

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

YESENIA GUTIERREZ and KATHY CHAN,
individually and on behalf of all others similarly
situated,

Plaintiffs,

v.

ENVIRONMENTAL SYSTEMS RESEARCH
INSTITUTE, INC., a California Corporation,

Defendant.

Case No. CIVSB2300014

**NOTICE OF SETTLEMENT OF
CLASS ACTION**

ATTENTION: If you were employed by Environmental Systems Research Institute, Inc. in California at any time during the period from November 15, 2018, to June 9, 2025 (the “Settlement Period”), you may be a Class Member eligible to receive money from a proposed settlement in the above-captioned class action lawsuit.

PLEASE READ THIS NOTICE CAREFULLY. This Notice relates to the proposed Settlement. If you are a Class Member, it contains important information affecting your rights to participate in the Settlement as further described below. This Notice advises you of the terms of the Settlement and your rights and options under it.

To be eligible for your share of the Settlement, you are not required to make a claim. However, to ensure receipt of your share, you must update the Settlement Administrator, Epiq Class Action and Claims Solutions, Inc., with any change of address.

What is this proposed Settlement about?

This action was originally filed against defendant Environmental Systems Research Institute, Inc. (“Defendant” or “Esri”) on November 15, 2022, and refiled on January 4, 2023 (the “Action”). The operative second amended complaint (the “Complaint”), filed on February 25, 2025, names plaintiffs Yesenia Gutierrez and Kathy Chan (collectively, “Plaintiffs”) and asserts claims against Defendant for alleged (1) failure to pay overtime wages; (2) failure to provide meal breaks; (3) failure to permit and authorize rest breaks; (4) failure to pay all wages due upon termination; (5) failure to issue accurate itemized wage statements; (6) failure to reimburse business expenses; (7) unfair, unlawful, or fraudulent business practices; and (8) civil penalties pursuant to the Labor Code Private Attorneys General Act of 2004 (“PAGA”). The first five claims are based on Plaintiffs’ allegation that Defendant misclassified its employees in California subject to Defendant’s Bank Time Policy as exempt. Claim (6) (failure to reimburse business expenses) is based on Plaintiffs’ allegation that employees (whether exempt or nonexempt) were not reimbursed for all business expenses they were purportedly required or expected to incur in connection with working remotely during the COVID-19 pandemic and thereafter. Claim (7) (for unfair, unlawful, or fraudulent business practices) and claim (8) (civil penalties sought under PAGA) are based on these same theories of liability. The Complaint and all the other complaints in the Action are referred to collectively as the “Complaints,” and all the PAGA notices filed by Plaintiffs with the California Labor and Workforce Development Agency (“LWDA”) are referred to collectively as the “PAGA Notices.”

Under the proposed Class Settlement, Defendant agrees to make payments (“Class Settlement Awards”) to Class Members who do not opt out of the Settlement (“Settlement Class Members”). These Class Settlement Awards will be based on the number of pay periods during the Settlement Period that each Settlement Class Member was employed by Defendant in California for at least one day (“Pay Periods”) compared to the total number of Pay Periods for all Settlement Class Members, as more fully described below.

Defendant also agrees to pay the Settlement Administration Costs, General Release Payments to both of the Plaintiffs, a PAGA Settlement Amount to be paid to the LWDA and PAGA Group Members in settlement of the PAGA claims, and a Fee and Expense Award to Plaintiffs’ counsel (“Class Counsel”), all subject to the Court’s approval. Defendant’s maximum total obligation under the proposed Settlement is \$4,910,000.00, subject to escalation only to the extent described below.

**If you have questions, please contact the Settlement Administrator at
888-832-9220 or info@GutierrezWageSettlement.com.**

The proposed Settlement is not an admission of liability by Defendant. Throughout the course of litigation in the Action, Defendant has denied any liability or wrongdoing, or that any compensable injury arose out of any of the matters alleged in the Action. Defendant contends that it complied with all applicable laws and regulations regarding all of those matters.

Class Counsel believes that the proposed Settlement is in the best interests of the Class Members. Further proceedings would be very expensive and take a long time. Moreover, no one can predict the precise outcome of the disputed issues in this case. Therefore, Class Counsel believes that the proposed Settlement is fair, reasonable, and adequate for the Class Members.

The Court has preliminarily approved the proposed Settlement as fair, reasonable, and adequate. The final determination of those issues will be made at the Final Approval Hearing to be held on **October 24, 2025**, at 8:30 a.m. (“Final Approval Hearing”).

Summary of the proposed Settlement

Defendant has agreed to pay \$4,910,000.00 (“Gross Settlement Amount”) to resolve all claims that were alleged in any of the Complaints or any of the PAGA Notices or that could have been alleged based on the facts alleged in any of the Complaints or any of the PAGA Notices, for Settlement Class Members’ release of claims described below, and for the release of PAGA claims by the State of California and PAGA Group Members. This amount is subject to escalation if the number of members of the Alleged Misclassification Class exceeds 3,654 by more than 5% and/or if the number of members of the Alleged Reimbursement Class exceeds 4,179 by more than 5%. If finally approved by the Court, the proposed Settlement will distribute money as follows:

Class Settlement Awards to Settlement Class Members: Settlement Class Members (Class Members who do not exclude themselves from the Settlement) will each be paid a Class Settlement Award, which is their pro rata share of the Net Settlement Sum, calculated as follows:

The Class Settlement Award for each Settlement Class Member of the Alleged Misclassification Class shall be his or her pro rata share of 70% of the Net Settlement Sum (including and subject to Withholdings and Taxes) calculated as follows: The Settlement Administrator shall first calculate the sum total number of Pay Periods for all Settlement Class Members of the Alleged Misclassification Class. The Settlement Administrator shall then divide 70% of the Net Settlement Sum by this sum total number of Pay Periods, resulting in a per-Pay Period value to be used in calculating Class Settlement Awards for the Alleged Misclassification Class. The Settlement Administrator shall then take this per-Pay Period value and multiply it by the number of Pay Periods for each Settlement Class Member of the Alleged Misclassification Class, resulting in the Class Settlement Award plus Withholdings and Taxes for each Settlement Class Member of the Alleged Misclassification Class.

The Class Settlement Award for each Settlement Class Member of the Alleged Reimbursement Class shall be his or her pro rata share of 30% of the Net Settlement Sum (not including and not subject to Withholdings and Taxes), calculated as follows: The Settlement Administrator shall first calculate the sum total number of Pay Periods for all Settlement Class Members of the Alleged Reimbursement Class. The Settlement Administrator shall then divide 30% of the Net Settlement Sum by this sum total number of Pay Periods, resulting in a per-Pay Period value to be used in calculating Class Settlement Awards for the Alleged Reimbursement Class. The Settlement Administrator shall then take this per-Pay Period value and multiply it by the number of Pay Periods for each Settlement Class Member of the Alleged Reimbursement Class, resulting in the Class Settlement Award for each Settlement Class Member of the Alleged Reimbursement Class.

“Alleged Misclassification Class” means all current and former employees of Defendant in the State of California subject to Defendant’s Bank Time Policy and whom Defendant classified as exempt at any time from November 15, 2018, to June 9, 2025.

“Alleged Reimbursement Class” means all current and former employees (whether exempt or nonexempt) of Defendant in the State of California from March 16, 2020, to June 9, 2025.

“Pay Periods” means the number of pay periods during which a Class Member and/or PAGA Group Member was employed by Esri in California for at least one day during the applicable periods for each Class Member and/or PAGA Group Member. Pay Periods shall be calculated according to Defendant’s records.

“Net Settlement Sum” means the Gross Settlement Amount less the following: (a) the PAGA Settlement Amount; (b) the Fee and Expense Award; (c) the General Release Payments; (d) the Settlement Administration Costs; and (e) Withholdings and Taxes, all of which are described below. 70% of the Net Settlement Sum

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(including and subject to Withholdings and Taxes) shall be allocated to Settlement Class Members of the Alleged Misclassification Class, and the remaining 30% (not including and not subject to Withholdings and Taxes) shall be allocated to Settlement Class Members of the Alleged Reimbursement Class.

Each Settlement Class Member and/or PAGA Group Member receiving a Class Settlement Award and/or PAGA Settlement Award shall be responsible for paying applicable federal, state, and local income taxes, if any, on all amounts such person receives pursuant to the Agreement, and Defendant shall have no liability therefor.

Fee and Expense Award to Class Counsel: Upon approval by the Court, Defendant will pay attorneys' fees and reimburse litigation costs and expenses to Class Counsel (HammondLaw, P.C.). The proposed Settlement permits Class Counsel to request up to 33.33% of the Gross Settlement Amount (\$1,636,666.67) as their fees for prosecuting this case and up to \$50,000.00 for reimbursement of their costs and expenses incurred in the Action. You are not personally responsible for any of Class Counsel's attorneys' fees, costs, or expenses.

PAGA Settlement Amount: The proposed Settlement provides for a payment of \$100,000.00 for resolution of the PAGA claims alleged in the Complaints, the PAGA Notices, or any of them. Of that amount, 75% (or \$75,000.00) of the PAGA Settlement Amount shall be paid to the LWDA, and 25% (or \$25,000.00) of the PAGA Settlement Amount shall form the PAGA Fund to be paid to PAGA Group Members pro rata, based on the number of Pay Periods worked. PAGA Group Members include members of the Alleged Misclassification PAGA Group and Alleged Reimbursement PAGA Group.

Other Payments: The proposed Settlement provides for a General Release Payment of \$7,500.00 to Plaintiff Gutierrez and a General Release Payment of \$7,500.00 to Plaintiff Chan. The proposed Settlement further provides for payment estimated not to exceed \$57,250.00 to the Settlement Administrator, Epiq Class Action and Claims Solutions, Inc., for its services in mailing the Class Notice and administering the Settlement.

What are my rights and options?

You can exclude yourself from the Class Settlement: If you do not want a Class Settlement Award and do not want to be bound by any of the proposed Class Settlement's terms, including the release of the Released Claims discussed below, you must make a timely written Request for Exclusion. Your Request for Exclusion must contain (i) your full name, address, and telephone number; (ii) the words "Request for Exclusion" at the top of the document; and (iii) the following statement:

"I wish to be excluded from the Class Settlement in this case, *Yesenia Gutierrez et al. v. Environmental Systems Research Institute, Inc.*, San Bernardino Superior Court, Case No. CIVSB2300014."

Your Request for Exclusion must be personally signed by you. Any Request for Exclusion submitted by someone else on your behalf will not be valid. Your Request for Exclusion must be mailed to the Settlement Administrator at the below address and must be postmarked by **August 30, 2025**.

Yesenia Gutierrez et al. v. Environmental Systems Research Institute, Inc.
P.O. Box 2715
Portland, OR 97208-2715

You should not request exclusion if you wish to receive money from the Class Settlement.

You do not have the right to be excluded from the PAGA Settlement, whether or not you exclude yourself from the Class Settlement.

1. **You can object to the Class Settlement:** You can object to the Settlement before the Court's final approval of the Settlement. To object, you should submit a signed, written objection to the Settlement Administrator by **August 30, 2025**. You may submit a supporting brief or other materials to the Settlement Administrator with your signed, written objection, no later than **August 30, 2025**. You may also appear, even if you do not submit a written objection, and object to the Settlement at the Final Approval Hearing currently set for 8:30 a.m. on **October 24, 2025**, in Department S26 - SBJC of the Superior Court of California, County of San Bernardino, located at the San Bernardino Justice Center, 247 West Third Street, San Bernardino, CA 92415-0210. If you submit a written objection, you are not required to appear, either personally or through counsel, at the Final Approval Hearing in order for your written objection to be considered. You may object to the Settlement only if you do NOT submit a Request for Exclusion.

You do not have the right to object to the PAGA Settlement, whether or not you object to the Class Settlement.

**If you have questions, please contact the Settlement Administrator at
888-832-9220 or info@GutierrezWageSettlement.com.**

2. **You can dispute the number of your Pay Periods:** A Notice of Pay Periods form is attached as Form A to this Notice. It provides your number of Pay Periods during the Settlement Period according to Defendant's records. If you do not agree with the number of your Pay Periods shown on the form, you may dispute the number by completing the Notice of Pay Periods form and mailing it to the Settlement Administrator by **August 30, 2025**.

3. **You can do nothing:** You can do nothing. If you do nothing, you will be bound by the proposed Settlement terms, and you will be entitled to receive a Class Settlement Award as described above.

To the extent you are a PAGA Group Member, you will receive a PAGA Settlement Award, regardless of whether you exclude yourself from the Class Settlement, object to the Class Settlement, dispute the number of your Pay Periods, or do nothing.

What claims am I releasing by participating in the Class Settlement?

In exchange for the consideration given by Defendant in the proposed Settlement, all Class Members who do not opt out of the Class Settlement (the Settlement Class Members) will expressly release, waive and relinquish, and will be deemed to have released, waived and relinquished, all Released Claims against all Released Parties. The State of California, by and through Plaintiff Chan as its agent and proxy, will expressly release, waive, and relinquish, and will be deemed to have released, waived, and relinquished, all Released PAGA Claims against all Released Parties. All PAGA Group Members (whether they are a Settlement Class Member or not) will be barred from pursuing recovery of any civil penalties, as agents or proxies of the State of California, for any of the Released PAGA Claims.

"Released Claims" means all claims, debts, liabilities, demands, obligations, damages, and actions or causes of action of any kind, including wage and hour claims related to allegations of employee misclassification and failure to reimburse business expenses, arising before or on the end date of the Settlement Period and that were alleged in the Original Complaint, the Complaint, the First Amended Complaint, and the Second Amended Complaint or any of the PAGA Notices or could have reasonably been alleged against any of the Released Parties based on the facts alleged in any of the Complaints or any of the PAGA Notices. Specifically, for the Settlement Class Members of the Alleged Misclassification Class, released claims include, without limitation, claims under Labor Code sections 201–203, 204, 226, 226(a), 226(e), 226.7, 510, 512, 1194, and 2698 et seq.; Business and Professions Code section 17200 et seq.; and Code of Civil Procedure section 1021.5. For the Settlement Class Members of the Alleged Reimbursement Class, released claims include, without limitation, claims under Labor Code sections 2802 and any derivative claims; Business and Professions Code section 17200 et seq.; and Code of Civil Procedure section 1021.5.

"Released PAGA Claims" means all claims that were or could have been asserted pursuant to PAGA arising out of or related to the Released Claims arising before or on the end date of the PAGA Period. Specifically, for the Alleged Misclassification PAGA Group, released PAGA claims include those based on, without limitation, alleged violations of Labor Code sections 201–203, 204, 226, 226(a), 226(e), 226.7, 510, 512, 1194, and 2698 et seq. For the Alleged Reimbursement PAGA Group, released PAGA claims include those based on, without limitation, alleged violations of Labor Code section 2802 and any derivative Labor Code claims. The Released PAGA Claims are released by both the State of California and the PAGA Group Members as part of this Settlement.

"Released Parties" means Defendant; each of its respective present, former, or future parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors, and assigns; each of its respective present, past, or future officers, directors, employees, partners (both general and limited), shareholders, agents, attorneys, insurers, and any other successors, assigns, or legal representatives; and any other individual or entity which could be liable for any of the Released Claims or Released PAGA Claims.

All Settlement Class Members intend and are deemed to intend that this Settlement shall be effective as a bar to any and all Released Claims against any and all Released Parties.

The Settlement Class Members further agree not to sue or otherwise make a claim against any of the Released Parties arising out of or related to any of the Released Claims. The Settlement Class Members further agree that their release, waiver, and relinquishment of the Released Claims shall preclude them from participating in any judgment or settlement of claims that are the subject of any of the Released Claims in any other class, collective, or representative action.

All PAGA Group Members (whether a Settlement Class Member or not) shall be barred from bringing, joining, or otherwise participating in a PAGA representative action or otherwise making, joining, or otherwise participating in a claim against any of the Released Parties for any of the Released PAGA Claims. The State of California shall be barred from pursuing recovery of any civil penalties from any of the Released Parties for any of the Released PAGA Claims.

**If you have questions, please contact the Settlement Administrator at
888-832-9220 or info@GutierrezWageSettlement.com.**

When is the next Court hearing?

A Final Approval Hearing will be held before the Honorable Christian Towns in Department S26 - SBJC of the Superior Court of California, County of San Bernardino, located at the San Bernardino Justice Center, 247 West Third Street, San Bernardino, CA 92415-0210, on **October 24, 2025**, at 8:30 a.m. to determine whether the Settlement is fair, reasonable, and adequate. Judge Towns will be asked to approve the plan for distributing the Class Settlement Awards, the Fee and Expense Award to Class Counsel, the General Release Payments to the Plaintiffs, the PAGA Settlement Amount, and payment to the Settlement Administrator for its services. A motion for final approval of these items should be on file with the Court no later than October 2, 2025, and will be available for review after that date. This hearing may be continued without further notice to Class Members. It is not necessary for you to appear at this hearing.

What if I need more information?

Capitalized terms in this Notice have the same meaning they are given in the Class and PAGA Settlement Agreement and Release (“Agreement”), filed with the Court on May 19, 2025, as an attachment to Plaintiffs’ Counsel’s Declaration in support of Motion for Preliminary Approval of Class Action Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed Agreement and the Preliminary Approval Order, which is also on file with the Court. You may access key documents filed in this case by visiting the case website maintained by the Settlement Administrator at GutierrezWageSettlement.com. You may also access documents filed in this case by visiting sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales. To navigate to the filed documents, you will need to click on “Accept” at the bottom of the page, which will redirect you to the Court Access Portal page. From the Court Access Portal page, you will need to click on “Search” and then click on “CASE INFORMATION” from the drop-down menu. You may then search for filings by entering the case number located at the top of this Notice into the “CASE NUMBER SEARCH” query. If you have any questions, you can contact the Settlement Administrator at 888-832-9220.

You can also contact Class Counsel at:

HammondLaw, P.C.
 Julian Hammond (SBN 268489)
jhammond@hammondlawpc.com
 (310) 601-6766
 Polina Brandler (SBN 269086)
 (310) 810-3246

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT.

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