asked to approve Class Counsel’s request for attorneys’ fees in the amount of \$147,000.00, Class Counsel’s request for reimbursement of expenses in the amount of up to \$40,000.00, the request for payment of the Settlement Administrator’s costs which are estimated to not exceed \$11,000.00, and up to \$9,000.00 for service enhancement payment to the Class Representative. Class Counsel’s application will be on file with the Court no later than May 9, 2018 and will be available for review after that date.

The Final Approval Hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing.

VII. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the settlement.

For the precise terms and conditions of the settlement, you should consult the Joint Stipulation of Settlement and Release, Amendment No. 1 to Joint Stipulation of Settlement and Release, and Stipulation Amending Settlement Agreement and Order Granting Preliminary Approval of Class Action Settlement, which are on file with the Clerk of the Court. The Joint Stipulation of Settlement and Release and Amendment No. 1 to Joint Stipulation of Settlement and Release are attached to the Declaration of Edwin Aiwazian In Support of Plaintiff’s Renewed Motion for Preliminary Approval of Class Action Settlement filed on November 21, 2017, and the Stipulation Amending Settlement Agreement and Order Granting Preliminary Approval of Class Action Settlement was filed on January 12, 2018. In the event there is a conflict between this summary and the Settlement Agreement, the terms of the Settlement Agreement shall control. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined and/or copied, at your expense, at any time during regular business hours at the Office of the Clerk of the Riverside County Superior Court, located at 4050 Main Street, Riverside, CA 92501. Some documents are also available online for a fee at the Riverside County Superior Court’s website:

<http://www.riverside.courts.ca.gov/onlinecopyorder.shtml>.

For more information about the settlement, you may contact the Settlement Administrator:

Goodman Distribution, Inc. Class Action Settlement
c/o Atticus Administration
PO Box 1440
Minneapolis, MN 55440
Telephone: (888) 442-8688

Or

You may contact Class Counsel:

Edwin Aiwazian
Lawyers *for* Justice, PC
410 West Arden Avenue, Suite 203
Glendale, CA 91203
Telephone: (818) 265-1020

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR
INFORMATION REGARDING THIS SETTLEMENT.**

**BY ORDER OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA,
COUNTY OF RIVERSIDE**