

# **NOTICE OF CLASS ACTION SETTLEMENT**

**If you are or were employed by Lumber Liquidators, Inc. in California as a Store Manager or Store Manager In Training, you could get a payment from a class action settlement.**

*A court authorized this notice. This is not a solicitation from a lawyer.*

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SACRAMENTO

**ROBERT J. KRAMER, on behalf of himself  
and all others similarly situated,**

**Plaintiffs,**

**v.**

**LUMBER LIQUIDATORS, INC., a  
Delaware Corporation; and DOES 1 through  
100, inclusive,**

**Defendants.**

Case No. 34-2017-00222434-CU-OE-GDS

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

## **PLEASE READ THIS NOTICE.**

A class action lawsuit against Defendant Lumber Liquidators, Inc., (“Lumber Liquidators”) has been preliminarily approved for settlement. In the lawsuit, Plaintiff alleges that with respect to Store Managers and Store Managers in Training in California, Lumber Liquidators misclassified them as salaried/overtime exempt employees. Plaintiff alleges that Lumber Liquidators failed to pay all wages owed, including overtime for time worked in excess of 8 hours in a day and/or 40 hours in a week, failed to provide accurate itemized wage statements, failed to provide meal and rest breaks, failed to maintain records, failed to reimburse for business expenses, and failed to timely pay wages owed at the time of separation.

The Court has not made any finding of liability as to Lumber Liquidators, and the Company contends that it complies with applicable law.

**You have been identified by Lumber Liquidators’ records as a member of the settlement class in the above-entitled class action, and as such are subject to the settlement agreement preliminarily approved by the Court. Please read this notice carefully. It may affect your legal rights.**

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:**

<b>PARTICIPATE IN THE SETTLEMENT – DO NOTHING</b>	You will remain in the Class, be bound by the Settlement and release of claims, and receive your Individual Settlement Payment.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT</b>	If you do not want to be bound by the Settlement, you must follow the instructions in Section 5 to exclude yourself. If you exclude yourself, <b>you will not receive any of the Settlement proceeds, and you will not release any claims against Lumber Liquidators.</b>
<b>OBJECT TO THE SETTLEMENT</b>	If you want to object to the Settlement, you must follow the instructions in Section 6. If you object, you will still be bound by the terms of the Settlement and release of claims, if approved by the Court.

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## ***1. Why Should You Read This Notice?***

**YOU SHOULD READ THIS NOTICE BECAUSE YOU ARE ENTITLED TO RECEIVE MONEY FROM A CLASS ACTION SETTLEMENT.** You have been identified as a Class Member of the Class as defined below:

*All current and/or former Store Managers and Store Managers in Training employed in the state of California by Lumber Liquidators at any time between November 17, 2013 and September 19, 2019.*

## ***2. What is the Case and Settlement About?***

On November 17, 2017, Plaintiff Robert Kramer filed a putative class action in the Superior Court of California, County of Sacramento entitled, *Robert J. Kramer, on behalf of himself and all others similarly situated v. Lumber Liquidators, Inc., a Delaware corporation*; Case No. 34-2017-00222434-CU-OE-GDS (hereinafter referred to as the “Action”).

Plaintiff alleges that Lumber Liquidators misclassified its Store Managers and Store Managers in Training as salaried/overtime exempt employees. Plaintiff asserts that Lumber Liquidators failed to pay them all wages owed, including overtime for time worked in excess of 8 hours in a day and/or 40 hours in a week, failed to provide accurate itemized wage statements, failed to provide meal and rest breaks, failed to maintain records, and failed to pay them all wages owed in a timely manner at termination, and failed to reimburse for business expenses.

Plaintiff and his counsel believe that the claims asserted in the Action have merit. However, Plaintiff’s counsel recognizes the expense, length and uncertainty of continued litigation. Although Lumber Liquidators denies that it committed any wrongdoing, the Company believes that further litigation would be protracted, expensive, and contrary the best interests of its employees and customers. Thus, the parties entered into settlement negotiations which resulted in the settlement. The Court has determined on a preliminary basis that the settlement is fair, reasonable, and adequate and in the best interests of the Class. The Court file contains the settlement documents that provide more information about the Action and the settlement.

Lumber Liquidators denies that it has engaged in any unlawful activity or that it failed to comply with the law in any respect. The fact of settlement is not intended, nor will it be construed as an admission of liability or wrongdoing by Lumber Liquidators.

## ***3. The Proposed Settlement Terms and Allocation of Individual Settlement Payments.***

**In settlement, Lumber Liquidators agreed to pay a total of Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000.00) (“Total Settlement Amount”) to settle this Action.** Out of the Total Settlement Amount, the lawyers for Plaintiff and the class, called Class Counsel, will ask for \$1,583,333.33 for attorney fees and up to \$30,000 for costs; and Plaintiff will ask for a Service Award of \$10,000. The Court has preliminarily approved a request to pay up to \$15,000.00 for the purposes of administering this settlement. The parties have also allocated \$80,000 from the Total Settlement Amount for penalties under the Private Attorneys General Act of 2004 (“PAGA”), pursuant to Labor Code section 2698, *et seq.*, of which \$60,000 will be payable to the LWDA and \$20,000 will be included in the Net Distribution Fund. The Court may approve these payments or a smaller amount. Any reduction in these amounts will be included in the Net Distribution Fund. The money remaining (the “Net Distribution Fund”) will be available for distribution to Class Members, based on the formula set forth below. The payment of all employee and employer payroll taxes and all other legally required withholdings will be paid from the Net Distribution Fund.

**All Class Members who do not submit a timely and valid Request for Exclusion will receive an Individual Settlement Payment.** Each Class Member’s Individual Settlement Amount will be calculated as follows:

- a. Each Class Member will receive 1 point for each week worked during the Class Period.
- b. Any Class Member who separated his or her employment from November 17, 2014 through September 19, 2019 will receive 5 additional points to compensate the Class Member for his or her waiting time penalty claim.
- c. The value of a point shall be determined by dividing the Net Distribution Fund by the total number of points available to each Class Member as set forth in subsections (a) and (b) above. Each Class Member shall receive a gross payment equal to his or her point multiplied by the value of a point. To the extent that any Class Member excludes him or herself from the Settlement and there are unclaimed funds remaining of the Net Distribution Fund, each Class Member shall be entitled to receive a pro-rated increase based on their total number of points as compared to the total number of points for all Class Members.

Each Individual Settlement Payment shall be allocated between taxable and non-taxable consideration as follows: one half (1/2) will be allocated to wages for which an IRS Form W-2 will issue; one fourth (1/4) will be allocated to interest for which an IRS Form 1099 will issue, and one fourth (1/4) will be allocated to penalties pursuant to the California Labor Code for which an IRS Form 1099 will issue. Class Members are responsible for paying taxes on any amounts received. This Notice is not tax advice and you should consult your tax advisor. Checks will be valid and negotiable for 120 days; after that, checks will be cancelled, and any uncashed funds will be transmitted by the Settlement Administrator to the Katherine and George Alexander Community Law Center as a cy pres beneficiary of the settlement.

#### **4. What Claims Am I Releasing?**

**If you do not timely exclude yourself from the Settlement, you will be releasing all claims for the time period of November 17, 2013 to September 19, 2019 which were plead in the operative First Amended Complaint, or which could have been based on the facts alleged in the operative First Amended Complaint, including without limitations claims for unpaid wages and overtime, itemized wage statements, meal and rest period wages and premiums, record keeping violations, unpaid business expenses, untimely final paychecks and unfair competition.**

The First Amended Complaint asserted the following causes of action: (1) Failure to Pay All Wages Earned (Labor Code § 204); (2) Failure to Pay Overtime Wages (Labor Code §§ 510, 1194(a), and 1198); (3) Failure to Provide Accurate, Itemized Wage Statements (Labor Code § 226(a)); (4) Failure to Provide Meal Periods (Labor Code §§ 226.7 and 512(a)); (5) Failure to Provide Rest Breaks (Labor Code § 226.7); (6) Failure to Maintain Records (Labor Code § 1174(d)); (7) Failure to Reimburse Business Expenses (Labor Code § 2802); (8) Failure to Pay All Wages Upon Termination (Labor Code §§ 201-203); (9) Unfair Business Practice (Business & Professions Code §§ 17200 *et seq.*); and (10) Private Attorneys General Act (Labor Code §§ 2699 *et seq.*).

You will be releasing claims against Defendant Lumber Liquidators, Inc., a Delaware Corporation, their subsidiaries and affiliates, employee benefit plans sponsored or maintained by any of the foregoing, their attorneys, and their respective successors and predecessors in interest; all of their respective officers, directors, employees, administrators, fiduciaries, trustees, beneficiaries and agents; and each of their past, present and future officers, directors, shareholders, members, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers.

**Class Members who do not timely exclude themselves from the Settlement will be bound by the settlement and release of claims even if they do not cash their settlement checks.**

#### **5. How Do I Exclude Myself From the Settlement?**

You may request to be excluded from the Settlement. **Class Members who request to be excluded from the Settlement will NOT receive any money nor will they have released their claims.** To request to be excluded from the Settlement, you must prepare and submit a written request with your name and address. The request must state: “I want to exclude myself from the Settlement in *Robert J. Kramer v. Lumber Liquidators, Inc.*, pending in the Superior Court of California, County of Sacramento Case No. 34-2017-00222434-CU-OE-GDS. I understand that by requesting to be excluded from the Settlement, I will receive no money from the Settlement.” The request must be signed by you and mailed to the Claims Administrator at – Kramer Settlement, Attn: Opt Out, 1650 Arch St., Suite 2210, Philadelphia, PA 19103 and postmarked on or before **November 24, 2019**. If you request to be excluded from the Settlement, you cannot also submit objections as described in the next section. If you submit both a Notice of Objection and a Request for Exclusion, the Notice of Objection will control and you will remain bound by the Settlement terms, as approved by the Court.

## **6. What Must I Do if I Want To Object To the Settlement?**

Any Settlement Class Member may object to the Settlement, or to any settlement term. You can't ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue.

Settlement Class Members must object in writing and may do so on their own or through their own attorney. A Notice of Objection: (1) must contain your full name, address and last four digits of the social security number, and (2) must be signed by you. The Notice of Objection should also state the case name and number, *Robert J. Kramer v. Lumber Liquidators, Inc.*, pending in the Superior Court of California, County of Sacramento, Case No. 34-2017-00222434-CU-OE-GDS, and the basis for the objection and if the Class Member intends to appear at the Final Approval Hearing.

Any objection must be submitted to the Court by **November 24, 2019** at the address below.

Clerk of the Court  
Superior Court of California, County of Sacramento  
Attn: Kramer v. Lumber Liquidators, Case No.: 24-2019-00222434-CU-OE-GDS  
Gordon Schaber Courthouse, 720 Ninth Street  
Sacramento, CA 95814

## **7. Who are the Attorneys and the Claims Administrator?**

### **Attorneys for Plaintiff and the Class are:**

Dominic J. Messiha  
Law Office of Dominic J. Messiah, PC  
11601 Wilshire Boulevard, Suite 500  
Los Angeles, CA 90025  
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New York, NY 10038  
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### **Attorneys for Lumber Liquidators are:**

Karin M. Cogbill  
Angela Meakin  
Littler Mendelson  
50 W. San Fernando St., 7<sup>th</sup> Floor  
San Jose, CA 95113

## **8. Notice of Hearing on Final Approval.**

A Final Approval Hearing will be held on January 17, 2020, at 9:30 a.m. in Courtroom 35, of the California Superior Court, located at 720 Ninth Street, Sacramento CA, 95814, to determine whether the proposed Settlement is fair, reasonable, and adequate. You do not need to appear at this hearing. The hearing may be continued without further notice.

## **9. Examination of Papers and Inquiries.**

This Notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, you may obtain a copy from the Claims Administrator or visiting the clerk of the Court during normal business hours at 720 Ninth Street, Sacramento, CA 95814.

The Settlement Agreement and other important documents are also available on the Settlement website: [www.kramersettlement.com](http://www.kramersettlement.com). If you cannot access the Settlement website or if you still have questions, you can contact the Settlement Administrator by emailing [info@kramersettlement.com](mailto:info@kramersettlement.com), by calling (833) 216-5198; or by writing to Kramer Settlement, 1650 Arch St., Suite 2210, Philadelphia, PA 19103.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT.