

NOTICE OF CLASS ACTION SETTLEMENT

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

Why did I get this Notice?

A proposed settlement (the “Settlement”) has been reached in the class action lawsuit entitled *Cynthia Aroche, Carlos Diaz Moreno, and David Abraham Lopez v. Veracruz Restaurant and Zenia Leon*, Superior Court of the State of California for the County of Los Angeles, Case No. 19STCV12310 (the “Action”). The purpose of this Notice of Class Action Settlement (“Notice”) is to briefly describe the case, and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT

DO NOTHING	If you do nothing, you will be considered part of the Settlement Class and will receive settlement benefits. You will also give up your rights to pursue a separate legal action against Defendants for the claims released under the Settlement
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	You may have the option to pursue separate legal action against Defendants about the claims in this lawsuit. If you choose to do so, you must exclude yourself, in writing, from the Settlement. However, if you do so, you will not receive any payment under the Settlement.
OBJECT	To object to the Settlement, you must write to the Settlement Administrator about why you do not like the Settlement. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by the Settlement?

The Court has certified, for settlement purposes only, the following Class:

All non-exempt employees of Defendants who worked for Defendants in California during the time period of April 10, 2015, through March 23, 2022.

According to Defendants’ records, you are a member of the Class (a “Class Member”).

What is this Lawsuit about?

In the Action, Plaintiffs allege on behalf of themselves and the Class the following claims against Defendants: (1) failure to pay minimum wage (Cal. Lab. Code §§ 1182.12, 1194, 1197 & 1198, *et seq.*); (2) failure to pay overtime compensation (Cal. Lab. Code §§ 1198 & 510, *et seq.*); (3) failure to pay meal period compensation (Cal. Lab. Code §§ 226.7, 512(a) & 1198, *et seq.*); (4) failure to pay rest period compensation (Cal. Lab. Code §§ 226.7 & 1198, *et seq.*); (5) failure to furnish accurate wage and hour statements (Cal. Lab. Code § 226); (6) failure to pay wages upon discharge (Cal. Lab. Code §§ 201 & 202, *et seq.*); (7) failure to indemnify (Cal. Lab. Code § 2802); (8) Unfair Competition (Business and Professions Code § 17200, *et seq.*); and (9) Violation of Private Attorney General Act of 2004, California Labor Code § 2698, *et seq.*, predicated on any of the violations of the California Labor Code and applicable IWC Wage Order alleged in the Operative Complaint.

Defendants deny any and all wrongdoing, and maintain that they have complied with all laws alleged to have been violated in the Operative Complaint. Defendants note that this Settlement was established specifically to avoid the cost of proceeding with litigation and does not constitute an admission of liability by Defendants. The Court has not ruled on the merits of Plaintiffs’ claims or Defendant’s defenses, however, the Court has granted preliminary approval of this Settlement.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiffs and Defendants (the “Parties”), through their attorneys. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiffs and Class Counsel believe this Settlement is in the best interests of the Class.

Who are the attorneys in this lawsuit?

Class Counsel

SROURIAN LAW FIRM, P.C.
Daniel Srourian
3435 Wilshire Blvd., Suite 1710
Los Angeles, California 90010
Telephone: 310.601.3131

SIRMABEKIAN LAW FIRM, PC
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Telephone: 818.473.5003

Defendant's Counsel

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
Scott K. Dauscher
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12800 Center Court Drive South, Suite 300
Cerritos, California 90703
Telephone: 562.653.3200

What will I receive under the Settlement?

Subject to final Court approval, Defendants will pay \$200,000 (the "Gross Settlement Amount"). It is estimated that, subject to Court approval, after deducting the attorney's fees and costs, a service award to Plaintiffs, payment to the California Labor and Workforce Development Agency ("LWDA") for PAGA penalties, settlement administration costs from Gross Settlement Amount, and True-Up Payments there will be a Net Settlement Amount of at least \$104,584.00.

Prior to distribution of Individual Settlement Payments to each Class Member who does not opt-out of the Settlement Class ("Settlement Class Members"), payment of Two Hundred and Two Dollars (\$202.00), will be deducted from the Gross Settlement Amount and shall be made to each of the 20 Class Members who did not sign a "Pick-Up Stix" release and accept a "Pick-Up Stix" payment from Defendants while the Action was pending ("True-Up Payments"). True-Up Payments are contemplated to assure equal treatment of all Class Members.

The Settlement Administrator shall then calculate the total Compensable Work Weeks for all Settlement Class Members based on the Class Information provided by Defendants. The respective Compensable Work Weeks for each Settlement Class Member will be divided by the total Compensable Work Weeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member. Each Settlement Class Member's Payment Ratio will then multiplied by the Net Settlement Amount to determine his or her Individual Settlement Payment.

According to Defendants' records, you <<are/are not>> entitled to a True-Up Payment {because you did not sign a release or accept compensation from Defendants while the Action was pending} {because you signed a release and accepted compensation from Defendants while the Action was pending}.

According to Defendants' records, during the period from April 10, 2015 through March 23, 2022, you worked <<WW>> Compensable Workweeks for Defendants in California as a non-exempt employee. Based on your Compensable Workweeks, your Individual Settlement Payment is estimated to be \$<<EstSettAmt>>.

Your Individual Settlement Payment is only an estimate. Your actual settlement payment may be higher or lower than estimated.

If you wish to dispute the number of Compensable Workweeks credited to you, you must submit a written dispute to the Settlement Administrator by mail, postmarked no later than **May 28, 2022**. The dispute must: (1) contain your full name, current address, telephone number, the last four digits of your Social Security number or full employee ID number, and be signed by you; (2) contain the case name and case number; and (3) contain a clear statement explaining that you wish to dispute the number of Compensable Workweeks and the basis for your dispute. You may also wish to attach any documentation demonstrating that you were not credited with the correct number of Compensable Workweeks.

When and how will I receive payment under the Settlement?

If the Court grants final approval of the Settlement, and only after the Effective Date of the Settlement defined below, the Settlement Administrator will send you a settlement check. The settlement approval process takes time so please be patient.

Any and all settlement checks mailed to you under the Settlement shall remain negotiable for 180 days. If you do not negotiate (e.g. cash or deposit) a settlement check within this time period, your check will be voided by the Settlement Administrator, but you will remain bound by the terms of the Settlement.

The settlement payment issued to you will be allocated as follows: twenty percent (20%) as wages, forty percent (40%) as penalties, and forty percent (40%) as interest. The wage portion of the Individual Settlement Payment shall be subject to withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payment. None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Settlement Class Members should consult with their own tax advisors concerning the tax consequences of this Settlement.

In the event that an Individual Settlement Payment allocated to penalties and interest exceeds the threshold amount that must be reported to the Internal Revenue Service by means of a Form 1099, Class Counsel, and the Settlement Administrator, will take all necessary and reasonable steps to obtain W-9's from Class Members and to comply with applicable IRS regulations on issuing 1099's without a social security number or tax entity identification number, and shall take all reasonable and necessary steps to avoid imposition of IRS penalties against the Gross Settlement Amount, including, but not limited to limiting payments below the reportable threshold and/or withholding of taxes and any applicable penalties. The Settlement Administrator will contact Class Members who are entitled to payments that exceed the taxable income threshold twice, with at least 30 days between the two contacts.

How will the lawyers be paid and how will other funds be distributed under the Settlement?

Class Counsel will ask the Court to award attorneys' fees up to Sixty-Six Thousand Six Hundred Sixty-Six Dollars and No Cents (\$66,666.00) (1/3 of the Gross Settlement Amount) and reimbursement of reasonable litigation costs not to exceed Ten Thousand Dollars (\$10,000.00). In addition, Class Counsel will ask the Court to authorize Class Representative Service Award payments of up to Five Thousand Dollars (\$5,000.00) to each of the Plaintiffs for their efforts in representing the Class. The cost of administering the Settlement will not exceed Ten Thousand Dollars (\$10,000.00). A payment in the amount of Five Thousand Dollars (\$5,000.00) will also be made to the LWDA for PAGA penalties. Any of these amounts not awarded by the Court will be included in the Net Settlement Amount and will be distributed to Settlement Class Members.

What claims are being released under the Settlement?

As of the Effective Date, and only after the Settlement has been fully funded by Defendants, Settlement Class Members shall fully and finally release and discharge Released Parties, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action contingent or accrued for, that are pleaded, or that could have been pleaded, based on the facts and claims alleged in the Operative Complaint, including any claims for: (1) failure to pay minimum wage (Cal. Lab. Code §§ 1182.12, 1194, 1197 & 1198, *et seq.*); (2) failure to pay overtime compensation (Cal. Lab. Code §§ 1198 & 510, *et seq.*); (3) failure to pay meal period compensation (Cal. Lab. Code §§ 226.7, 512(a) & 1198, *et seq.*); (4) failure to pay rest period compensation (Cal. Lab. Code §§ 226.7 & 1198, *et seq.*); (5) failure to furnish accurate wage and hour statements (Cal. Lab. Code § 226); (6) failure to pay wages upon discharge (Cal. Lab. Code §§ 201 & 202, *et seq.*); (7) failure to indemnify (Cal. Lab. Code § 2802); (8) Unfair Competition (Business and Professions Code § 17200, *et seq.*); and (9) Violation of Private Attorney General Act of 2004, California Labor Code § 2698, *et seq.*, predicated on any of the violations of the California Labor Code and applicable IWC Wage Order alleged in the Operative Complaint, including but not limited to statutory, constitutional, or contractual damages; unpaid costs; penalties; punitive damages; interest; attorneys' fees; litigation costs; restitution; and equitable relief. Upon the Effective Date and the funding of the Gross Settlement Amount, all Participating Class Members will forever completely release and discharge the Released Parties from the Released Claims for the Class Period.

The Effective Date is the date on which the Court's Final Approval Order and Judgment becomes final. The Court's Final Approval Order and Judgment "becomes final" upon the latter of: (a) if there is no objection to the Settlement, or if there is an objection but it is withdrawn, then, the date that the Final Approval Order and Judgment is filed by the Court; (b) if there is an objection to the Settlement that is not withdrawn, but no appeal is commenced thereafter, then, sixty-five (65) calendar days following the date that the Final Approval Order and Judgment is filed by the Court; or (c) if there is an objection to the Settlement, that is not withdrawn, and any appeal, writ, or other appellate proceeding opposing the Settlement has been filed within sixty-five (65) calendar days following the date that the Final Approval Order and Judgment is filed by the Court, then, when any such appeal, writ, or other appellate proceeding opposing the validity of the Settlement has been resolved finally and conclusively with no right to pursue further remedies or relief.

What are my options?

You have two options under this Settlement. You may: (A) remain in the Class and receive payment under the Settlement; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement.

OPTION A. Remain in the Class. If you remain in the Class, you will be represented by Class Counsel. If you wish to remain in the Class and be eligible to receive a payment under the Settlement, you do *not* need to take any action. By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

OPTION B. If You Do Not Want To Be Bound By The Settlement. If you do not want to be part of the Settlement, you must mail a Request for Exclusion to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863. Your Request for Exclusion must: (1) contain your full name, address, and telephone number, the last four digits of your social security number or full employee ID number, and be signed by you; (2) contain the case name and case number; and (3) a clear statement you are electing to be excluded from the Settlement. In order to be timely, your Request for Exclusion must be postmarked on or before **May 28, 2022**. The date of the postmark on the return mailing envelope on the Request for Exclusion shall be the exclusive means used to determine whether it has been timely submitted. Any Class Member who requests to be excluded from the Settlement Class shall not be entitled to any recovery under the Settlement and shall not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. Class Members who fail to submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and any Final Approval Order and Judgment entered in the Action.

Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you must mail to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863, a written statement of objection. In order to be valid, the Objection must: (1) contain your full name, address, and telephone number, the last four digits of your social security number or full employee ID number, and be signed by you; (2), contain the case name and case number; (3) the dates of your employment with Defendant; (4) state whether you intend to appear at the final approval hearing; and (5) state the basis for the Objection, including any legal briefs, papers or memoranda in support of the Objection. The date of the postmark on the return mailing envelope on the objection shall be the exclusive means used to determine whether the objection has been timely submitted. Class Members may also appear at the Settlement Fairness Hearing and orally object without first providing a written objection.

You cannot object to the Settlement if you request exclusion from the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a final approval hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement and the plan of distribution of the payments described herein, on August 11, 2022 at 10:00 a.m., in Department 14 of the Los Angeles County Superior Court, Spring Street Courthouse located at 312 N. Spring Street, Los Angeles, CA 90012.

The final approval hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing in order to receive payment under the Settlement. Notice of any final judgment will be posted on the settlement website located at: <http://www.phoenixclassaction.com/>. Further, any notice of any change of the date or location of the final approval hearing will also be posted on the settlement website.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. For more complete information, the pleadings and other records in this litigation may be examined during regular court hours at the Los Angeles County Superior Court - Spring Street Courthouse located at 312 N. Spring Street, Los Angeles, CA 90012. You can also visit the settlement website located at: <http://www.phoenixclassaction.com/> for more information, including a copy of the Settlement Agreement.

Los Angeles Superior Court Social Distancing Procedures

Please go to <http://www.lacourt.org/newsmedia/ui/HfySfy.aspx> for all updates regarding the Court's current social distancing procedures for attendance at hearings and review of court files.

**PLEASE DO NOT CALL OR WRITE TO THE JUDGE OR TO
THE COURT REGARDING THIS NOTICE OR THE ACTION**