

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION AT DAYTON**

BAUGHMAN & FIELDS, ET AL.,

On behalf of themselves and those similarly
situated,

Plaintiffs,

vs.

KTH PARTS INDUSTRIES, INC.,

Defendant.

Case No.: 3:19-cv-8

Judge Walter H. Rice

NOTICE OF CLASS ACTION SETTLEMENT AND FAIRNESS HEARING

This Notice has been authorized by a Federal Court. This is not a solicitation from a lawyer.

This Notice concerns a proposed class and collective action settlement in a lawsuit, *Baughman & Fields, et al v. KTH Parts Industries, Inc.*, U.S. District Court for the Southern District of Ohio, Case No. 3:19-cv-7 (“the Lawsuit”). Judge Walter H. Rice of the United States District Court for the Southern District of Ohio is overseeing this lawsuit. Judge Rice has ordered that this Notice be sent to you.

You are receiving this Notice because you have already opted into the Lawsuit and are a potential Class Member.

Individuals who are properly included in the Settlement Class include:

All persons who since January 8, 2017: (1) were employed in an hourly, non-exempt role by Defendant at KTH’s St. Paris, Ohio facility, and (2) worked at least 40 hours in any workweek.

A proposed settlement has been reached in this Lawsuit that affects your rights. The purpose of this Notice is to inform you of the settlement terms and your rights and options in connection with the settlement. If the settlement is finally approved, it will resolve all claims in the Lawsuit.

YOUR LEGAL RIGHTS AND OPTIONS:

PARTICIPATE IN THE SETTLEMENT	<p>If you agree to participate in the settlement and release certain claims against Defendant, as described below, there is nothing more you need to do.</p> <p>If you participate in the settlement, you will receive a monetary award, as outlined below. You will also give up any right to file a separate lawsuit alleging the same or similar claims as this Lawsuit under the federal Fair Labor Standards Act (“FLSA”) and Ohio law, based on any actions that occurred from January 8, 2017 until the Effective Date,¹ if you agree to the settlement and/or fail to submit an Opt-Out Form and withdraw the consent you previously filed to join the Lawsuit.</p>
OPT-OUT OF THE SETTLEMENT	<p>Opt-out of the settlement, receive no compensation under the settlement, and keep your legal claims against Defendant.</p> <p>If you do not want to receive any compensation under this settlement and instead wish to keep your legal claims against Defendant (KTH Parts Industries, Inc.), you must do both of the following:</p> <ol style="list-style-type: none">1) complete the Opt-Out Form and send it to the Claims Administrator by fax, e-mail, or mail (Fax: (952) 404-5750; Email: kth.ot@noticeadministrator.com); and2) file with the Court a withdrawal of the consent you previously signed to join the Lawsuit <p>If you wish to opt-out of the settlement, the Opt-Out Form and withdrawal must be received or post-marked on or before June 25, 2022. If you do not return your Opt-Out Form or withdrawal notice by this date, you will be bound by the terms of this settlement.</p>
OBJECT TO THE SETTLEMENT	<p>State your objection to the settlement.</p> <p>If you wish to settle your claims against Defendant, but object to the terms of the settlement described in this Notice, you must state the basis for your objection(s) to the settlement in writing. All objections or other correspondence must state the name and number of the Lawsuit, which is <i>Baughman & Fields, et al v. KTH Parts Industries, Inc.</i>, U.S. District Court for the Southern District of Ohio, Case No. 3:19-cv-8. You must send your written objection(s) to the Claims Administrator by fax, e-mail, or mail (Fax: (952) 404-5750; Email: kth.ot@noticeadministrator.com). To be considered, all written objections must be received or post-marked on or before June 25, 2022.</p>

Why did I get this Notice?

You are part of a group of individuals who were employed by Defendant and fall within the defined “Settlement Class” above. You have also previously filed a consent to join the Lawsuit pursuant to the FLSA. On April 11, 2022, the Court overseeing this case preliminarily approved a settlement and ordered this Notice be sent to all potential Class Members. This Notice explains what you may get from the settlement and what rights are affected.

If you are entitled to participate in this settlement, you are entitled to receive a monetary award regardless of your immigration status. Your immigration status will not be the subject of this lawsuit, nor will it affect your right to recovery. You have the right to participate in this settlement if you fulfill the conditions detailed in the mailing regardless of your immigration status.

Defendant will not and cannot retaliate against you for participation or non-participation in the settlement.

¹ The “Effective Date” is defined as the later of: (i) the date when the time for appealing the final approval of this Agreement has expired; or (ii) the date of the final resolution of any appeal of the final approval of this Agreement if an appeal has been filed and not dismissed.

What is this Lawsuit about?

The Lawsuit claims that hourly employees at KTH's St. Paris, Ohio facility regularly worked more than 40 hours per workweek but were not paid all overtime wages owed under the FLSA and Ohio law. The Lawsuit alleges that, despite performing work before the scheduled start of their shifts and after the scheduled end of their shifts, Class Members were often only paid for their scheduled shift rather than the amount of time they were actually working. The Lawsuit also alleges that during workweeks when Class Members worked at least 40 hours, they were not fully paid all overtime under the FLSA for the time allegedly spent working outside their scheduled shift. KTH Parts Industries, Inc. ("KTH" or "Defendant") denies all of the allegations in the Lawsuit, but has agreed to settle this matter to avoid the disruption and expense associated with further litigation.

What are the Settlement terms?

The Settlement Agreement requires Defendant to provide a Total Settlement Fund of One Million One Hundred Thousand Dollars and Zero Cents (\$1,100,000.00) to cover the full and final resolution of all claims in the Lawsuit. The Total Settlement Fund includes all payments to Class Members, as well as payments to individuals who have opted into this Lawsuit but may not be Class Members, the incentive award to the Named Plaintiff, Attorney's Fees and Costs for Class Counsel, and settlement administration costs.

Amounts remaining from the Total Settlement Fund-after Attorneys' Fees and Costs, the incentive awards to Named Plaintiff, and class administration fees and expenses have been deducted-will be distributed to Class Members and others who have opted into the Lawsuit pro rata based on the calculated damages for each individual from January 8, 2017 until the Effective Date. This calculation will be made by a data analyst retained by Class Counsel and reviewed by Defense Counsel. Based on the available data, you will receive an award of approximately \$ _____, less applicable withholdings, as a result of this settlement. This payment would encompass all claims for damages from January 8, 2017 to the Effective Date.

In addition, Defendant has agreed to pay an Incentive Award of \$7,500.00 to Named Plaintiff Austin Fields for his efforts bringing and prosecuting the Lawsuit on behalf of himself and similarly situated workers.

How long do I have to cash my check?

Your settlement check will have a date on it. The settlement check will be valid for one hundred twenty (120) days, unless the check is returned due to a bad address, in which case, the check will be reissued. You will have 120 days from that date on the settlement check to cash your check.

If you lose your check or it is damaged in the mail, contact the Claims Administrator. You may be able to have it reissued, provided you ask within the 120-day time period.

If you do not cash your check within 120 days of the date it was issued, your money will go back to Defendant.

Will I owe any taxes?

The amounts you receive for unpaid wages will be wage income and subject to normal payroll tax withholding and W-2 reporting. These deductions will be taken out of your settlement check.

Any other payments constituting alleged penalties, interest, liquidated damages, and/or other non-wage damages will be reported on an IRS Form 1099 and no payroll taxes will be deducted. Half of your award will be treated as unpaid wages. The other half will be treated as non-wage damages. If you have questions about the tax consequences of any of these payments to you, you should consult with an accountant or other tax advisor.

What rights am I giving up by agreeing to the settlement?

You will give up any right to file a separate lawsuit alleging the same or similar claims as this Lawsuit under federal or Ohio law, based on any actions that occurred from January 8, 2017 to the Effective Date if you cash your settlement check and thereby agree to settle the claims described above.

In order to retain these claims against Defendant, you must not cash the settlement check, submit the Opt-Out Form **and** submit to the Court a withdrawal the consent you previously signed to join the Lawsuit.

If you participate in the settlement, you also agree to fully release and discharge Defendant and the Released Parties from any and all wage and hour claims, debts, penalties, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions, or causes of action of whatever kind or nature, whether arising under any federal, state, or local law, whether known or unknown, that were alleged or that reasonably arise out of the acts alleged in the First Amended Complaint filed in the Lawsuit, which includes but is not limited to all claims for back wages and/or overtime wages, and including associated liquidated damages, interest, and penalty claims that were asserted or that could have been asserted in the Lawsuit under state or federal law, including but not limited to the Fair Labor Standards Act, between January 8, 2017 and the Effective Date. Your release of claims also includes but is not limited to all claims related to any alleged failure to pay overtime, or to timely pay wages, under Ohio statutory law, state common law, and pursuant to wage contract claims. Your release of claims also includes but is not limited to any wage and hour claims for breach of contract, fraud, unjust enrichment, negligent misrepresentation, conspiracy, conversion, and/or any violation of the Ohio Prompt Pay Act.

You are not releasing or waiving any non-wage and hour claim or other claim that may not be released as a matter of law.

Your release of claims will be only effective if the Court grants final approval of the settlement.

Do I have to pay any attorneys or other costs?

No. The Court appointed the law firms of Coffman Legal, LLC and Bryant Legal LLC as the attorneys for the Opt-In Plaintiffs and Class Members in this case. ("Class Counsel"). Under the settlement, Defendant has agreed to provide a Total Settlement Fund of \$1,100,000. Class Counsel will be entitled to statutory authorized fees in the amount of \$366,666.67, which amount will be deducted from the Total Settlement Fund. In addition, Class Counsel will be entitled to costs. The current costs are \$9,579.07, but additional costs will be incurred at final approval. The costs associated with the future administration of this settlement will be paid directly to the Claims Administrator, which amounts will also be deducted from the Total Settlement Fund. The settlement is being administered by Analytics Consulting LLC.

Class Counsel has requested that the Court approve the payment of \$376,245.74 in Attorneys' Fees and Costs (plus additional reasonable costs incurred to complete the settlement) that Class Counsel has expended and will expend in prosecuting this Lawsuit on behalf of the Opt-In Plaintiffs and Class Members. To date, Class Counsel has been prosecuting the Lawsuit, without being paid, while advancing the costs and expenses of litigation on behalf of the Class. As previously noted, the payment of Class Counsel's Attorneys' Fees and Costs will be deducted from the Total Settlement Fund, with the remaining balance of the Total Settlement Fund distributed to the Opt-In Plaintiffs and Class Members.

When is the Fairness Hearing?

The Fairness Hearing will be held on August 9, 2022 at 10:00 a.m. in Courtroom 909 of the Walter H. Rice Federal Building and U.S. Courthouse, 200 West Second Street, Dayton, Ohio 45402 unless otherwise ordered by the Court. At that hearing, the Court will determine if the settlement is fair, reasonable, adequate, and in the best interests of the groups of the persons defined in the beginning of this Notice. The Court may postpone the hearing or change its location without further notice to you.

You are not required to attend the Fairness Hearing, although you may if you so desire. If you are satisfied with the settlement, there is no need for you to appear.

What if I have objections to the Settlement?

If you have objections to the settlement, you must state your objections to the settlement in writing and send them to the Claims Administrator by fax, e-mail, or mail (Fax: (952) 404-5750; Email: kth.ot@noticeadministrator.com), on or before **June 25, 2022**.

All objections or other correspondence must state the name and number of the Lawsuit, which is *Baughman & Fields, et al v. KTH Parts Industries, Inc.*, U.S. District Court for the Southern District of Ohio, Case No. 3:19-cv-8. If you do not follow the procedures for objecting described above, you will be deemed to have waived any objection to the settlement.

If you send a statement in writing of your objection, you may also come to the Court for the Fairness Hearing to have your objections heard by the Court orally. Any attorney who will be representing anyone at the Fairness Hearing must file a notice of appearance with the Court on or before 14 days prior to the Hearing.

Where do I find more information?

This Notice is only a summary of the Lawsuit and the settlement. For a more detailed statement of the Lawsuit or settlement, you may refer to the pleadings, the Settlement Agreement, and the other papers filed in the Lawsuit, which may be inspected at the Office of the Clerk of the U.S. District Court for the Southern District of Ohio, the Walter H. Rice Federal Building and U.S. Courthouse, 200 West Second Street, Dayton, Ohio 45402, during regular business hours of each court day. You also may obtain copies of this Notice and/or the Settlement Agreement or further information regarding the settlement from the Claims Administrator at 833-420-2869 toll-free, or at <https://www.collectiveaction.io/kth>.

Who do I contact if I have further questions?

All questions or inquiries regarding this Notice and/or settlement, including the amounts estimated to be payable to you if the settlement is approved, should be directed to the Claims Administrator, Analytics Consulting LLC, at 833-420-2869 toll-free, or by email at kth.ot@noticeadministrator.com. If you have a question for Class Counsel, you can contact them using the contact information above.

PLEASE DO NOT CONTACT THE COURT OR THE JUDGE WITH ANY INQUIRIES.