

*Murphy, et al. v. Labor Source, LLC, et al.,
Case No. 19-cv-01929 (D. Minn.)*

NOTICE OF SETTLEMENT
PLEASE READ THIS NOTICE CAREFULLY.

You received this Notice of Settlement (“Notice”) either because you (1) previously completed an Opt-In Consent Form to join this case; or (2) you did not previously join this case but the records of Labor Source, LLC (who along with BluSky Restoration Contractors, LLC are collectively referred to herein as “Defendants”) show you were employed by Labor Source in the State of Minnesota and performed work on a BluSky project sometime between July 23, 2016 and March 31, 2023. Because you fit this definition, **you are entitled to receive money from a Settlement¹ in this case, as described below.**

1. Why Should You Read This Notice?

This Notice explains your options with respect to your right to share in the monetary proceeds of this Settlement, including how to exclude yourself (“opt out”) of the Settlement, or object to the Settlement. If you object to the Settlement, you cannot opt out of the Settlement, and you will be bound by the terms of Settlement in the event the Court denies your objection.

The United States District Court for the District of Minnesota has preliminarily approved the Settlement as fair and reasonable. The Court will hold a Final Approval Hearing on July 25, 2023 at 10:00 a.m., before the Honorable Magistrate District Judge Elizabeth Cowan Wright at the St. Paul Courthouse, 316 N. Robert Street, St. Paul, Minnesota.

2. What Is This Case About?

This lawsuit alleges that individuals whom Labor Source employed as non-exempt employees and who worked on BluSky projects in the state of Minnesota between July 23 2016 and March 31, 2023 were not paid for all of their hours of work and were not reimbursed for expenses incurred. This lawsuit seeks recovery of unpaid wages, statutory damages, civil penalties under Minnesota law, and attorneys’ fees. The claims in this lawsuit are brought under federal and Minnesota law.

Defendants contend that they have strong legal and factual defenses to these claims, but they recognize the risks, distractions, and costs associated with litigation. Labor Source contends that the wage and hour policies and practices at issue, including those regarding payment for time

¹ This notice summarizes the proposed Settlement. The capitalized terms in this Notice of Settlement have defined meanings that are set out in detail in the Settlement Agreement. To review a copy of the Settlement Agreement, please visit the Settlement Website at www.murphyvlaborsourcesettlement.com. The Settlement Website allows interested persons to view the Settlement Agreement, papers filed by Class Counsel to obtain Court approval of the Settlement Agreement, and this Notice of Settlement (in generic form). The Settlement Website also provides contact information for Class Counsel and the Settlement Administrator.

worked, overtime pay, and expense reimbursement, are lawful and have been lawful throughout the relevant time period. BluSky contends it did not employ the Class Members and was not responsible for the wage and hour practices at issue in this case. Defendants also contend that Plaintiff's claims do not meet the requirements for class certification.

This Settlement is the result of good faith, arm's length negotiations between Plaintiff and Defendants, through their respective attorneys. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Class Members. This Settlement is a compromise and is not an admission of liability on the part of Defendants.

The Court has not ruled on the merits of Plaintiff's claims or Defendants' defenses.

3. What Are the Terms of the Settlement?

Defendants have agreed to pay One Million One-Hundred Fifty Thousand Dollars (\$1,150,000.00) to settle this lawsuit ("Gross Settlement Amount"). Deductions from this amount will be made for attorneys' fees, costs and expenses for Class Counsel (up to \$725,000), settlement administration costs (estimated to be \$20,000.00), and a service award in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00) in total to Named Plaintiff Marcquise Murphy for his service to the Settlement Class. After deductions of these amounts, what remains of the Gross Settlement Amount (the total of the "Net Settlement Amount") will be available to pay monetary Settlement Awards to all Settlement Class Members who do not opt out of the Settlement Class (collectively, "Participating Individuals").

All individuals who were employed by Labor Source in the State of Minnesota as an hourly, non-exempt employee and who worked on a BluSky project between July 23, 2016 and date of this Agreement will be eligible to receive a monetary award from the Net Settlement Amount.

4. How Much Can I Expect to Receive?

All Participating Individuals will receive a *pro rata* share of the Net Settlement Amount based on the total number of eligible workweeks that the Participating Individual worked for Labor Source on BluSky projects in Minnesota during the relevant period. Participating Individuals shall receive a *pro rata* portion of the Net Settlement Amount as follows:

1. For each week during which the Participating Individual worked for Labor Source on BluSky projects in Minnesota at any time from July 23, 2016 through March 31, 2023, he or she shall be eligible to receive a *pro rata* portion of the Net Settlement Amount based on the number of workweeks the Participating Individual worked. Opt-In Plaintiffs Ratanya Rodgers, Cynthia Hodo, DeAntwone Norris, Devin Pettis, Laquon Blackmon and Ledon Brown, who received and rejected offers of judgment shall be entitled to greater shares of the Net Settlement Amount. Specifically, these Opt-in Plaintiffs shall receive the greater of their *pro rata* share amount or the amount they would have received had they accepted Defendants' January 12, 2021 Offers of Judgment. In exchange for receiving these amounts,

each of these Opt-In Plaintiffs shall execute a general release of all claims covering the period between July 23, 2016 and the date of this Agreement.

2. The total number of settlement shares for all Participating Individuals will be added together and the resulting sum will be divided into the Net Settlement Amount to reach a per share dollar figure. That figure will then be multiplied by each Participating Individual's number of settlement shares to determine the Participating Individual's share of the Net Settlement Amount.

All Settlement Award determinations will be based on Labor Source's timekeeping, payroll, and/or other records for Settlement Class members.

For tax reporting purposes, Settlement Awards to Participating Individuals will be allocated as follows: twenty-five percent (25%) of each Settlement Award shall be allocated as wages and seventy-five percent (75%) of each Settlement Award shall be allocated as liquidated damages. None of the Parties or attorneys makes any representations concerning the tax consequences of this Settlement or your participation in it. Participating Individuals should consult with their own tax advisors concerning the tax consequences of the Settlement.

You do not need to do anything to be sent your settlement payment. Just watch your mail for a check and cash it when you get it. If you participate in the Settlement, you will have 180 days to cash the check that will be sent to you. If at the conclusion of the 180-day check void period, there are any uncashed checks, those monies will be paid back in equal parts to Defendants and to the State of Minnesota to be held as unclaimed funds.

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your monetary Settlement Award. If you fail to keep your address current, you may not receive your Settlement Award.

5. What Are The Releases?

Upon Final Approval of the Settlement Agreement and payment of amounts set forth under the Settlement, all Participating Individuals release claims as follows ("Released Claims") against Labor Source and BluSky, their present and former parent companies, subsidiaries, related or affiliated companies, and their shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims (collectively, the "Releasees"):

- a. Settlement Class Members Who Cash Checks: All Settlement Class Members who cash, deposit, or otherwise negotiate their Settlement Award checks release all Releasees from the following rights or claims: any and all claims that were alleged or could have been alleged based on the facts alleged in the Named Plaintiff's First Amended Complaint, including but not limited to all claims under the Fair Labor Standards Act, 29 U.S.C. §§ 201, *et seq.* and Minnesota state law that are based on or relate to the purported payment or nonpayment of compensation (including, but not limited to, wages, minimum wage, straight time, overtime, bonuses, incentive compensation, and/or premium pay), meal or rest period premiums or penalties,

reimbursement of business expenses, improper wage statements, improper recordkeeping, use of payroll cards, unfair business practices, including related premiums, statutory penalties, civil penalties, liquidated damages, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting, whether such causes of action are in tort, contract, or pursuant to a statutory remedy.

- b. Settlement Class Members Who Do Not Cash Checks and Do Not Opt Out or Object: All Settlement Class Members who do not cash, deposit, or otherwise negotiate their Settlement Award checks but who also do not opt out or object to the Settlement (including those whose objections are resolved by the Court) release all Releasees from the following rights or claims: any and all Minnesota state law claims that were alleged or could have been alleged based on the facts alleged in the Named Plaintiff's First Amended Complaint, including but not limited to wage and hour claims under Minnesota state law that are based on or relate to the purported payment or nonpayment of compensation (including, but not limited to, wages, minimum wage, straight time, overtime, bonuses, incentive compensation, and/or premium pay), meal or rest period premiums or penalties, reimbursement of business expenses, improper wage statements, improper recordkeeping, use of payroll cards, unfair business practices, including related premiums, statutory penalties, civil penalties, liquidated damages, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting, whether such causes of action are in tort, contract, or pursuant to a statutory remedy.
- c. Settlement Class Members Who Do Not Cash Checks and Who Opt Out: All Settlement Class Members who do not cash, deposit, or otherwise negotiate their Settlement Award checks and who either opt out or object to the Settlement, and whose objection remains unresolved do not release Releasees from any rights or claims.

6. What Are My Rights?

- **Cash The Check**: If you cash the check mailed to you, you will be bound by the Settlement including its release provisions as described in Section 5.a. above and as provided in the Settlement Agreement.
- **Do Nothing (Do Not Cash The Check and Do Not Opt Out)**: If you are a member of the Settlement Class and do not cash the check mailed to you and do not opt out of the settlement, you will release claims consistent with the description in Section 5.b. above and as provided in the Settlement Agreement.
- **Do Not Cash the Check and Opt Out**. If you are a member of the Settlement Class, and wish to opt out of the settlement, you must submit a written exclusion from the Settlement ("opt-out"), postmarked by **June 19, 2023**. The written request for exclusion must contain your full name, address, telephone number, email address (if applicable), last four digits of your social security number, and must be signed individually by you. No opt-out request may be made on behalf of a group. The opt-out request must be sent by mail to the

Settlement Administrator at Murphy v Labor Source Settlement Administrator, c/o Settlement Services, Inc., PO Box 10269, Tallahassee, FL 32302-2269. **Any person who requests exclusion (opts out) of the settlement will not be entitled to any Settlement Award and will not be bound by the Settlement Agreement or have any right to object, appeal or comment thereon.** Nor will any such person release any claims against Defendants.

- **Object:** If you received this Notice and wish to object to the Settlement, you must submit a written statement objecting to the Settlement by **June 19, 2023**. The statement must state the factual and legal grounds for your objection to the settlement. The statement must state your full name, address, telephone number, and email address (if applicable), and must be signed by you. The statement must be mailed to the Class Counsel at the following address: Carolyn H. Cottrell & Ori Edelstein, SCHNEIDER WALLACE COTTRELL KONECKY LLP, 2000 Powell Street, Suite 1400, Emeryville, CA 94608. You must also mail a copy of your objection to counsel for Defendants, at the addresses listed in Section 8 of this Notice by **June 19, 2023**.

If you mail a written objection, you may also, if you wish, appear at the Final Approval Hearing to discuss your objection with the Court and the parties to the Lawsuit. Your written objection must state whether you will attend the Final Approval Hearing, and your written notice of your intention to appear at the Final Approval Hearing must be filed with the Court and served upon Class Counsel and Defendants' counsel on or before the Notice Deadline. To be heard at the Final Approval Hearing you must also not opt out of the Settlement. If you wish to object to the Settlement but fail to return your timely written objection in the manner specified above, you shall be deemed to have waived any objection and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. The postmark date of mailing to Class Counsel and Defendants' counsel shall be the exclusive means for determining that an objection is timely mailed to counsel. Objections shall only be considered if the Settlement Class Member has not opted out of the Settlement. The failure to submit a written objection as a prerequisite to appearing in court to object to the settlement may be excused upon a showing of good cause.

You may also withdraw your objection in writing by mailing a withdrawal statement to counsel for the Parties postmarked no later than **July 15, 2023**, orally at the Final Approval hearing, or as otherwise ordered by the Court.

7. Can Defendants Retaliate Against Me for Participating in this Lawsuit?
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No. Your decision as to whether or not to participate in this Settlement will in no way affect your work or employment with Defendants or future work or employment with Defendants. It is unlawful for Defendants to take any adverse action against you as a result of your participation in this Settlement.

8. Who Are the Attorneys Representing The Parties?

Plaintiff and the Settlement Class are represented by the following attorneys acting as Class Counsel:

Carolyn H. Cottrell
Ori Edelstein
SCHNEIDER WALLACE
COTTRELL KONECKY LLP
2000 Powell Street, Suite 1400
Emeryville, CA 94608
Telephone: (800) 689-0024
Facsimile: (415) 421-7105

Defendant Labor Source is represented by the following attorney of record:

Justin M. Dean
Ogletree Deakins
4520 Main Street, Suite 400
Kansas City, MO 64111
Telephone: 816-410-2244

Defendant BluSky is represented by the following attorneys of record:

Eric R. Magnus
Ashton Hoffman
Jackson Lewis, P.C.
1155 Peachtree St., NW, Suite 1200
Atlanta, GA 30363
Telephone: 404-525-8200

9. How Will the Attorneys for the Settlement Class Be Paid?

Class Counsel will be paid from the Gross Settlement Amount of \$1,150,000. You do not have to pay the attorneys who represent the Settlement Class. The Settlement Agreement provides that Class Counsel will receive attorneys' fees of up to \$725,000. Class Counsel will file a Motion for Attorneys' Fees and Costs with the Court. The amount of attorneys' fees and costs awarded will be determined by the Court at the Final Approval Hearing.

10. Where can I get more information?

If you have questions about this Notice, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Settlement, you should contact the Settlement Administrator.

This Notice is only a summary. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at the Settlement Website at www.murphyvlaborsourcesettlement.com or call the Settlement Administrator toll-free at 888-

204-9335. You may also access the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the District of Minnesota, Office of the Clerk, Diana E. Murphy United States Courthouse, 300 South Fourth Street - Suite 202, Minneapolis, MN 55415, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

PLEASE DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, OR THE JUDGE FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.