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WILLIAM COLEMAN

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LAKE

WILLIAM COLEMAN, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

PROENERGY CRAFTS, INC., a Missouri
corporation; EVAPTECH, INC., a Maryland
corporation; and DOES 1 through 100, inclusive,

Defendants.

Case No. CV423136

[Assigned for all purposes to the Hon. Michael S.
Lunas, Dept. 1]

**DECLARATION OF MAYRA GONZALEZ
WITH RESPECT TO NOTICE AND
SETTLEMENT ADMINISTRATION**

Date: February 24, 2025

Time: 9:00 a.m.

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1. I am a Case Manager at Phoenix Settlement Administrators (“Phoenix”), the Court-appointed Class Action Settlement Administrator for *William Coleman v. Proenergy Crafts, Inc. and Evaptech, Inc.* (the “Action”). I have personal knowledge of the facts stated herein and, if called upon to testify, I could and would testify competently to such facts.

3. On October 18, 2024, Phoenix received a data file from Defense Counsel that contained names, last known mailing addresses, Social Security numbers, and workweeks for each Class Member (“Class List”) during the Class Period. The final mailing list contained 449

1 individuals identified as Settlement Class members. There were 5,093 workweeks worked during
2 the relevant time period, not triggering the escalator clause.

3 4. On October 21, 2024, Phoenix conducted a National Change of Address (“NCOA”)
4 search in an attempt to update the class list of addresses as accurately as possible. A search of this
5 database provides updated addresses for any individual who has moved in the previous four (4)
6 years and notified the U.S. Postal Service of their change of address. As a result of the NCOA
7 search, Phoenix was able to locate 16 updated addresses.

8 5. On November 7, 2024, Phoenix mailed the Notice via U.S. first class mail, in
9 English, to all 449 Settlement Class members on the Class List. A true and correct copy of the
10 mailed Class Notice is attached hereto as **Exhibit A**.

11 6. As of the date of this declaration, 76 Class Notices have been returned to Phoenix.
12 Zero were returned with a forwarding address. For the 76 Class Notices returned from the Post
13 Office without a forwarding address, Phoenix attempted to locate a current mailing address using
14 TransUnion TLOxp, one of the most comprehensive address databases available for skip tracing.
15 Of the 76 Class Notices that were skip traced, 67 updated addresses were obtained and the Notice
16 was promptly re-mailed to those Settlement Class members via first class mail.

17 7. As of the date of this declaration, 9 Class Notices remain undeliverable since an
18 updated address could not be obtained via skip trace.

19 8. As of the date of this declaration, Phoenix has received zero (0) Requests for
20 Exclusion from Settlement Class members. The deadline to request exclusion from the Class
21 Settlement was December 23, 2024.

22 9. As of the date of this declaration, Phoenix has received zero (0) Notices of Objection
23 from Settlement Class members. The deadline to request exclusion from the Class Settlement was
24 December 23, 2024.

25 10. As of the date of this declaration, Phoenix has received one (1) Workweek dispute
26 from Class Members. Upon reviewing with Defense Counsel, the dispute was approved, and the
27

1 Class Member's workweeks were updated. The total workweeks during the Class Period increased
2 to 5,094. The deadline for submitting a dispute was December 23, 2024.

3 11. There are 449 Settlement Class members who did not submit timely and valid
4 Requests for Exclusion and are therefore deemed Settlement Class members, representing 100% of
5 the Class. Settlement Class members have worked a collective total of 5,094 Workweeks during the
6 Class Period.

7 12. The Net Settlement Amount of \$192,925.55 available to pay Settlement Class
8 members was determined by subtracting the requested Class Counsel attorneys' fees (\$126,666.66),
9 and Class Counsel costs (\$22,907.79), requested Service Award to Plaintiff (7,500.00), the payment
10 to the LWDA for its share of civil penalties and to the PAGA Employees (\$20,000.00), and the
11 requested Settlement Administration Costs (\$10,000.00) from the Gross Settlement Amount
12 (\$380,000.00).

13 13. Based upon the calculations stipulated in the Settlement, the highest Individual
14 Settlement Share to be paid is approximately \$2,726.86, the lowest Individual Settlement Share to
15 be paid is approximately \$37.87, while the average Individual Settlement Share to be paid is
16 approximately \$429.68. Settlement Class members will be issued payment of their Individual
17 Settlement Shares subject to reduction for the employee's share of taxes and withholdings with
18 respect to the wages portion of the Individual Settlement Share (the net payment is their "Individual
19 Settlement Payment").

20 14. Additionally, \$20,000.00 of the Gross Settlement Amount has been allocated toward
21 penalties under the Private Attorneys General Act ("PAGA Amount"), of which 75%, or
22 \$15,000.00, shall be paid to the Labor and Workforce Development Agency ("LWDA"), and 25%,
23 or \$5,000.00, of which shall be paid to all current and former hourly non-exempt individuals who
24 are or were employed during the PAGA Period. There are 129 Aggrieved Employees who worked
25 a total of 633 pay periods during the PAGA Period. The highest Individual PAGA Payment to be
26 paid is approximately \$147.31, and the average Individual PAGA Payment to be paid is
27 approximately \$38.76.

15. Pursuant to the Settlement, Defendants have agreed to fund the employer-side taxes in addition to the Gross Settlement Amount.

16. Phoenix's costs associated with the administration of this matter are \$10,000.00. This includes all costs incurred to date, as well as estimated costs involved in completing the settlement distribution. Specifically, Phoenix's costs include those associated with mailing the Class Notices in English to the 449 Settlement Class Members. A true and correct copy of the invoice from Phoenix is attached hereto as **Exhibit B**.

I declare under penalty of perjury of the laws of the State of California that the foregoing is true and correct.

Executed this 22nd day of January 2025, at Orange, California.

Mayra Gonzalez
MAYRA GONZALEZ

Exhibit A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

William Coleman v. ProEnergy Crafts, Inc., et al., Lake County Superior Court
Case No. CV423136

***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 Defendants ProEnergy Crafts, Inc. (“ProEnergy”) and EvapTech, Inc. (“EvapTech”) (ProEnergy and EvapTech are referred to collectively hereinafter as “Defendants”) for alleged wage and hour violations. The Action was filed by a former non-exempt, hourly paid employee, William Coleman (“Plaintiff”), and seeks redress for alleged unpaid minimum wages, unpaid overtime wages, failure to provide meal and rest periods, failure to pay meal and rest period premiums, wage statement penalties, failure to timely pay wages, failure to pay wages upon termination, and restitution under California Business and Professions Code section 17200 for a class of individuals who worked for EvapTech through ProEnergy and/or American Professional Staffing Solutions, LLC (“APS Solutions”) as non-exempt, hourly paid employees in California (“Class Members”) during the period of time starting on September 16, 2018 and ending on September 26, 2024 (“Class Period”); and also seeks civil penalties under the California Private Attorneys General Act (“PAGA”) for all individuals who worked for EvapTech through ProEnergy and/or APS Solutions as non-exempt, hourly paid employees in California (“Aggrieved Employees”) during the period of time starting on September 16, 2021 and ending on September 26, 2024 (“PAGA Period”).

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

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be «ESA_Before_Paga» (less tax withholding) and your Individual PAGA Payment is estimated to be «PAGA_Amount».** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked «Total_Weeks» Class Workweeks** during the Class Period and **you worked «PAGA_Pay_Periods» PAGA Pay Periods** during the PAGA Period. If you believe that you worked more or less workweeks and/or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for EvapTech through ProEnergy and/or APS Solutions during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Released Class Claims and Released PAGA Claims against Defendants as defined below in Section 3 of this Notice.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion. 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 Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Class Claims and Released PAGA Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is December 23, 2024	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by December 23, 2024	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the February 24, 2025, Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on February 24, 2025, at 9:00 a.m. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by December 23, 2024	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many weeks in which you received payment for wages for work performed in California within the week and how many pay periods in which you received payment for wages for work performed in California within the pay period during the PAGA Period, respectively. The number of Class Workweeks and number of PAGA Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by December 23, 2024 . See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is an individual who alleges he worked for Defendants in California as a non-exempt, hourly paid employee. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, failing to pay minimum wages, failing to provide meal periods and rest breaks, failing to pay meal and rest period premiums, failing to provide accurate itemized wage statements, failing to timely pay wages, and failing to pay all wages upon termination of employment. Based on the same claims, Plaintiff has also asserted a claim for restitution under California Business and Professions Code section 17200 and a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) ("PAGA"). Plaintiff is represented by attorneys in the Action: Scott M. Lidman and Milan Moore of Lidman Law, APC and Paul Haines of Haines Law Group, APC ("Class Counsel.")

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws. ProEnergy also denies it employed Plaintiff or any of the Class Members or Aggrieved Employees.

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

So far, the Court has made no determination whether Defendants or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendants 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 Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do 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) Defendants have 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 preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

- a) Defendants Will Pay \$380,000.00 as the Gross Settlement Amount. Defendants promise to pay a total of Three Hundred Eighty Thousand Dollars and Zero Cents (\$380,000.00). Of this Gross Settlement Amount, EvapTech shall pay Two Hundred, Ninety Thousand Dollars and Zero Cents (\$290,000.00) and ProEnergy shall pay Ninety Thousand Dollars and Zero Cents (\$90,000.00). Defendants have agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants’ share of payroll taxes on the Wage Portion of the Individual Class Payments, by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date. Effective Date means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Members object to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members object to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or, (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
 - b) Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - i. Up to \$126,666.66 (1/3rd of the Gross Settlement Amount) to Class Counsel for the Class Counsel Fees Payment and up to \$30,000.00 for the Class Counsel Litigation Expenses Payment. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - ii. Up to \$7,500.00 to Plaintiff as a Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
 - iii. Up to \$10,000.00 to the Administrator for services administering the Settlement.
 - iv. Up to \$20,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.
 - c) Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the “Net Settlement Amount”) by making Individual Class Payments to Participating Class Members based on their Class Workweeks. The calculation is explained more fully below in Section 4.
 - d) Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes owed on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.
- Although Plaintiff and Defendants 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 proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.
- e) Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA 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 money represented by your check is sent to the State Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.
 - f) Requests for Exclusion from the Class Settlement (Opt-Outs). 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 **December 23, 2024**, that you wish to opt-out. To opt-out, you must send the Administrator a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her 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 Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

Each Defendant shall have the right at its sole discretion to terminate the settlement as to itself if more than 5% of Class Members timely elect to exclude themselves from the Settlement, as determined by the Administrator. If either Defendant exercises its right under this Section, that Defendant shall be solely liable for administrative costs incurred by the Administrator, unless both Defendants exercise such right in which case those costs will be shared equally by them. A defendant must exercise its right to terminate the settlement in a writing to Class Counsel stating an intention to terminate the Settlement as to that defendant within 21-days of receiving the final Exclusion List from the Administrator. If one defendant terminates the settlement as to itself, the settlement shall remain intact as to the other defendant, for its pro rata share of the settlement. If both Defendants exercise this right, the Settlement shall become null and void.

- g) The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants that have not already been released by a prior release agreement, if applicable.
- h) Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (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 Class Workweeks and PAGA 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 9 of this Notice.
- i) Participating Class Members' Release. After the Judgment is final, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement, although the releases may be invalidated against any Defendant who fails to fund their share of the Gross Settlement Amount and their share of the employer's payroll taxes. 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 Defendants or related entities for wages based on the Class Period facts and claims, 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 and estates, shall release Defendants together with their present and former parents, subsidiaries, affiliated and related entities, commonly owned or controlled entities, present and former owners, board members, officers, directors, trustees, shareholders, members, partners, employees, agents, insurers, attorneys, representatives, heirs, executors, administrators, successors and assigns, and any individual or entity to whom liability for claims released by Plaintiff, or the Released Class Claims and Released PAGA Claims, could be assigned pursuant to Labor Code §558.1, or on a joint-employer, alter-ego, or other vicarious liability theory including American Professional Staffing Solutions, LLC ("Released Parties") from all claims, rights, demands, liabilities, and causes of action that Plaintiff alleged, or could have alleged, based on the facts pled in the Operative Complaint, and which arose or existed during the Class Period, including claims for violation of the California Labor Code or any other State or Federal law, including any statute, regulation, or ordinance imposing liability and/or obligations that could be brought based on the allegations in the Operative Complaint ("Released Class Claims"). Without limiting the foregoing, Released Class Claims shall include:

- (i) All claims relating to unpaid wages (including claims for failure to pay minimum wages, straight time wages, overtime and double-time compensation); all claims related to the timeliness of wage payments (whether regular or final wages); all claims relating to the failure to provide compliant meal, rest, and recovery periods; all claims relating to the failure to pay premiums for violations of meal, rest, and recovery period laws (including the failure to make premium payments at all, or failure to make premium payments at the correct rate of pay); all claims relating to the provision of wage statements; all claims relating to the failure to maintain accurate employment records; all claims relating to the deduction of wages; and all claims relating to unfair business practices resulting from any of the foregoing.
- (ii) All claims arising under California Labor Code §§201, 202, 203, 204, 208, 210, 218.5, 218.6, 221, 225.5, 226, 226.2, 226.3, 226.7, 510, 512, 551, 552, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699; 8 C.C.R. §11010, Sections 3, 4, 7, 11, 12, and 20; 8 C.C.R. §11030, Sections 3, 4, 7, 11, 12, and 20; 8 C.C.R. §11080, Sections 3, 4, 7, 11, 12, and 20; 8 C.C.R. §11130, Sections 3, 4,

7, 11, 12, and 20; 11140, Sections 3, 4, 7, 11, 12, 18; 8 C.C.R. §3395; California Business and Professions Code §§17200-17208; California Civil Code §§3287, 3288, and 3289; California Code of Civil Procedure §1021.5; and related claims under the applicable provisions of the Fair Labor Standards Act (29 U.S.C. §§201, *et seq.*).

- (iii) All remedies associated with any of the claims described herein, including but not limited to compensatory, consequential, incidental, liquidated, and punitive damages; penalties (whether statutory or civil); restitution; interest; costs; attorneys' fees; injunctive or other equitable relief.
- (iv) Notwithstanding the above, the Released Class Claims do not release any 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.

j) Aggrieved Employees' PAGA Release. After the Court's judgment is final, all Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns and estates, shall release Defendants and Released Parties of all claims that are assertable under PAGA and that Plaintiff alleged, or could have alleged, based on the facts pled in the Operative Complaint or Plaintiff's PAGA Notices, and which arose or existed during the PAGA Period ("Released PAGA Claims"). This means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

Without limiting the foregoing, Released PAGA Claims shall include:

- (i) All claims for civil penalties recoverable under PAGA relating to unpaid wages (including claims for failure to pay minimum wages, straight time wages, overtime and double-time compensation); all claims for civil penalties recoverable under PAGA related to the timeliness of wage payments (whether regular or final wages); all claims for civil penalties recoverable under PAGA relating to the failure to provide compliant meal, rest, and recovery periods; all claims for civil penalties recoverable under PAGA relating to the failure to pay premiums for violations of meal, rest, and recovery period laws (including the failure to make premium payments at all, or failure to make premium payments at the correct rate of pay); all claims for civil penalties recoverable under PAGA relating to the provision of wage statements; all claims for civil penalties recoverable under PAGA relating to the failure to maintain accurate employment records; and all claims for civil penalties recoverable under PAGA relating to the deduction of wages.
- (ii) All claims for civil penalties under California Labor Code §§203, 210, 225.5, 226, 226.3, 248.5, 558, 1174.5, 1197.1, 8 C.C.R. §11030, Section 20; 8 C.C.R. §11080, Section 20; 8 C.C.R. §11130, Section 20; 11140, Section 18; and other default civil penalties for the Released PAGA Claims available under California Labor Code §2699.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- a) Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Class Workweeks worked by each individual Participating Class Member.
- b) Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
- c) Class Workweek/PAGA Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until **December 23, 2024**, to challenge the number of Class Workweeks and/or PAGA 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 9 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 Defendants' calculation of Class Workweeks and/or PAGA Pay Periods based on Defendants' 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 Class Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

- a) Participating Class Members. 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) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment, if applicable.

- b) Aggrieved Employees. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee even if the Aggrieved Employee opts out of the Class Settlement.

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 9 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 "William Coleman v. ProEnergy Crafts, et al.", 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 December 23, 2024, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least 16 Court days before the **February 24, 2025**, Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Class Representative Service Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website **coleman-v-proenergy-crafts.phoenixcases.com** or the Court's website lake.courts.ca.gov.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Class Representative Service Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is December 23, 2024.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as William Coleman v. ProEnergy Crafts, et al. and include your name, current address, telephone number, and approximate dates of employment and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. You should notify Class Counsel and Defendants' counsel of your intent to present a verbal objection no later than three calendar days before the Final Approval Hearing. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **February 24, 2025, at 9:00 a.m.**, in Department 1 of the Lake County Superior Court, located at 255 North Forbes Street, Lakeport, California 95453. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) personally. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website coleman-v-proenergy-crafts.phoenixcases.com beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Phoenix Settlement Administrators' website at **coleman-v-proenergy-crafts.phoenixcases.com**. 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.

Class Counsel:

Scott M. Lidman
Milan Moore
Lidman Law, APC
2155 Campus Drive, Suite 150
El Segundo, California 90245
Telephone: (424) 322-4772
Facsimile: (424) 322-4775
Email: slidman@lidmanlaw.com
mmoore@lidmanlaw.com

Paul K. Haines
Haines Law Group, APC
phaines@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Telephone: (424) 292-2350
Facsimile: (424) 292-2355
Email: phaines@haineslawgroup.com

Settlement Administrator:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: info@phoenixclassaction.com:

10. 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 State of California's Unclaimed Property Fund for instructions on how to retrieve the funds

11. 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.

Exhibit B



CASE ASSUMPTIONS

Class Members	430
Opt Out Rate	1%
Opt Outs Received	4
Total Class Claimants	426
Subtotal Admin Only	\$10,050.00

Not-to-Exceed Total \$10,000.00

For 430 Members

Pricing Good for Scope of Estimate Only

January 21, 2025

Case: Coleman v. ProEnergy Opt-Out Administration

Phoenix Contact: Jarrod Salinas

Contact Number: 800-523-5773

Email: Jarrod@phoenixclassaction.com

Requesting Attorney: Scott Lidman

Firm: Lidman Law

Contact Number: (424) 322-4773

Email: slidman@lidmanlaw.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
Estimate is based on 430 Class Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	2	\$250.00
Programming Database & Setup	\$125.00	2	\$250.00
Toll Free Setup*	\$152.40	1	\$152.40
Call Center & Long Distance	\$2.00	16	\$32.00
NCOA (USPS)	\$155.00	2	\$310.00
Total			\$994.40

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Language Translation / Reporting

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	2	\$200.00
Data Merge & Duplication Scrub	\$0.50	430	\$215.00
Notice Packet & Opt-Out Form	\$2.00	430	\$860.00
Estimated Postage (up to 2 oz.)*	\$0.87	430	\$374.10
Static Website	\$250.00	1	\$250.00
Total			\$1,899.10

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	2	\$110.00
Skip Tracing Undeliverables	\$2.50	65	\$161.25
Remail Notice Packets	\$2.00	65	\$129.00
Estimated Postage	\$0.87	65	\$56.12
Programming Undeliverables	\$50.00	2	\$100.00
Total			\$556.37

Database Programming / Processing Opt-Outs, Deficiencies or Disputes			
Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	2	\$270.00
Non Opt-Out Processing	\$135.00	1	\$135.00
Case Associate	\$55.00	2	\$110.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	3	\$30.00
Case Manager	\$85.00	2	\$170.00
Total			\$715.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$95.00	1	\$95.00
QSF Bank Account & EIN	\$100.00	2	\$200.00
Check Run Setup & Printing	\$100.00	2	\$200.00
Mail Class Checks *	\$1.75	426	\$744.98
Estimated Postage	\$0.64	426	\$272.45
Total			\$2,012.42

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$100.00	3	\$300.00
Remail Undeliverable Checks (Postage Included)	\$1.50	85	\$127.71
Case Associate	\$55.00	4	\$220.00
Reconcile Uncashed Checks	\$75.00	4	\$300.00
Conclusion Reports	\$115.00	2	\$230.00
Case Manager Conclusion	\$85.00	3	\$255.00
Final Reporting & Declarations	\$120.00	2	\$240.00
IRS & QSF Annual Tax Reporting * (2 State Tax Reporting Included)	\$1,100.00	2	\$2,200.00
Total			\$3,872.71

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$10,050.00



CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.