

FROM THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
NOTICE OF CLASS ACTION SETTLEMENT

If you worked for Allie’s Party Equipment Rental, Inc. in a non-exempt capacity at any time from January 31, 2013 through September 1, 2017, a class action settlement will affect your rights.

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

- Former employees sued Allie’s Party Equipment Rental, Inc. alleging claims, among other things, for unpaid wages and missed meal and rest periods.
- The claims of both the former employees and the class have been settled which the Court has preliminarily approved.
- If you qualify as class member, you could receive money from the settlement.
- Your legal rights are affected whether you act, or don’t act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

RETURN THE CLAIM FORM	The only way to receive payment from the settlement. Give up certain rights.
DO NOTHING	You WILL NOT receive a payment from the settlement and you will give up any rights to sue Defendants for the same claims.
ASK TO BE EXCLUDED	Receive no payment from the settlement and retain all rights you may have against Defendants.
FILE OBJECTION	Write to the Court about why you don’t like the settlement. The Court may or may not agree with your objection.
GO TO A HEARING	Speak in Court about the fairness of the settlement.

- Your rights and options – and the deadlines to exercise them -- are explained in this notice. The Court in charge of this case still has to decide whether to approve the settlement.
- Payments will only be made if the Court approves the settlement.

Questions? Read this entire notice and visit www.APERclasssettlement.com

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BASIC INFORMATION

1. WHY DID I GET THIS NOTICE PACKAGE?

Defendants’ records show that you were employed by Allie’s Party Equipment Rental, Inc. in a non-exempt capacity at any time from January 31, 2013 through September 1, 2017. The Court caused this notice to be sent to you because you have a right to know about a proposed settlement of a class action lawsuit on behalf of persons employed by Allie’s Party Equipment Rental, Inc. in a non-exempt capacity at any time from January 31, 2013 through September 1, 2017, and about your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections, if any, are resolved, an administrator appointed by the Court (hereinafter referred to as the “Claims Administrator”) will make the payments that the settlement allows.

This notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court that caused this notice to be sent to you and will decide whether to approve the settlement is the San Diego Superior Court, North County Judicial District of the State of California, and the case is entitled Francisco Flores, Briant Zamora, and Alexander Williams Francisco Flores, et al. v. Allie’s Party Equipment Rental, Inc., et al., Case No. 37-2017-00003817-CU-OE-NC (hereinafter referred to as the “Lawsuit”). The persons who brought this Lawsuit are called Plaintiffs, and the persons they sued are Allie’s Party Equipment Rental, Inc., Barrett Business Services, Inc., and/or Michael B. Nicholson. They are called the Defendants.

2. WHAT IS THIS LAWSUIT ABOUT?

As alleged in Plaintiffs’ First Amended Class Action Complaint for Damages and Injunctive Relief, the Lawsuit claimed that Allie’s Party Equipment Rental, Inc., Barrett Business Services, Inc., and/or Michael B. Nicholson (hereinafter collectively “Defendants”) failed to comply with California labor laws by failing to authorize, permit, and/or provide all required meal and rest periods (or pay premium wages in lieu thereof), by unlawfully auto-deducting 30 minutes of pay for shifts actually worked lasting 6 hours or longer for meal periods that were not authorized, permitted, and/or provided, by unlawfully deducting pay for time actually worked, by failing to timely pay final wages upon termination or resignation, and by failing to provide properly itemized wage statements, in violation of the California Labor Code, the relevant IWC Wage Order, and section 17200, et seq. of the California Business and Professions Code, and as a result were not properly paid for their work. The Defendants denied that they did anything wrong.

3. WHY IS THIS A CLASS ACTION?

On February 15, 2019, the Court decided that the Lawsuit could proceed as a class action on behalf of all persons employed in a non-exempt capacity with Defendant Allie’s Party Equipment Rental, Inc. in the state of California (the “Class”) at any time from January 31, 2013 through September 1, 2017 (the “Class Period”) because the Class, as a group of people, share common alleged claims against Defendants. More information about why the Court allowed this lawsuit to be a class action is in the Court’s Order Granting Plaintiffs’ Motion for Class Certification, which is available at the settlement website www.APERclasssettlement.com, along with other important documents in the case, viewable free of charge.

4. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, before trial of the Lawsuit that was scheduled to begin in June 2021, Allie’s Party Equipment Rental, Inc. commenced a Chapter 11 (Subchapter V) bankruptcy proceeding, entitled In re Allie’s Party Equipment Rental, Inc., in the U.S. Bankruptcy Court for the Southern District of California, Case No. 21-01804-CL11 (S.D. Cal.) (hereinafter referred to as the “Bankruptcy Proceeding”) on April 30, 2021. Thereafter, Plaintiffs and Defendants agreed to a settlement during an all-day mediation. The alleged Class claims were settled because Plaintiffs and their attorneys believe that the amount of the settlement is fair and reasonable in light of the Bankruptcy Proceeding, strength of the claims and other factors. That way, both sides avoid the risks and costs of continued litigation, and the Class members who submit claim forms will get a settlement payment. The Plaintiffs and their attorneys think the settlement is in the best interest for Class members.

WHO IS IN THE SETTLEMENT?

To see if you will get money from this settlement, you first have to decide if you are a Class Member.

5. HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?

The Court decided that everyone who fits the following description is a Class member: All persons employed in a non-exempt capacity with Defendant Allie's Party Equipment Rental, Inc. in the state of California (the "Class") at any time from January 31, 2013 through September 1, 2017 (the "Class Period"). If you were employed by Allie's Party Equipment Rental, Inc. at any time from January 31, 2013 through September 1, 2017 and were paid hourly wages (as reflected in your wage statements), you fit this description.

THE SETTLEMENT BENEFITS - WHAT YOU GET

6. WHAT DOES THE SETTLEMENT PROVIDE?

Defendants have agreed to pay at least \$340,000.00 (the "Minimum Payment") and not more than \$400,000.00 (the "Maximum Payment") (hereinafter the amount to be paid is referred to as the "Settlement Amount"). The Settlement Amount shall consist of (i) an initial amount of \$120,000.00 to be paid by or on behalf of Defendant Michael B. Nicholson (the "Initial Payment"); and (ii) an additional amount between \$220,000.00 and \$280,000.00 (the "Settlement Balance"), to be paid by Defendant Allie's Party Equipment Rental, Inc. over a period of five years through and in accordance with Defendant Allie's Party Equipment Rental, Inc.'s Chapter 11 Plan, which was approved by the U.S. Bankruptcy Court (the "Payment Plan"). The Settlement Amount, less deductions requested of the Court for (i) the Claims Administrator's fees, (ii) Plaintiffs' attorneys' fees (not to exceed 40% of the Maximum Payment) and costs, (iii) service payments to the Plaintiffs (not to exceed \$7,000.00 each or a total of \$21,000.00), and (iv) the Labor & Workforce Development Agency ("LWDA") payment, if any, shall be distributed in accordance with the "Pro-Rata Formula" as set forth in the answer to Question No. 7 herein to all Class members who do not timely request exclusion from the Class after mailing of this Notice of Settlement and who submit a timely and valid Claim Form that is verified and approved by the Claims Administrator (hereinafter referred to as an "Authorized Claimants"). If the Maximum Amount is paid, this will leave a net Settlement Amount for distribution to Class members who are Authorized Claimants of approximately \$140,000.00.

7. WHAT CAN I GET FROM THE SETTLEMENT?

The parties have agreed that Settlement payments to the Class members who file valid and timely claim forms will be calculated by the Claims Administrator and paid out of the net Settlement Amount to Class members who are Authorized Claimants pursuant to the following allocation or Pro-Rata Formula: Pro-rata payments from the Settlement Amount payments will be based on the number of workweeks worked and the number of unpaid hours worked by all Authorized Claimants during the Class Period. In order to calculate the payment to each Authorized Claimant, the Claims Administrator shall first determine the Class members who have submitted timely and valid the Claim Forms and Request for Exclusion. Next, in consideration of the information submitted in the Claim Forms, copies of wage statements and the analysis of the records of Class members by Plaintiffs' expert Brian J. Bergmark, MBA, CPA, ABV, ASA, as described in his Declarations, dated February 19, 2021 and dated October 11, 2019, the Claims Administrator shall determine the total number of workweeks worked and unpaid hours worked by all Authorized Claimants. The Claims Administrator will then divide the total number of workweeks worked and unpaid hours worked by all Authorized Claimants into the Settlement Amount, less deductions approved by the Court, actually paid by Defendants, such that each Authorized Claimant's total number of workweeks worked and unpaid hours worked shall be the numerator and total number of workweeks worked and unpaid hours worked by all Authorized Claimants shall be the denominator, to determine each Authorized Claimant's pro-rata payment.

The Parties recognize that the precise value of each person's claim, whether for allegedly unpaid wages, alleged denial or non-provision of meal and/or rest periods, alleged untimely payment of final wages or any other claim alleged in the Lawsuit, is extremely difficult to determine for any given person, and is subject to differing calculations and formulas. The Parties agree that the formula for allocating payments to Class members to be calculated by the Claims Administrator as provided herein is reasonable and designed to provide a fair allocation of the net Settlement Amount to the Class members.

All payments made to Authorized Claimants under this Settlement shall be allocated as follows: 33 1/3% to wages and 66 2/3% to penalties and interest. The Claims Administrator shall deduct from payments to Authorized Claimants any and all Employee payroll taxes from the amount allocated to wages and Defendant Allie's Party Equipment Rental, Inc. shall separately pay any and all Employer payroll taxes on the amount allocated to wages (in addition to the payment of the Settlement Amount). The amount allocated to penalties and interest shall not be subject to tax withholding. Authorized Claimants must provide a valid Social Security number in order to receive a payment. Authorized Claimants may be issued one or more check for their pro-rata payment.

Each Authorized Claimant will receive an IRS Forms with respect to the wage portion and penalties and interest portion of their pro-rata payment. Authorized Claimants are responsible to pay appropriate taxes due on the pro-rata payments they receive.

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

8. HOW CAN I GET PAYMENT?

To qualify for payment, you must deliver a Claim Form to the Claims Administrator. A claim form is included with this Notice. Read the instructions carefully, completely fill out the form, include all the information the Claim Form asks for, sign it, and have it postmarked or submitted by no later than **May 9, 2022**. If you do nothing or fail to timely and properly return the Claim Form, you will receive nothing.

9. HOW DO I SUBMIT A CLAIM FORM TO RECEIVE PAYMENT?

You have two options on how to submit your Claim Form by May 9, 2022.

If you wish to submit a Claim Form by mail, you must complete and sign the Claim Form included with this Notice under penalty of perjury and mail it to the Claims Administrator so that it is postmarked no later than **May 9, 2022** to:

In Re Allie's Party Equipment Rental, Inc. Class Action Litigation
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92780

If you wish to submit a Claim Form online, you must submit a completed and signed Claim Form included with this Notice under penalty of perjury, that is scanned and submitted online by no later than **May 9, 2022** to www.APERclasssettlement.com.

10. WHEN WOULD I GET MY PAYMENT?

The Court is scheduled to hold a fairness hearing on **June 17, 2022** at 1:30 p.m., in Department N-29 of the San Diego Superior Court, North County Judicial District, located at 325 South Melrose, Vista, California 92081, to decide whether to approve the settlement. Thereafter, if the settlement is approved on that date, the Court will schedule a compliance hearing to confirm administration of the Settlement in

accordance with the “Settlement and Release Agreement” and the terms of its order granting final approval of the Settlement and entering judgment in the Lawsuit. The Court shall approve the distribution of pro-rata payments to Authorized Claimants from the Initial Payment at the time of the compliance hearing. However, the Settlement Balance to be paid by Defendant Allie’s Party Equipment Rental, Inc. will be paid over a period of five years through and in accordance with Defendant Allie’s Party Equipment Rental, Inc.’s Chapter 11 Plan, which was approved by the U.S. Bankruptcy Court. Additionally, if the Settlement is not approved by the Court or does not become final for some other reason, no payments would be made.

11. WHAT RIGHTS DO I GIVE UP IF I PARTICIPATE?

Unless you exclude yourself from the Class, you are a member of the Class, and that means that you can’t sue, or be part of any other lawsuit asserting the legal claims alleged in *this* case. It also means that all of the Court’s orders will apply to you and legally bind you. Unless you exclude yourself from the Class, you will agree to a release of claims, as described below and in section 3.01 of the “Settlement and Release Agreement,” which describes exactly the legal claims that you give up if you do not exclude yourself.

Unless you timely exclude yourself from the Class, you will release or give up the following claims and/or rights if the Settlement is approved by the Court:

Plaintiffs and all other Class members who do not timely request exclusion after mailing of Notice of Settlement, for themselves, and for each of their respective predecessors, successors, assigns, partners, agents, heirs, executors, administrators and others claiming through or under them, now irrevocably and unconditionally remise, release, acquit, absolve and forever discharge Defendants and each and all of the Defendants’ predecessors, successors, assigns, affiliates, heirs, executors, administrators, shareholders, directors, officers, associates, agents, attorneys, employees, insurers, partners, associated companies, subsidiary companies, parent companies, and representatives (present and former), and all persons who at any time have acted by, through, under, or in concert with any or all of the Defendants or any of the other foregoing persons or entities (collectively, the “Defense-Affiliated Released Persons”), any and all claims or causes of action alleged in the Litigation and/or that could have been alleged in the Litigation, under any state or local wage-and-hour or compensation- related law during the Class Period, including without limitation Business and Professions Code Section 17200 *et seq.* and Labor Code Sections 200, 201, 202, 203, 204, 218, 218.5, 218.6, 226, 226.3, 226.8, 227.3, 247.5, 558, 1175, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198.5, 2604, 2698 *et seq.*, 2808, 2810.5, that sought monetary relief or damages flowing therefrom, including penalties, interest, injunctive relief, restitution, disgorgement, and consequential damages, that reasonably arise out of the same set of operative facts alleged in the Class Action Complaints filed in the State Action (“Released Claims”). For avoidance of doubt, the scope of the Released Claims is limited to the operative facts set forth in the Class Action Complaint for Damages and Injunctive Relief, filed on January 31, 2017 in the State Action, and the First Amended Class Action Complaint for Damages and Injunctive Relief, filed on January 31, 2019 in the State Action. This Release does not affect the rights of Class members who submit a timely request for exclusion from the Class after mailing of Notice of Settlement.

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you fall within the definition of the Class, you may, upon request, be excluded from the Class by submitting a written request for exclusion such that it is postmarked no later than **May 9, 2022** to:

In Re Allie’s Party Equipment Rental, Inc. Class Action Litigation
c/o ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92780

Such request for exclusion shall clearly indicate that the sender requests to be excluded from the Class, be personally signed and shall state: (a) the name and address of the person seeking exclusion; (b) dates of employment by Allie's Party Equipment Rental, Inc.; and (c) social security number. The request for exclusion shall not be effective unless all of the above information is included, and unless the request for exclusion is made by the deadline stated above; provided, however, that the Court may, in its discretion, choose to permit exclusion if the request substantially complies with the above requirements. All persons who submit valid and timely requests for exclusion in the manner set forth in this paragraph shall have no rights under the "Settlement and Release Agreement," shall not receive any payment, and shall not be bound by the Settlement or the Final Judgment entered in this case. If you do not file a timely and valid written request for exclusion, you will continue to be included as a member of the Class, and bound by the terms of the Settlement, including the Release of Claims described above, whether or not you filed a Claim Form and/or objected to the Settlement.

13. HOW DO I OBJECT TO THE SETTLEMENT?

Any Class member who does not timely request exclusion from the Class may seek to appear and show cause, why the proposed settlement of the litigation should or should not be approved as fair, just, reasonable and adequate, or why a Judgment should or should not be entered, or why attorneys' fees and costs should or should not be awarded to Plaintiffs' Counsel, or why service awards should or should not be awarded to Plaintiffs. However, Class members who request exclusion from the Class shall not be heard or entitled to object. Additionally, no Class member may be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or the attorneys' fees and costs to be awarded to Plaintiff's Counsel, or the service awards to be awarded to Plaintiffs, unless that objecting Class member has delivered a written objection and copies of any papers in support thereof such objection such that they are received on or before **May 9, 2022** to the following:

To Plaintiffs' Counsel:

KEEGAN & BAKER LLP
Patrick N. Keegan
2292 Faraday Avenue, Suite 100
Carlsbad, CA 92008

ADVANTAGE LAW GROUP, APC
Patrick J.S. Nellies
5820 Oberlin Drive, Suite 110
San Diego, CA 92121

To Defendants' Counsel:

Cory J. Briggs, Esq.
BRIGGS LAW CORPORATION
99 East "C" Street, Suite 111
Upland, CA 91786

and such objection and papers are filed with the Clerk of the Court, San Diego Superior Court, North County Judicial District, 325 South Melrose, Vista, California 92081, on or before **May 9, 2022**. Any written objections shall state each specific objection and any legal support for each objection. The written objection must also state the objecting Class member's full name, address, and the dates of his or her employment with Allie's Party Equipment Rental, Inc., the name and contact information for the attorney representing the objecting Class member, if any; and the objecting Class members' signature under the penalty of perjury. To be considered, any written objection must be timely filed with the Clerk of the Court and timely served on all of the above-listed attorneys. Any objecting Class member who does not make his or her objection in the manner provided herein may be deemed to have waived such objection and forever shall be foreclosed from making any objection to the fairness, justness, reasonableness or adequacy of the

proposed settlement as incorporated in the “Settlement and Release Agreement,” and to the award of attorneys’ fees and costs to Plaintiffs’ Counsel and service awards to Plaintiffs, unless otherwise ordered by the Court. Any objecting Class member will still be bound by the terms of the Settlement if the Court approves the Settlement. If the Court approves the Settlement, any objecting Class member who does not timely submit or deliver a Claim Form will not be entitled to receive a settlement payment.

14. WHEN IS THE FINAL SETTLEMENT AND APPROVAL HEARING?

The Court is scheduled to hold a final fairness hearing on **June 17, 2022** at 1:30 p.m., in Department N-29 of the San Diego Superior Court, North County Judicial District, located at 325 South Melrose, Vista, San Diego, California 92081 or such other, later date as the Court may authorize, to determine whether the Settlement is fair, reasonable, and adequate; and if there are objections, the Court will consider them. The Court will also be asked to approve Plaintiffs’ Counsel’s request for payment of attorneys’ fees and reimbursement of their costs, and the service awards paid to the Plaintiffs. Plaintiffs’ Counsel’s application for attorneys’ fees and costs and the incentive award paid to the Plaintiffs will be on file with the Court no later than May 26, 2022 and will be available for review after that date. The final fairness hearing may be continued without further notice to the Class.

15. HOW DO I GET 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 detailed “Settlement and Release Agreement,” which is viewable free of charge on the website www.APERclasssettlement.com. The documents filed in this action may also be viewed online on the San Diego County Superior Court’s website. Go to www.sdcourt.ca.gov and click on “REGISTER OF ACTION” and enter case number “00003817”, select “2017” in “year filed”, and click, “Search.” The documents filed in this action are listed as Register of Actions Entries and some may be available to view at a minimal charge. You may also view documents filed in this action by requesting the file during regular business hours at the Office of the Clerk of the San Diego Superior Court North County Judicial District, located at 325 South Melrose, Vista, California 92081.

If you have any questions, you can also call the Claims Administrator at (888) 250-6810

PLEASE DO NOT CALL THE COURT OR ALLIE’S PARTY EQUIPMENT RENTAL, INC. IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE.

BY ORDER OF THE SUPERIOR COURT

DATE: MARCH 11, 2022

The Honorable Robert P. Dahlquist

Judge for the Superior Court for the State of California