

NOTICE OF CLASS SETTLEMENT

Brenda Torres, et al. v. California Rice Center, Inc.
Los Angeles County Superior Court, Case No. 20STCV18638

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

BASIC INFORMATION

1. Why did I receive this Notice?

A proposed class action settlement (the “Settlement”) is pending in the Los Angeles County Superior Court. The Settlement resolves a case against Defendant California Rice Center, Inc. (“Defendant”).

The purpose of this Notice of Class Settlement (“Notice”) is to briefly describe the case, and to inform you of your rights and options in connection with the proposed Settlement of this lawsuit.

AS A CLASS MEMBER, YOU MAY BE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE, UNLESS YOU TIMELY REQUEST TO BE EXCLUDED FROM THE SETTLEMENT.

You are receiving this Notice because you have been identified as a member of the Class and may be entitled to receive money from the Settlement.

2. What is this Settlement about?

A lawsuit was commenced by former employees of Defendant, Brenda Torres and Salvador Orozco (also known as “Plaintiffs”) on May 13, 2020. The case is currently pending in the Los Angeles County Superior Court, Case No. 20STCV18638.

The lawsuit claims that Defendant did not provide compliant meal and rest periods or premium pay in lieu thereof, did not properly pay employees all wages owed for time worked, did not provide accurate wage statements, did not timely pay all wages during employment or at termination of employment, did not maintain accurate records, and maintained unfair business practices. The lawsuit also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The lawsuit claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties and restitution.

Defendant denies all alleged violations, maintain that it complied with all state and federal laws, and denies that it has any liability to Plaintiffs, or to any of the Class Members, or to any of the individuals whom Plaintiffs sought to represent in the lawsuit. The Court has not made a ruling on the merits of the lawsuit. However, the parties have agreed to a settlement in order to avoid the expense and uncertainty of continued litigation.

3. Why is this a class action?

In a class action lawsuit, one or more people called the Class Representative (in this case the Plaintiffs), sue on behalf of people who may have similar claims (in this case all current and former hourly-paid and non-exempt employees who worked for Defendant within the State of California at any time from May 13, 2016 to and including July 7, 2021. All these people are referred to here as the Class or Class Members. In a class action, one court will resolve the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Los Angeles County Superior Court is in charge of this class action lawsuit.

4. Why is there a settlement?

The Court has not decided in favor of the Plaintiffs or Defendant. Rather, the Settlement is a compromise reached after a good faith, arms' length negotiation between Plaintiffs and Defendant, and is not an admission of liability on the part of Defendant. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate, and reasonable. Plaintiffs also believe that this Settlement is in the best interests of all Class Members. The Court has not ruled on the merits of Plaintiffs' claims or the Defendant's defenses.

The Settlement is memorialized in the Joint Stipulation and Class Settlement Agreement ("Agreement" or "Settlement"). On July 7, 2021, the Court granted preliminary approval of the Settlement, appointed the Plaintiffs as the Class Representatives, and appointed their attorneys at Payne & Nguyen, LLP, as counsel for the Class ("Class Counsel").

WHO IS IN THE SETTLEMENT?

5. How do I know if I am part of the Settlement?

You are part of the Settlement, and a Class Member, if you are a current or former hourly-paid and non-exempt employee who worked for Defendant within the State of California at any time from May 13, 2016 to and including July 7, 2021.

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the Settlement provide?

The Settlement provides that Defendant will pay a maximum of Three Hundred Thousand Dollars (\$300,000.00) ("Maximum Settlement Amount"). This includes all costs and attorneys' fees for Class Counsel.

The "Net Settlement Amount" is the portion of the Maximum Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion ("Participating Class Members"). The Net Settlement Amount is the Maximum Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys' Fees to Class Counsel** not to exceed 35% of the Maximum Settlement Amount or One Hundred and Five Thousand Dollars (\$105,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Fifteen Thousand Dollars (\$15,000.00);
- C. **Enhancement Payment to the Class Representatives** not to exceed Five Thousand Dollars (\$5,000.00) to each of the Plaintiffs (\$10,000.00 total);
- D. **Settlement Administration Costs** not to exceed Fifteen Thousand Dollars (\$15,000); and
- E. **PAGA Payment to the Labor Workforce Development Agency ("LWDA")** in the amount of Fifteen Thousand Dollars (\$15,000.00) which represents the LWDA's 75% portion of the Twenty Thousand Dollars (\$20,000.00) allocated for civil penalties. The remaining 25%, or Five Thousand Dollars (\$5,000.00), will remain a part of the Net Settlement Amount for distribution to PAGA Employees (Class Members employed at any time from January 8, 2020 up to and including July 7, 2021. This allocation of the PAGA Payment is required by the LWDA.

After the amounts above are deducted from the Maximum Settlement Amount, the remaining Net Settlement Amount will be distributed as follows:

The portion of the Net Settlement Amount (not including the \$5,000.00 allocated for PAGA Employees) that you are eligible to receive as part of your "Individual Settlement Payment" will be determined on a *pro rata* basis, based on the number of weeks you worked for Defendant within the State of California at any time from May 13, 2016 to July 7, 2021.

In addition, if you worked for Defendant within the State of California at any time from January 8, 2020 to and including July 7, 2021 ("PAGA Period"), your Individual Settlement Payment will include a portion of the PAGA Payment allocated

to PAGA Employees. The portion of the \$5,000.00 allocated for PAGA Employees that you are eligible to receive will be determined on a *pro rata* basis, based on the number of weeks you worked for Defendant within the State of California at any time during the PAGA Period.

Your Individual Settlement Payment (excluding any portion allocated for PAGA penalties) will be apportioned as twenty percent (20%) wages, forty percent (40%) penalties and forty percent (40%) interest. If eligible, the PAGA portion of your Individual Settlement Payment will be allocated as one hundred percent (100%) penalties. The wage portion of your Individual Settlement Payment will be subject to withholdings for the employee's share of state and federal payroll taxes and will be reported on a W-2 Form. Defendant will separately pay the employer's share of payroll taxes with respect to the wage portion of each Individual Settlement Payment. The penalties and interest portions of the Individual Settlement Payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

7. How do I dispute the Settlement calculation?

The Allocation Form that accompanies this Notice states the number of workweeks attributed to you, pursuant to Section 6, above. If you believe the number of workweeks stated on the Allocation Form to be inaccurate, you may state what you believe the correct number to be, and provide supporting documentation by October 4, 2021. All disputes regarding your workweeks will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all disputes will be final and binding.

HOW TO GET A PAYMENT FROM THE SETTLEMENT

8. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

9. What claims are being released as part of the Settlement?

Providing there is final approval of the Settlement, then upon funding of the Maximum Settlement Amount, in exchange for the consideration set forth in the proposed settlement, Plaintiffs and any Class Member who does not submit a request for exclusion will release the "Released Persons" from all "Released Claims" during the "Class Period."

The term "Released Persons" means Defendant California Rice Center, Inc., and its respective agents, attorneys, insurers, past, present and future divisions, affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers, employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, owners, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them.

The term "Released Claims" means all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which relate to any and all claims alleged or which could have been alleged based on the facts in the Operative Complaint filed by Plaintiffs, both on their behalf and on behalf of the Participating Class Members in this Action during the Class Period, including the date of preliminary approval of the Settlement under any federal, state or local law, and shall specifically include claims for failure to pay minimum wages, failure to pay overtime wages, failure to pay all hourly wages including minimum and overtime wages as a result of failing to accurately record the actual time worked and/or off-the-clock work, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to provide accurate itemized wage statements, failure to timely pay final wages, failure to timely pay wages during employment, failure to properly maintain required employment records, unfair and unlawful business practices, violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, Business and Professions Code § 17200, *et seq.*, the Industrial Welfare Commission Wage Orders ("IWC Wage Order") including inter alia, IWC Wage Order No. 1, and any other claims, including claims for statutory and/or civil penalties, pertaining to the Participating Class Members which were alleged or could have been alleged in operative Complaint based upon the allegations and claims contained in the Operative Complaint. In addition, as to any Participating Class Member who cashes the check representing their Individual Settlement Payment, the signing and negotiation of that check shall serve as the Class Member's consent to join the action

for purposes of releasing claims arising under the Fair Labor Standards Act (“FLSA”) that are related to the claims stated in the Action, implicitly or explicitly, and, for such persons, “Released Claims” shall include all related claims arising under the FLSA. This release is limited in time to the Class Period covering the Participating Class Members who worked for the Released Persons in the State of California.

The term “Class Period” means the period from May 13, 2016 to and including July 7, 2021.

Providing there is final approval of the Settlement, then upon funding of the Maximum Settlement Amount, all “PAGA Employees”, whether requesting exclusion from the Settlement or not, will fully release and discharge the Released Persons from any and all claims for civil Penalties under PAGA [Cal. Lab. Code §§ 2699, et seq.] that are based upon or arise from the factual allegations in the Operative Complaint and/or Notice to the LWDA, arising during and/or with respect to the PAGA Period, including all attorneys’ fees and costs related thereto.

The term “PAGA Employees” means all Class Members employed at any time during the PAGA Period. The term “PAGA Period” means the period from January 8, 2020 to and including July 7, 2021.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Claims (other than those which arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*), then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment of a portion of the Net Settlement Amount.

All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released Claims arising under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*), with respect to all of the Released Persons irrespective of whether a Class Member submits a request for exclusion.

10. How can I not participate in the Settlement?

You may request to be excluded from the Settlement, including maintaining any claim you may have against the Defendant with respect to the Released Claims. If you exclude yourself, you will not receive payment from the portion of the Net Settlement Amount allocated for Class Members. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

To exclude yourself from the Settlement, submit a signed, written Request for Exclusion, which must include your name (including any former names used during employment with Defendant), address, and the last four digits of your social security number. Your Request for Exclusion must include a clear statement that you do not wish to be included in this action similar to the following: “I wish to exclude myself from the settlement reached in the matter of *Brenda Torres v. California Rice Center, Inc.* I understand by excluding myself, I will not receive any money from the Class settlement reached in this matter.”

The written Request for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by October 4, 2021. You cannot exclude yourself by phone.

Phoenix Settlement Administrators
PO Box 7208
Orange, CA 92863
Toll-Free: (800) 523-5773

11. If I don’t exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a Request for Exclusion, you give up the right to sue Defendant and Released Persons for the Released Claims during the Class Period as defined above. If you have a pending lawsuit involving the Released Claims, speak to your lawyer in that lawsuit immediately.

12. If I exclude myself, can I still get money from this Settlement?

No (except if you worked at any time from January 8, 2020 up to and including July 7, 2021 in which case you will still receive the portion of your Individual Settlement Payment for Released Claims that arise under PAGA). If you ask to be excluded, you will not receive payment for the release of your individual wage claims and you cannot object to the Settlement. But if you submit a timely and valid request for exclusion, you will not be legally bound by the release of Released Claims and you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against Released Persons for Released Claims (except for Released Claims that arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*)).

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has approved PAYNE NGUYEN, LLP as Class Counsel. The firm's contact information is:

PAYNE NGUYEN, LLP
Cody Payne, Esq.
Kim Nguyen, Esq.
4640 Admiralty Way, Suite 500
Marina del Rey, California 90292
Telephone: (310) 360-9882
Facsimile: (310) 928-7469

You will not be charged for these lawyers. Class Counsel will ask the Court for attorneys' fees of up to \$105,000.00 and reimbursement of litigation cost/expenses of up to \$15,000.00. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

14. How do I tell the Court if I don't like the Settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than October 4, 2021. Your objection must be signed and include your full name (including any former named used during employment with Defendant), dates of your employment, the last four digits of your social security number and/or employee ID number, the specific reason including any legal grounds for your objection, and if you intend to appear at the Final Approval Hearing. You may attend the Final Approval Hearing on November 4, 2021 and make an oral objection at that time, even if you did not submit a written objection.

15. What is the difference between excluding and objecting?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FINAL SETTLEMENT FAIRNESS HEARING

16. When and where will the Court decide whether to approve the settlement?

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing") at 9:00 a.m. on November 4, 2021, at the Los Angeles Superior Court—Spring Street Courthouse, located at 312 N. Spring St. Los Angeles, CA 90012.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

17. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf. You may attend in person, but you may also attend remotely if you wish. Remote appearances may be scheduled through “LA Court Connect” at <https://www.lacourt.org/lacc/>.

18. How will I learn if the Settlement was approved?

A notice of final judgment will be posted on the Settlement Administrator website located at www.phoenixclassaction.com/california-rice.

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will give up any rights you would otherwise have to sue Defendant for the Released Claims. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Controller of the State of California’s Unclaimed Property Fund. You may then claim these funds from there.

GETTING MORE INFORMATION

20. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator’s website at www.phoenixclassaction.com/california-rice or by contacting the Settlement Administrator or Class Counsel.

IF YOUR CONTACT INFORMATION CHANGES

21. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this Settlement. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE