

**NOTICE OF SETTLEMENT FOR NYC FIRE
PROTECTION INSPECTORS
FROM THE
UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

DARRYL CHALMERS, DARREN CONNORS,)	
GLENN MENDEZ, JAMES NOVA, FATIMA)	
Q. ROSEMOND, and AFSCME DISTRICT)	Civil No. 20-cv-03389 (AT)
COUNCIL 37 LOCAL 2507,)	
)	CLASS ACTION
Plaintiffs,)	
)	
And)	
)	
BRANDEN BOWMAN and SEBASTIAN)	
STACK,)	
)	
Intervenors-Plaintiffs,)	
v.)	
)	
CITY OF NEW YORK,)	
)	
Defendant.)	
)	

TO: «fname» «lname» «MailID»
 «address» «address_2»
 «City», «State» «Zip»
 «Country»

YOU, «FirstName» «LastName», ARE RECEIVING THIS NOTICE BECAUSE YOU WORKED AS A FIRE PROTECTION INSPECTOR OR ASSOCIATE FIRE PROTECTION INSPECTOR BETWEEN MAY 1, 2017 AND NOVEMBER 26, 2024. A PROPOSED CLASS ACTION SETTLEMENT WILL AFFECT YOUR RIGHTS IF IT IS APPROVED.

THE ESTIMATED AMOUNT OF YOUR DAMAGES CLASS AWARD IS «DamagesAward».

YOUR PAY ADJUSTMENT AWARD IS \$«PayAdjustmentRate» PER HOUR. IF YOU WORK 3,045 HOURS BETWEEN 9-1-23 AND 2-14-25 WITHOUT OVERTIME, THE AMOUNT WILL BE \$«TotalPayAdjustmentAward».

*A federal court has authorized this Notice.
This is not a solicitation from a lawyer.*

Please read this Notice carefully and fully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
Do Nothing	<p>Receive money and give up certain rights.</p> <p>You are eligible for a monetary award from the City. By accepting your award, you will give up your right to sue the City for the claims raised in this case during the relevant time period.</p>
Ask to Be Excluded (Opt Out)	<p>If you ask to be excluded (opt-out), then you will not receive money through this Action, but you keep any rights to pursue race discrimination in pay claims against the City.</p> <p>There are two classes in this action, one covering the period through August 31, 2023 (the “Damages Class”), and the other covering the period from September 1, 2023, through February 14, 2025 (the “Pay Adjustment Class”). The cover page shows if you are a member of one class or both. If you are a member of both classes, you may opt out of one or both classes.</p> <p>You must submit your request to opt out by February 14, 2025.</p>
Object/Comment	<p>If you wish to object/comment on the Settlement, then you may write to the Court about why you think the Settlement is fair or unfair to the classes.</p> <p>You must submit your objections or comments by February 14, 2025. If you object or comment in writing by the deadline, you also may, if you wish, speak at the final fairness hearing.</p>

1. Purpose of this Notice

This Notice informs you about this litigation, the certification of two classes that you might belong to (the “Classes”), the terms of the proposed Settlement, and your rights in connection with a hearing to be held before the Court on March 17, 2025.

2. The History of the Lawsuit and Settlement

Five current and former FDNY fire protection inspectors and associate fire protection inspectors (together “FPIs”), who are the “Damages Class Representatives” in this lawsuit, together with Local 2507, brought this lawsuit. The Damages Class Representatives – Darryl Chalmers, Darren Connors, Glenn Mendez, James Nova, and Fatima Rosemond – claim that the City pays FPIs less than its building inspectors at the Department of Buildings even though FPIs and construction building inspectors do substantially similar work. The Damages Class Representatives contend that the City has paid FPIs less than construction building inspectors because FPIs are primarily people of color. They also claim that, regardless of the City’s intent, its policies have had an adverse impact on people of color.

The lawsuit was filed on May 1, 2020. The City moved to dismiss the claims. The Court initially denied most of the City’s motion but granted the City’s motion to dismiss the claims of white FPIs. After the Plaintiffs amended their complaint, however, the Court ruled that the white FPIs could proceed with their claims of associational discrimination as well.

Subsequently, on September 19, 2022, the Court approved the Damages Class Representatives’ proposed class of FPIs and subclass of FPIs of color. The classes consisted of all people employed as FPIs at any time between May 1, 2017, and the date of class certification.

Settlement discussions began shortly after the class certification ruling. The parties engaged Robin Gise, Esq., of JAMS, to mediate their settlement discussions. Over the ensuing ten months, they exchanged information and engaged in six in-person and many virtual mediation sessions, as well as telephonic and email communications.

The parties signed a Stipulation of Settlement on August 30, 2023. It would have created two classes: a Damages Class for FPIs who worked for FDNY prior to August 31, 2023, and a Pay Adjustment Class for FPIs who were still working for FDNY or began working for FDNY between September 1, 2023, and August 31, 2024.

The Court declined to approve that settlement. The Court ruled that the Damages Class Representatives and their lawyers had a conflict in representing members of both classes.

As a result, two FPIs who are only members of the Pay Adjustment Class – Branden Bowman and Sebastian Stack – have become representatives of the Pay Adjustment Class and engaged a different set of lawyers than the lawyers representing the Damages Class.

The parties signed a Revised Stipulation of Settlement on July 18, 2024. The Pay Adjustment Class differs from the class in the earlier settlement in several ways, including covering FPIs who

have been employed between September 1, 2023, and February 14, 2025. The Pay Adjustment period has been lengthened by five and a half months.

The City denies that race and color had any impact on or factor into FPIs being paid less than building inspectors and asserts that it did nothing wrong. By entering into the revised settlement, the City does not admit any wrongdoing or liability.

The Court has not determined and, if the revised settlement is finally approved, will not determine whether the City illegally discriminated against FPIs. Instead of deciding the merits of the parties' claims and defenses, the Court's role is to determine whether the revised settlement is fair, adequate, and reasonable to the proposed classes.

The Court has reviewed the revised settlement and has preliminarily approved it as being fair, adequate, and reasonable. After receiving any responses from proposed class members to this notice, the Court will decide whether to finally approve the revised settlement at a hearing March 17, 2025

3. Class Definitions

The Settlement identifies two classes. The Damages Class consists of all people who were FPIs at any time between May 1, 2017, and August 31, 2023. The Pay Adjustment Class consists of all people who have been or will be FPIs between September 1, 2023, and February 14, 2025 ("Pay Adjustment Period"), except that persons who are attending the Fire Protection Academy during the Pay Adjustment Period must graduate before becoming a Pay Adjustment class member.

The City's records show that you are a member of one or both classes and you have legal rights and options that you may exercise before the Court decides whether to finally approve the Settlement.

4. Summary of Settlement Terms

A. Forms of Relief for FPIs

The Settlement provides two types of relief for FPIs: monetary awards and a joint labor-management committee.

i. Monetary Awards

The City will pay \$29,907,500 into a settlement account called a Qualified Settlement Fund ("QSF"). Subject to Court approval, distributions will be made from the QSF to pay awards to the Damages Class members and Pay Adjustment Class Members, service awards to Class Representatives, fees and expenses to Damages Class Counsel, and fees and expenses associated with the administration of the Settlement.

The parties anticipate that awards will be made in the summer of 2025. The exact timing will depend partly on how long it takes the New York City Employee's Retirement System ("NYCERS") to calculate Settlement Class Members' pension contributions from their awards.

You do not need to take any action to receive your awards.

Damages Class Awards. Damages Class members will receive monetary awards based on a formula contained in section IV.5 of the Revised Stipulation of Settlement. The formula takes into account whether you were an FPI as of June 30 of each year from 2005 through 2023, what title you had at that time (new hire, incumbent FPI, AFPI I, AFPI II, or AFPI III), the difference between the average pay of FPIs at your level and the average pay of comparable construction inspectors in the Department of Buildings in that year, and the effects of interest you could have earned. The formula discounts the differences between average FPI and average construction building inspectors before 2016 because of the increasing risk that old claims may be rejected. Finally, the formula establishes a minimum award of \$500.

The estimated amount of your Damages Class award is stated on the cover page of this notice. The amount may be increased if the Court reduces the requested service awards, Class Counsel fees, or expenses, or if other class members opt out. It also could be increased or decreased based on events affecting the total amount of pay adjustment awards.

Your damages award is allocated between back wages and interest based on the year you became an FPI. The longer you have been an FPI, the greater the percentage of your award allocated to interest. The percentage allocated to interest for each FPI start year is shown in paragraph IV.9 of the Revised Stipulation of Settlement.

The backpay portion of your award is “pensionable,” that is, it will be counted toward your pension as a City employee. The City and you will make payments to the pension fund just as happens for any other wages. The City also will pay the employer’s share of employment taxes. Your share of employment taxes will be deducted from your award and your estimated income tax liability on the award will be withheld.¹ If the withholding is inadequate, you will be responsible for payment of additional income taxes, just as with any other wage payment.

The interest portion of your award is not “pensionable.” Neither you nor the City will pay employment taxes for the interest portion of your award. No money will be withheld for income tax liability, but you will be responsible for payment of income taxes on the award.

Pay Adjustment Class Awards. Pay Adjustment Class members will receive pay adjustment awards from the settlement account for the period from September 1, 2023, through February 14, 2025.

The pay adjustment hourly rates are based on the differences between the average salaries of FPIs in 2023 and the average salaries of corresponding levels of construction building inspectors, although the adjustment awards for new hires and incumbents are altered to maintain the 15% differential between new hire and incumbent pay. The awards for new hires begin only after they graduate from the FPI Academy. The table below sets out FPIs’ current average salaries, their adjustment award rates, and the total of their salaries plus adjustment award rates:

¹ Tax withholding from both Damages and Pay Adjustment Awards shall take place at the single zero rate. Should you want a different withholding rate, you may contact the Administrator at (833) 419-0976 or claims@ssiclaims.com to address submitting a W-4.

<u>Title</u>	<u>Current Average Salary</u>		<u>Adjustment Award Rates</u>		<u>Totals</u>	
	<u>Per Hour</u>	<u>Annual</u>	<u>Per Hour</u>	<u>Annual</u>	<u>Per Hour</u>	<u>Annual Salary + Adjustment Award</u>
New Hire	\$24.97	\$52,137.36	\$2.15	\$4,489.20	\$27.12	\$56,626.56
Incumbent	\$28.71	\$59,946.48	\$2.47	\$5,157.36	\$31.18	\$65,103.84
AFPI I	\$32.07	\$66,962.16	\$1.65	\$3,445.20	\$33.72	\$70,407.36
AFPI II	\$35.94	\$75,042.72	\$1.85	\$3,862.80	\$37.79	\$78,905.52
AFPI III	\$39.89	\$83,290.32	\$.35	\$ 730.80	\$40.24	\$84,021.12

The final amount of your Pay Adjustment Class award is not yet known because it will depend on factors such as the amount of overtime you work during the Pay Adjustment Period and whether you work less than the full 17 and one-half months as an FPI, for example if you take unpaid leave or retire. If you work all 17 and one-half months without any overtime or any unpaid leave, your award (subject to withholdings as discussed below) will be the amount of the hourly adjustment times 3,045 hours. That is the figure shown on the first page.

But the figure on the first page could be far too high if you work less than 17 and one-half months or far too low if you work a lot of overtime. The amount you receive will be based on your actual work record.

You will have an opportunity to object if you believe that the City’s records are incorrect concerning your hours worked or overtime.

Unlike the Damages Class award, the entire Pay Adjustment Class award will be treated as wages, not wages and interest. As such, the entire award is “pensionable.” The City will pay the employer’s share of employment taxes. Your share of employment taxes will be deducted from your award and your estimated income tax liability on the award will be withheld. If the withholding is inadequate, you will be responsible for payment of additional income taxes, just as with any other wage payment.

ii. Labor-Management Committee

The Settlement Agreement also establishes a labor-management committee. The committee will address issues of concern to FPIs in Local 2507. The committee will work to ensure that FPIs are treated with a level of respect that matches their meaningful contributions to the FDNY and the City.

B. Release of Claims

If you are a Settlement Class member and do not “opt out” of the Settlement, you will release claims that the City discriminated in pay against you as an FPI because FPIs were primarily people

of color. The release covers the period from the later of July 1, 2004, or your start date, until the earlier of your last date as an FPI or February 14, 2025. The back of any check that you receive will reaffirm your release. You are not releasing any other types of claims against the City.

5. Class Counsel

Damages Class Members are represented in this litigation by Michael Lieder and Cyrus Mehri of Mehri & Skalet PLLC and Robert J. Valli, Jr. Sara Wyn Kane, and Matthew Berman of Valli Kane & Vagnini LLP:

Mehri & Skalet, PLLC

2000 K Street NW, Suite 325
Washington, DC 20006
Phone: (202) 822-5100

Valli Kane & Vagnini LLP

600 Old Country Rd., Suite 519
Garden City, NY 11530
Phone: (516) 203-7180

Pay Adjustment Class Members are represented in this litigation by Walter Meginniss, Jessica Harris, and Max Utzschneider of Gladstein, Reif & Meginniss, LLP:

Gladstein, Reif & Meginniss, LLP

39 Broadway, Suite 2430,
New York, NY 10006
Phone: (212) 228-7727

Unless you exclude yourself from the Settlement, Class Counsel will continue to represent you in implementing the Settlement at no cost to you. If you wish, you may retain your own attorney at your own expense.

Damages Class Plaintiffs have asked the Court to award Damages Class Counsel attorneys' fees of \$8,250,000, which is 30% of the settlement amount less the amount estimated to be paid to Pay Adjustment Class members (\$2,600,000). Damages Class Plaintiffs also have asked the Court to award Damages Class Counsel \$250,000 to reimburse the expenses they incurred litigating this case through October 2023. Damages Class Counsel have been working on this matter since 2019. They have not received any compensation for their services or reimbursement of their out-of-pocket expenses during the almost five years since then. The fees and expenses that the Court awards will be paid from the Settlement Fund and deducted from the total settlement amount.

Pay Adjustment Plaintiffs have asked the Court to award Pay Adjustment Counsel attorneys' fees of \$[REDACTED] and an additional award of \$[REDACTED] to reimburse expenses they have incurred. If granted, the City would pay these amounts in addition to the \$29,907,500 described above. Pay Adjustment Counsel have been working on this matter since January 2024.

You will not be required to pay Class Counsel any additional fees or expenses from your award.

The Court will determine whether each request for fees and reimbursement of expenses is fair and reasonable. You may object to or comment on the awards sought for each group of lawyers.

6. Service Awards to Class Representatives

Since the case was filed, the five Damages Class Representatives – Darryl Chalmers, Darren Connors, Glenn Mendez, James Nova, and Fatima Rosemond – have advocated for FPIs. The two Pay Adjustment Class Representatives – Branden Bowman and Sebastian Stack – stepped forward in 2024. Frequently in class cases, class representatives receive “service awards,” which are payments in addition to any amounts they may receive as class members because they have devoted substantial time and effort to the investigation and litigation of the claims and have faced possible retaliation for their roles in the litigation. In this case, each Damages Class Representative has spent scores of hours speaking with Class Counsel before the case was filed, answering the written discovery requests of the City, preparing for and being deposed, reviewing and responding to updates from Class Counsel, providing information to Class Counsel on their own initiative, and/or participating in multiple mediation and settlement meetings.

The Class Representatives seek service awards from the settlement account in the amounts of \$20,000 for Mr. Chalmers, \$15,000 apiece for each of the other four Damages Class Representatives, and \$2,500 apiece for the two Pay Adjustment Class Representatives. In addition, they seek a \$10,000 service award for class member Michael Reardon, who has devoted many hours of time in communicating with Class Counsel throughout the litigation and in participating in the settlement meetings. The requested service awards total \$95,000.

7. Settlement Hearing

The Honorable U.S. District Court Judge Analisa Torres will decide whether to approve the settlement after a hearing to be held on March 17, 2025, at 10:00 a.m. at the United States District Court for the Southern District of New York, Courtroom 15D, Daniel Patrick Moynihan Courthouse, 500 Pearl St., New York, NY 10007-1312. The Court will determine whether the settlement is fair, reasonable, and adequate. If the Court approves the settlement, it will enter a judgment concluding the litigation.

At the hearing, the Court also will rule on the motions for fees and expenses for Class Counsel and service awards for the Class Representatives.

You are not required to appear at the hearing. Class Counsel and Class Representatives will appear at the hearing on behalf of all Settlement Class Members at no cost to you. But if you would like to comment on or object to any aspect of the Settlement, you may be heard at the hearing, either by yourself or through a privately paid attorney. Information about how to comment on or object to the settlement is included below. If the Court approves this settlement, the Court’s judgment will be final and bind all Settlement Class Members who have not opted out, subject to the right of any class members who objected to the settlement to appeal.

8. How to Proceed: Your Options

You may take three actions. You can: (A) do nothing, (B) opt out and exclude yourself from either or both class(es), and/or (C) object to or comment on the settlement.

A. Do Nothing

If you do nothing and the Court approves the settlement, you will receive the benefits associated with the class(es) of which you are a member. The parties anticipate that class members will receive their payments in the summer of 2025. If you are a member of both classes, you will receive two checks, one for each class. You will also release your claims as set forth in section 4.B above.

B. Opt Out: How Do I Exclude Myself from a Settlement Class?

You may request to opt out, or be excluded, from either or both Settlement Classes. If you opt out from a class, you will not be eligible for any award attributable to that class nor will you release your discrimination claims covered by that class.

To be excluded from this case, on or before February 14, 2025, you must email an opt-out request to the claims administrator, Settlement Services, Inc. (“SSI”), at claims@ssiclaims.com, or mail it to SSI at Chalmers v. City of New York Administrator, c/o SSI, an Epiq Company, P.O. Box 2715, Portland, OR 97208-2715. Any request to opt-out must be signed and include your name, address, telephone number, and email address, state that you wish to opt-out of *Chalmers et al v. City of New York*, No. 20-cv-03389 (AT) (S.D.N.Y.), and which Class you are opting out of. A mailed opt-out request must be dated and signed.

Class Members who submit timely and valid requests for exclusion will have no right to object to the settlement in Court and will no longer be represented by Class Counsel.

C. Comment on or Object to the Settlement and, If You Wish, Speak at the Hearing

Class Members may object to or otherwise comment in writing on the settlement and the objection or other comment will be considered by the Court in deciding whether to approve the settlement. This statement must be signed, include your name, address, telephone number, and email address, and include the name and number of this case (*Chalmers et al v. City of New York*, No. 20-cv-03389 (AT) (S.D.N.Y.)). To be considered, on or before February 14, 2025, you must email the statement to SSI at claims@ssiclaims.com or mail it to SSI at Chalmers v. City of New York Administrator, c/o SSI, an Epiq Company, P.O. Box 2715, Portland, OR 97208-2715.

You need not speak at the hearing for your written objection or comments to be considered by the Court, but you may speak if you wish. To speak at the hearing, you must state in your written objection or comment that you desire to speak or to have an attorney you may retain at your own expense speak on your behalf. If you intend to have an attorney make your comments or objections, your attorney must file a Notice of Appearance with the Court and serve copies by mail to Class Counsel and Defendants’ counsel by February 14, 2025.

9 Retaliation

The City may not retaliate against you or any other Class Member for participating in this case.

10. Getting More Information

If you have questions about the notice generally, please contact the Administrator at 1- (833) 419-0976 or for more substantive questions about the terms affecting the Damages Class, you can get free help by writing to Damages Class Counsel at the addresses above or by emailing mlieder@findjustice.com or calling Michael Lieder at (301) 938-8668. For more substantive questions about the terms affecting the Pay Adjustment Class, you can get free help by writing to Pay Adjustment Class Counsel at the address above or by emailing jharris@grmny.com or calling Jessica Harris at (212) 228-7727.

This Notice only summarizes the terms of the settlement. For further information, the following documents are or will be made available for review at www.fpisettlement.com: the amended complaint in this case filed by the Damages Plaintiffs, the complaint-in-intervention filed by the Pay Adjustment Plaintiffs, the Revised Stipulation of Settlement (which includes the complete terms of the settlement), a timeline of deadlines under the settlement, the motion for preliminary approval of the settlement and supporting papers, the revised motion for payment of service awards and supporting papers, the motions for payment of attorneys' fees and reimbursement of expenses and supporting papers, the City's objection (if any) to the motions for attorneys' fees and expenses, Plaintiffs' motion for final approval of the settlement, and any orders that the Court may issue regarding the settlement.

PLEASE DO NOT CALL OR CONTACT THE COURT, THE OFFICE OF THE CLERK OF COURT, OR THE FDNY WITH QUESTIONS REGARDING THIS NOTICE.

Dated: December 16, 2024

The Honorable Analisa Torres
United States District Court Judge
United States District Court for the
Southern District of New York