

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL

**If you have been a non-exempt employee of Arrowhead Products Corporation,
you may be entitled to receive money from a class action settlement.**

*The Superior Court of the State of California for Orange County authorized this notice.
This is not a solicitation from a lawyer.*

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this Notice because the Court has preliminarily approved a proposed settlement in a class action filed on behalf of all non-exempt employees of Defendant Arrowhead Products Corporation (“Defendant” or “Arrowhead”) who worked for Defendant in California between December 29, 2013 and September 22, 2019. The proposed settlement will resolve all Released Claims (defined below) against Defendant. A hearing addressing the fairness, adequacy, and reasonableness of the settlement will be held on May 21, 2020 at 2:00 p.m. to determine whether the settlement should receive the Court’s final approval.

If you are a member of the settlement class, you will receive a settlement payment and will be bound by the terms of the release described below, unless you properly submit a timely Request for Exclusion from the settlement (described below). This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement. If you do not want to be part of the settlement class, then you must submit a Request for Exclusion (described below) no later than April 2, 2020 otherwise you will be bound by the terms of the settlement.

1. PURPOSE OF THIS NOTICE

The Court has ordered that this Notice be sent to you because you have been identified as a member of the class based on Defendant’s records. The purpose of this Notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

2. PERSONS ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

All members of the “Class” are eligible to receive a settlement payment. The Class is comprised of all individuals who were employed by Arrowhead in California as non-exempt employees at any time(s) between December 29, 2013 and September 22, 2019. Individual members of the Class are referred to as “Class Members.”

3. DESCRIPTION OF THE LAWSUIT

One former and one current employee of Arrowhead are Plaintiffs in a class action lawsuit filed against Arrowhead in the Orange County Superior Court. The case is called *Centino v. Arrowhead Products Corporation*, Case No.: 30-2018-00988493 (the “Action”). The Action alleges that Plaintiffs and other non-exempt employees of Defendant were not paid for all of their work, were not paid all overtime amounts due to them at the correct overtime rate, were not provided with compliant meal and rest breaks, were not provided compliant wage statements, were not paid all amounts due at separation, and were not paid for all accrued vacation pay at termination. Based on these facts and others, Plaintiffs’ Second Amended Complaint (the “Complaint”) alleges causes of action for: (1) failure to pay wages for all work performed; (2) failure to pay overtime; (3) failure to provide compliant meal and rest breaks; (4) failure to provide accurate wage statements; (5) failure to provide final wages; (6) failure to pay accrued vacation at termination; (7) unfair business practices; and (8) recovery of civil penalties under the Labor Code Private Attorneys’ General Act (“PAGA”).

Throughout the litigation, Arrowhead has denied and continues to deny all of Plaintiffs’ allegations and denies any wrongdoing. Arrowhead maintains that it correctly paid employees for all regular and overtime worked and otherwise complied with all applicable California employment laws. Although Arrowhead continues to deny that it violated any laws, it has agreed to a settlement in order to resolve this action without incurring further disruption or expenses from continued litigation.

FOR MORE INFORMATION CALL 1-800-523-5773.

The Court never made any ruling regarding the merits of the claims asserted by Plaintiffs on behalf of themselves and others in the Action, nor did it rule on Arrowhead's asserted defenses. Based on the settlement agreement entered into by and between Arrowhead and Plaintiffs, the Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for May 21, 2020 at 2:00 p.m. (the "Final Approval Hearing").

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

Attorneys representing Plaintiffs and the Class ("Class Counsel") are:

Aaron C. Gundzik Rebecca Gundzik Gundzik Gundzik Heeger LLP 14011 Ventura Blvd., Suite 206E Sherman Oaks, CA 91423 Telephone: (818) 290-7461 Facsimile: (818) 918-2316	Jonathan M. Lebe Lebe Law, a Professional Law Corporation 777 S. Alameda Street, Second Floor Los Angeles, CA 90021 Telephone: (310) 921-7056 Facsimile: (310) 820-1258
	Rodney Mesriani Mesriani Law Group, a Professional Law Corporation 5723 Melrose Avenue, Second Floor Los Angeles, CA 90038 Telephone: (310) 921-7050 Facsimile: (310) 820-1258

Attorneys representing Arrowhead are:

Kate Gold Philippe A. Lebel Proskauer Rose LLP 2029 Century Park East, Suite 2400 Los Angeles, CA 90067-3210 Telephone: (310) 284-5623 Facsimile: (310) 557-2193
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5. THE TERMS OF THE PROPOSED SETTLEMENT

The following is a summary of the settlement. The specific and complete terms of the proposed Settlement are stated in the Stipulation of Class Action Settlement ("Settlement Agreement"), a copy of which is filed with the Court. You can also obtain a copy of the Settlement Agreement from Class Counsel (see contact information in Section 4 above) or review it on the following website: <http://www.phoenixclassaction.com/centino-v-arrowhead/>

Arrowhead has agreed to pay the gross amount of \$1,800,000.00 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the "Gross Settlement Amount." As discussed below, the Gross Settlement Amount will be used to cover all payments to the Class, settlement administration costs, attorneys' fees and costs, service and release awards to the Plaintiffs, and funds owed to the State of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the "Net Settlement Amount") will be distributed to Class Members who do not timely submit Requests for Exclusion, as discussed below.

- (a) Attorneys' Fees and Costs: Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$600,000 (*i.e.*, 1/3 of the Gross Settlement Amount) to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed \$15,000. Subject to court approval, the attorneys' fees and costs will be deducted from the Gross Settlement Amount. Any portion of the above amounts requested by Class Counsel that are not approved by the court will become part of the Net Settlement Amount and will be paid to Class Members who do not timely submit a Request for Exclusion.

(b) Service and Release Awards: The two Plaintiffs are requesting service and release awards of up to \$7,500 each for a total of up to \$15,000, in addition to the amount Plaintiffs will receive as members of the Class, to compensate them for undergoing the burden and expense of prosecuting the action, and for the broader release of claims they are providing to Defendant. Subject to court approval, the service and release awards will be deducted from the Gross Settlement Amount. Any portion of the above amounts that are not approved by the court will become part of the Net Settlement Amount and will be paid to Class Members who do not timely submit a Request for Exclusion.

(c) Settlement Administration Costs: The Settlement Administrator, Phoenix Class Administration Solutions, has advised the parties that the settlement administration costs will not exceed \$15,000. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.

(d) Payment to State of California: A total of \$50,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes civil penalties to the State for alleged violations of the California Labor Code pursuant to Plaintiffs' PAGA cause of action (the "PAGA Amount"). If approved by the Court, \$37,500 (75%) will be paid from the Gross Settlement Amount to the California Labor & Workforce Development Agency ("LWDA"). The remaining 25% of the PAGA Amount, which is \$12,500, will be distributed to Class Members as part of the Net Settlement amount discussed below.

(e) Payments to Settlement Class Members: The Net Settlement Amount will be distributed to Class Members who do not timely submit a valid Request for Exclusion (*i.e.*, who do not exclude themselves from the settlement); these individuals are referred to as "Settlement Class Members" or collectively as the "Settlement Class." The amount of each Settlement Class Member's share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks worked by the Class Member between December 29, 2013 and September 22, 2019 by the total number of qualifying workweeks worked by all Settlement Class Members between December 29, 2013 and September 22, 2019 and multiplying that fraction by the Net Settlement Amount. A qualifying workweek is the number of calendar days worked for Defendant in an hourly, non-exempt position between December 29, 2013 and September 22, 2019, excluding days on leave of absence (if any), divided by seven (7) and rounded up to the nearest whole workweek.

6. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant's records, you worked a total of <> qualifying workweeks between December 29, 2013 and September 22, 2019. Under the settlement, it is presently estimated that you will receive approximately <>. This amount may increase or decrease based on various factors, including the number of Class Members who submit Requests for Exclusion, the amounts approved by the Court for attorneys' fees and costs, settlement administration costs, service and release awards to Plaintiffs, payment to the LWDA, and disputes by other Class Members regarding their qualifying workweeks. To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.

7. PAYMENT SCHEDULE AND TAX ALLOCATION

The Settlement Administrator will send out settlement checks to Settlement Class Members after the settlement is finally approved by the court. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise it will be voided and the amount of your settlement payment will be sent to the California State Controller's Office Unclaimed Property Fund in your name and you will need to contact that agency to obtain your funds.

For tax purposes, one-third of your settlement payment shall be attributed to wages and reported on a W-2 form; the remaining two-thirds will be attributed to interest and penalties. The amount of interest and penalties will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

It is expressly understood and agreed that the receipt of settlement payments shall not entitle any Settlement Class Member to additional compensation or benefits under any agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the settlement, nor shall it entitle any Settlement Class Member to any increased pension and/or retirement, or other deferred compensation benefits.

FOR MORE INFORMATION CALL 1-800-523-5773.

8. RELEASE OF CLAIMS

Unless you submit a valid Request for Exclusion (described below) by April 2, 2020, you will release Arrowhead and all of its parent, subsidiary, affiliated or related companies and entities and any successor(s), as well as its/their officers, directors, investors, owners, shareholders, employees, partners, agents, and attorneys, and any entities or partnerships with which they are affiliated from all claims pled in the Complaint or that could have been pled in the original Complaint, the First Amended Complaint and/or the Second Amended Complaint, deriving from, arising out of, and/or based on the facts alleged in the original Complaint, the First Amended Complaint and/or the Second Amended Complaint during the Class Period, whether known or unknown, including claims for wages, penalties, interest, attorneys' fees and/or costs, for: (1) violation of Labor Code section 204 and the IWC Wage Order(s) for untimely payment of wages during employment; (2) violation of Labor Code section 510 for failure to pay overtime; (3) violation of Labor Code sections 226.7 and 512(a) for failure to provide meal and rest breaks; (4) violation of Labor Code section 226(a) for failure to provide accurate itemized wage statements and/or maintain required records; (5) violation of Labor Code sections 201-203 for failure to timely pay wages upon termination or resignation; (6) violation of Labor Code section 227.3 for failure to pay accrued vacation wages upon termination; (7) violation of Business and Professions Code section 17200 et seq.; and (8) PAGA penalties for alleged violations of Labor Code sections 201-204, 226, 226.7, 227.3, 246, 247.5, 248.5, 256, 510, 512, 558, and 2810.5. This release is for conduct occurring from December 29, 2013 through September 22, 2019. The claims and liability covered by this release are referred as the "Released Claims."

9. YOUR FOUR OPTIONS

As a Class Member, you have four options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

(a) Option One: You Can Do Nothing.

If you do nothing, you will be a member of the Settlement Class and will receive a settlement payment. As a Settlement Class Member, you also will be bound by the release of claims set forth in Section 8 above.

(b) Option Two: You Can Contest the Calculation of Your Settlement Payment as Stated in this Notice.

You can contest the number of qualifying workweeks that you worked identified in Section 6 above. To do so, you must provide the Settlement Administrator with a written explanation of why you believe you were not credited with the correct number of qualifying workweeks. The statement must also include your full name, current address and telephone number, and must identify this case (Case No.: 30-2018-00988493). You must provide written documentation supporting the number of qualifying workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than **April 2, 2020**. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. Ultimately, it will be up to the Settlement Administrator to determine the number of qualifying workweeks to credit you for; once it has made that determination, the Settlement Administrator will mail you its final determination. Thereafter, you will be a member of the Settlement Class and will receive a settlement payment. As a Settlement Class Member, you also will be bound by the release of claims set forth in Section 8 above.

(c) Option Three: You Can Exclude Yourself from the Settlement Class.

If you do not want to participate in this settlement and become a Settlement Class Member, you can request exclusion (i.e., opt out) by filling out and signing the enclosed Request for Exclusion form and sending it to the Settlement Administrator. The deadline to postmark a Request for Exclusion is **April 2, 2020**. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before the deadline, will not be valid. **IMPORTANT: RETURN THE ENCLOSED REQUEST FOR EXCLUSION FORM ONLY IF YOU DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT.**

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section 8 above; however, you will not receive any money under the settlement. You will also be barred from objecting to this settlement. By opting out of the settlement class, you will retain whatever rights or claims you may have against Defendant.

If you do not submit a timely and valid Request for Exclusion by the deadline specified above, then you will be bound by all terms and conditions of the settlement if it is approved by the court and by the judgment, and you will receive a settlement payment.

(d) Option Four: You Can Object to the Settlement.

If you do not submit a timely and valid Request for Exclusion, you may object to the settlement by sending your written objections to the Settlement Administrator at the address specified in Section 12 below. The deadline to postmark objections is **April 2, 2020**. Only Settlement Class Members (*i.e.*, Class Members who have not opted-out) may object to the settlement.

Your objection must state the basis of your objection and include any papers and briefs in support of your position. Your objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (Case No.: 30-2018-00988493).

If you object to the settlement and if the Court approves the settlement notwithstanding your objections, you will be bound by the terms of the settlement and be deemed to have released all of the Released Claims as set forth in Section 8 above, and you will not be permitted to file a Request for Exclusion. You will, however, receive a settlement payment from the Net Settlement Amount.

10. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release payments to Plaintiffs, and Class Counsel's request for attorneys' fees and costs, and other issues is presently scheduled for May 21, 2020 at 2:00 p.m., in Department CX102 of the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time or consult the court's website (<https://ocapps.occourts.org/civilwebShoppingNS/Search.do#searchAnchor>).

11. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a Class Member for participating in the settlement, for objecting to the settlement or for submitting a Request for Exclusion from the settlement.

12. ADDITIONAL INFORMATION.

This Notice only summarizes the Action and the parties' settlement. For more information, you may inspect the Court file at the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. Or, you can access the court file online at <http://www.occourts.org/online-services/case-access/>. From that page, click on the "Access Now" button next to "Civil Case & Document Access." On the page that loads next, click "Accept Terms." The next page will ask for Case Number. Insert "00988493" in the "Case Number" box. Click the "I am not a Robot" box and then click "Search." On the next page click on "Register of Actions," which will provide a list of all court filings to date in this case. To obtain any of the listed filings, click the box next to the name of the filing in the column labeled "Select." Next click on "Cart" and then "Checkout."

You may also review the settlement agreement and other documents on-line at <http://www.phoenixclassaction.com/centino-v-arrowhead/> or you may contact the Settlement Administrator as follows:

Centino v. Arrowhead Products Corp., c/o Phoenix Settlement Administrators, PO Box 7208, Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com
Website: <http://www.phoenixclassaction.com/centino-v-arrowhead/>

You may also contact Class Counsel at the address and telephone number provided in Section 4 above. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

FOR MORE INFORMATION CALL 1-800-523-5773.