

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Joshua Thompson (“Plaintiff”), individually and on behalf of all members of the Settlement Class, defined below, and Defendants Frozen Gourmet, Inc., (“Defendants”) (Plaintiff and Defendants are referred to herein collectively as the “Parties”). Plaintiff and the Settlement Class are represented Manny Starr of Frontier Law Center (“Class Counsel”). Defendant is represented by Mark Vegh of Wells, Small, Fleharty, and Weil, a Law Corporation.

This settlement resolves a lawsuit that was filed by Plaintiff against Defendant on October 6, 2021 in Shasta County Superior Court, in the matter entitled *Joshua Thompson, individually and on behalf of all aggrieved employees v. Frozen Gourmet, Inc., et al.*, Case No. 198322 (the “Action”). The Complaint in this Action alleges that Defendant: (a) violated Labor Code sections 226.7 and 512; (b) violated Labor Code section 226.7; (c) violated Labor Code sections 510 and 1194; (d) violated Labor Code sections 1194 and 1194.2; (e) violated Labor Code section 203; (f) violated Labor Code section 226; (g) violated Labor Code section 2802; (h) violated Business and Professions Code section 17200, *et seq.*, and (i) is liable for civil penalties based on the foregoing Labor Code violations, pursuant to the Private Attorneys General Act of 2004, California Labor section 2698 *et seq.* (the “PAGA”).

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to certification of the following Settlement Class:

All non-exempt hourly-paid route employees of Defendant who performed work in California during the Class Period.

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement. The Parties agree that the effective date of this settlement shall be the date of final court approval if no objections are filed by Class members. Otherwise, the effective date shall be the date when the time for appeal following final court or approval is exhausted or, in the event of an appeal, at the time the settlement is finally approved.

2. **Releases by Settlement Class.** Plaintiff and every member of the Settlement Class (except those who opt out), as well as the LWDA for those claims that have been asserted under PAGA, will fully release and discharge Defendant and all of its past and present parent companies, controlling persons, directors, officers, shareholders, and agents (collectively the “Released Parties”), as follows:

- A. The Class will release all claims and causes of action alleged or which could have reasonably been alleged based on the facts in the operative Complaint including, but not limited to, Labor Code sections 201, 202, 203, 226, 226.7, 510, 512, 558, 1194, 1194.2, and 2802. Business & Professions Code section 17200, *et seq.*, and claims brought under the Private Attorneys General Act, Cal. Labor Code section 2698, *et seq.*, which are predicated on alleged violations of Labor Code sections 201, 202, 203, 226, 226.7, 510, 512, 558, 1194, 1194.2, and 2802, and all damages, penalties, interest, costs (including attorney fees) and other amounts recoverable under said claims or causes of action. This release shall run from October 6, 2017 through October 1, 2021 (the “Class Period”).
- B. In light of his Class Representative Service Award, Plaintiff Joshua Thompson will generally release any and all claims against Frozen Gourmet, Inc., including a waiver of rights under California Civil Code Section 1542, through the date of final approval of this settlement.

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Specifically excluded from Plaintiff’s Released Claims are any claims for workers’ compensation benefits, which cannot be released as a matter of law.

3. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary amount (“Gross Settlement Amount”) of One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00) in full and complete settlement of this matter, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the “Settlement Administrator” to administer this Settlement.
- B. The Gross Settlement Amount shall be deposited with the Settlement Administrator into an interest-bearing settlement account for the benefit of the Settlement Class members, within ten (10) calendar days after Final Approval (which, for this purpose shall be defined as the date on which the Court enters an Order granting Final Approval) or, solely in the event that there are any objections to the settlement (the filing of an objection being a prerequisite to the filing of an appeal), the later of: (1) the last date on which any appeal might be filed or (2) the successful resolution of any appeal(s) – including expiration of any time to seek reconsideration or further review.
- C. This is a non-reversionary settlement. The Gross Settlement Amount includes:

- (1) All payments (including interest) to the Settlement Class;
- (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Three Thousand Nine Hundred Ninety-Five Dollars and Zero Cents (\$3,995.00);
- (3) Five Thousand Dollars and Zero Cents (\$5,000.00) for Plaintiff's Class Representative Service Award in recognition of Plaintiff's contribution to the Action and his service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Service Award, the remaining amount shall revert to the Net Settlement Fund;
- (4) Up to thirty-five percent of the Gross Settlement Amount (\$63,000.00) in attorneys' fees, plus actual costs and expenses related to the Action as supported by declaration, and not to exceed \$12,000.00. In the event that the Court reduces or does not approve the requested Class Counsel Award and costs, the remaining amount shall revert to the Net Settlement Fund;
- (5) Eighteen Thousand Dollars and Zero Cents (\$18,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Thirteen Thousand Five Hundred Dollars and Zero Cents (\$13,500.00) will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Four Thousand Five Hundred Dollars and Zero Cents (\$4,500.00), will be payable to certain Settlement Class members as set forth in Paragraph 4.B.(i).

D. Defendant's share of payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Individual Settlement Payment") from the Settlement. Individual Settlement Payments will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiff's Class Representative Service Award, the Settlement Administrator's fees and expenses for administration, and the PAGA payment to the LWDA. The remaining amount shall be known as the "Net Settlement Fund" ("NSF").
- B. From the Net Settlement Fund, the Settlement Administrator will calculate each Settlement Class member's Individual Settlement Payment based on the following formula:

- i. Payments to Class: The NSF will be distributed to all participating Class members within thirty (30) calendar days of the effective date of the settlement, based on each participating Class member's proportionate workweeks worked during the Class Period. The Class member's proportionate workweeks will be calculated by multiplying the NSF by a fraction, the numerator of which is the participating Class member's number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Class members during the Class Period.
- C. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Individual Settlement Payment amounts, as well as the amount of Defendant's share of payroll taxes due on the wage portion of the Individual Settlement Payments, and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, Defendant shall deposit its share of payroll taxes due on the wage portion of the Individual Settlement Payments, and within five (5) calendar days thereof, the Settlement Administrator will prepare and mail Individual Settlement Payments, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel.
- D. For purposes of calculating applicable taxes and withholdings for the Settlement Class members, each Individual Settlement Payment shall be allocated as follows: Thirty-Three and One-Third percent (33 1/3%) to wages, Thirty-Three and One-Third percent (33 1/3%) to civil or statutory penalties, and Thirty-Three and One-Third percent (33 1/3%) to prejudgment interest. The Settlement Administrator will be responsible for issuing to participating Settlement Class members an IRS Form W-2 for amounts deemed "wages" and an IRS Form 1099 for the portions allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- E. Each member of the Settlement Class who receives an Individual Settlement Payment must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be directed to Legal Aid at Work, a *cy pres* recipient, pursuant to California Code of Civil Procedure § 384.
- F. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless

responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to a request for a total award of attorneys' fees of thirty-five per cent (35%) of the Gross Settlement Amount, which is currently estimated to be Sixty Three Thousand Dollars and Zero Cents (\$63,000.00), plus actual costs and expenses as supported by declaration, in an amount not to exceed Twelve Thousand Dollars and Zero Cents (\$12,000.00). These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Defendant agrees to deposit these amounts with the Settlement Administrator no later than ten (10) calendar days after the effective date of the settlement. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when it pays the fee award allowed by the Court.

6. **Class Representative Service Awards.** Defendant will not object to a request for Class Representative Service Awards of up to Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff for his time and risk in prosecuting this case, and for his service to the Settlement Class in addition to his agreement to provide a general release and waiver of Civil Code § 1542. This award will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class member and shall be reported on an IRS Form 1099 by the Settlement Administrator.

7. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator nor to Class Counsel seeking permission to pay up to Three Thousand Nine Hundred Ninety Five Dollars and Zero Cents (\$3,995.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Individual Settlement Payments and preparing all checks and mailings. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after checks have been mailed to all participating Settlement Class members.

8. **Preliminary Approval.** Upon execution of this Settlement Agreement, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Classes for purposes of this Settlement Agreement;
- B. Appointing Manny Starr of Frontier Law Center, as Class Counsel;
- C. Appointing Joshua Thompson as Class Representatives for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

- F. Approving the form and content of the Notice Packet (which includes the Notice of Class Action Settlement or “Class Notice,” attached hereto as **Exhibit 1**), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) calendar days after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, and Social Security numbers (in electronic format) of the members of the Class, including the dates of employment and the workweeks worked during the Class Period.
- B. Within ten (10) calendar days from receipt of this information, the Settlement Administrator shall: (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the addresses of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member; (iv) provide its calculations to Counsel for approval; and (v) mail the Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”). In the event fifteen percent (15%) or more of the Settlement Class opts-out of the Settlement, Defendant will have the right to rescind and terminate the settlement without prejudice to its pre-settlement position and defenses in the Action. In such an event, Defendant will be responsible for all settlement administration costs incurred and the parties shall return to the status quo as if this settlement was never entered into.
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion: (1) must contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member, (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) must be signed by the Settlement Class member; and (4) must be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from

this settlement, except a Request for Exclusion not containing a Class Member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement or have any right to object, appeal or comment thereon.

- D. Escalator Clause. Defendant represents that at present the Class comprises no more than 1,350 cumulative workweeks. If the number of cumulative workweeks in the Class increases by more than 10% by the date of preliminary approval, the amount of the Settlement Fund shall increase by a proportionate amount.
- E. Objections. Members of the Settlement Class who do not request exclusion may object to this Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, who shall then promptly file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless an objection is filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days to respond. To be valid, any objection must: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. A Settlement Class member who wishes to object but who fails to comply with the objection procedures set forth herein shall be deemed not to have objected.
- F. Notice of Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Payment as well as all of the information that was used from Defendant's records in order to calculate the Individual Settlement Payment, including the Class member's number of workweeks worked during the Class Period. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in their Notice Packet, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for

and amount of any Individual Settlement Payment shall be binding upon the Settlement Class member and the Parties.

- G. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the updated address. Settlement Class members to whom Notice Packets are re-sent after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to mail a Request for Exclusion or Objection or dispute. Notice Packets that are re-sent shall inform the recipient of this adjusted deadline. If a Settlement Class member’s Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant’s Counsel to provide notice of the proposed settlement. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member received the Notice Packet.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff’s and Class Counsel’s application for attorneys’ fees, costs, Class Representative Service Awards, and Settlement Administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

11. **Non-Admission of Liability.** Nothing in this Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Nondisclosure and Nonpublication.** Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement among the parties contemplated herein, the fact of the

Settlement Agreement, its terms or contents, and the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this action and the venue/case number of this action for such purposes. Plaintiff and Class Counsel shall not affirmatively contact or make any unsolicited statements to the media regarding the Action or the Settlement Agreement, nor shall they make any posts, comments, or statements on social media beyond the names of the Parties in this action and the venue/case number of this action. If contacted or otherwise solicited by the media, Plaintiff and Class Counsel shall limit their responses regarding the Settlement Agreement or the Action to the information contained in publicly filed court documents.

13. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Mark Vegh of Wells, Small, Fleharty, and Weil, a Law Corporation, 292 Hemsted Drive, Suite 200, P.O. Box 991828, Redding, CA, 96099, MVegh@wsfwlaw.com.

if to Plaintiff: Manny Starr, Frontier Law Center, 23901 Calabasas Road #2074, Calabasas, CA 91302, manny@frontierlawcenter.com.

15. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts and writings prior to the date hereof relating to the subject matters hereof.

16. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

17. **Continuing Jurisdiction.** The Court will have continuing jurisdiction over the Action for purposes of implementing this Settlement Agreement, the Final Approval of Settlement, entry of Judgment, and any post-judgment issues. To the extent any party files a motion seeking to enforce this Settlement Agreement, the prevailing party to any such motion shall be entitled to its reasonable attorneys' fees and costs incurred with such motion.

[Signature page to immediately follow]

DATED:

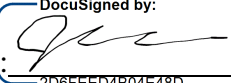
Defendants Frozen Gourmet, Inc.

By: _____

Their: _____

DATED: 02/10/22 | 4:10 PST

Plaintiff JOSHUA THOMPSON

DocuSigned by:

By: _____
2D6FEE04B04E48D...
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED:

WELLS, SMALL, FLEHARTY & WEIL, A LAW CORPORATION

By: _____
Mark Vegh
Attorney for Defendants
FROZEN GOURMET, INC.

DATED: 02/10/22 | 4:07 PST

FRONTIER LAW CENTER

DocuSigned by:

By: _____
82E9DC9ABF854A6...
Manny Starr
Attorney for Plaintiff

DATED: 3-07-22

Defendants Frozen Gourmet, Inc.

By: Bill Ka

Their: PRESIDENT

DATED:

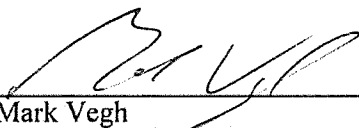
Plaintiff JOSHUA THOMPSON

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: 3-8-22

WELLS, SMALL, FLEHARTY & WEIL, A LAW CORPORATION

By: 
Mark Vegh
Attorney for Defendants
FROZEN GOURMET, INC.

DATED:

FRONTIER LAW CENTER

By: _____
Manny Starr
Attorney for Plaintiff

EXHIBIT 1

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

*Joshua Thompson v. Frozen Gourmet, Inc., et al.,
Shasta County Superior Court Case No. 198322 (the "Action").*

As a non-exempt hourly-paid route employee currently or formerly employed by Frozen Gourmet, Inc. in California during the period of October 6, 2017, through October 1, 2021, you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement Fund.

You have received this Notice of Class Action Settlement because the records of Frozen Gourmet, Inc. show you are a "Class Member," and therefore you are entitled to a payment from this class action Settlement. Class Members are all persons currently or formerly employed by Frozen Gourmet, Inc. as non-exempt, hourly-paid route employees in the State of California any time from October 6, 2017, through October 1, 2021.

- This settlement resolves a lawsuit that was filed by Plaintiff against Defendant on October 6, 2021 in Shasta County Superior Court, in the matter entitled Joshua Thompson v. Frozen Gourmet, Inc., et al., Case No. 198322 (the "Action"). The Complaint in this Action alleges that Defendant: (a) violated Labor Code sections 226.7 and 512; (b) violated Labor Code section 226.7; (c) violated Labor Code sections 510 and 1194; (d) violated Labor Code sections 1194 and 1194.2; (e) violated Labor Code section 203; (f) violated Labor Code section 226; (g) violated Labor Code section 2802; (h) violated Business and Professions Code section 17200, et seq., and (i) is liable for civil penalties based on the foregoing Labor Code violations, pursuant to the Private Attorneys General Act of 2004, California Labor section 2698 et seq. (the "PAGA").
- On **[DATE]**, the Shasta County Superior Court granted preliminary approval of this class action Settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendant vigorously denies the claims in the Lawsuit and contends that it fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment, and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment, and retain your legal rights to pursue claims that would otherwise be released by the settlement of the Lawsuit.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, Phoenix Class Action Administration, about why you object to the settlement and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. If you timely object, you or your attorney may also address the Court during the Final

Questions? Contact the Settlement Claims Administrator toll free at 800-523-5773

	Approval hearing scheduled for [DATE AND TIME] in the Shasta Superior Court, located at 1500 Court Street, Redding, California, 96001
--	---

The Final Fairness and Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at [REDACTED] .m. on [REDACTED], in the Shasta Superior Court, located at 1500 Court Street, Redding, California, 96001, in Department [REDACTED]. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendant's records show that you currently work, or previously worked, for Defendant as a non-exempt, hourly paid route employee in the State of California at some point from October 6, 2017, through October 1, 2021. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

What Is This Case About?

Joshua Thompson was hourly paid, non-exempt route employee of Defendant in California. He is the "Plaintiff" in this case and is suing on behalf of himself and Class Members for Defendant's alleged failure to pay overtime wages, failure to pay minimum wages, failure to provide legally-compliant meal and rest breaks, failure to timely pay wages upon separation of employment, failure to provide compliant wage statements, failure to reimburse all work related expenses, and for engaging in alleged unfair competition. Based on these and other alleged Labor Code violations, Plaintiff also seek to recover penalties under PAGA pursuant to Labor Code sections 201, 202, 203, 226, 226.7, 510, 512, 558, 1194, 1194.2, and 2802.

Defendant denies all of the allegations made by Plaintiff and denies that it violated any law. The Court has made no ruling on the merits of Plaintiff's claims. The Court has only preliminarily approved this Class Action Settlement. The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing.

Summary of the Settlement Terms

Plaintiff and Defendant have agreed to settle this case on behalf of himself and the Class Members for the Gross Settlement Amount of \$180,000.00. The Gross Settlement includes: (1) Administration Costs up to \$3,995; (2) a service payment of up to \$5,000.00 to Plaintiff Joshua Thompson for his time and effort in pursuing this case and in exchange for a broader release of claims against Defendant; (3) up to \$63,000.00 in attorneys' fees and actual litigation costs up to \$12,000 to Class Counsel; and (4) payment allocated to PAGA penalties in the amount of \$18,000.00, \$13,500.00 of which will be payable to the Labor and Workforce Development Agency ("LWDA") and \$4,500.00 which will be payable to Class Members. After deducting these sums, a total of approximately \$78,005.00 will be available for distribution to Class Members ("Net Settlement Amount"). In addition to the Gross Settlement, Defendant will separately pay all employer-side payroll tax payments due and payable to federal and state tax authorities as a result of this Settlement.

Questions? Contact the Settlement Claims Administrator toll free at 800-523-5773

Distribution to Class Members

Class Members who do not opt out will receive a pro-rata payment based on the number of weeks worked by Class Members for Defendant during the Class Period as non-exempt, hourly-paid route employees (“Eligible Workweeks”). Specifically, Class Members’ payments will be calculated by dividing the number of Eligible Workweeks attributed to the Class Member by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (individual Class Member’s Eligible Workweeks ÷ total Settlement Class Eligible Workweeks) x Net Settlement Amount.

Defendant’s records indicate that you worked [Eligible Workweeks] as a non-exempt route employee in California between October 6, 2017, through October 1, 2021. Based on these records, your estimated payment as a Class Member would be [\$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than [RESPONSE DEADLINE]. Please include any documentation you have that you contend supports your dispute.

Tax Reporting

33.33% of each Settlement Payment will be allocated as wages and reported on an IRS Form W-2; and 66.66% will be allocated as penalties and interest reported on an IRS Form 1099. **You may be responsible for taxes on any amounts you receive.** This notice is not intended to provide legal or tax advice on your Settlement Share.

Your Options Under the Settlement

Option 1 – Do Nothing and Receive Your Payment

If you do not opt out, you are automatically entitled to your Settlement Check because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the settlement, you will be bound by the settlement and receive a settlement payment. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment set forth above.**

Class Members who do not submit a valid and timely opt out (pursuant to Section 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had upon final approval of this Settlement, entry of judgment, and payment by Defendant to the Settlement Administrator.

If you do not opt out, then you will participate in the settlement and not be able to sue separately for any claims released in the settlement. The claims released in the settlement, known as the “Released Claims”, refers to any and all claims, demands, rights, liabilities, and/or causes of action alleged or which could have reasonably been alleged against the Released Parties based on the facts in the operative Complaint, including, but not limited to, Labor Code sections 201, 202, 203, 226, 226.7, 510, 512, 558, 1194, 1194.2, and 2802, and Business & Professions Code section 17200, *et seq.*, for the duration of the Class Period, including: (a) all claims for failure to pay overtime wages; (b) all claims for failure to pay minimum wages; (c) all claims for failure to provide compliant meal and rest periods and associated premium pay; (d) all claims for the failure to comply with the law on the timely payment of wages upon termination; (e) all claims for wage statements that do not comply with the law; (f) all claims for failure to reimburse business expenses; (g) all claims asserted through California Business & Professions Code § 17200 *et seq.* arising out of the Labor Code violations referenced in the Complaint; (h) all damages, penalties, interest, attorneys’ fees, costs and other amounts recoverable under said claims or causes of

Questions? Contact the Settlement Claims Administrator toll free at 800-523-5773

action; and (i) all claims brought under the Private Attorneys General Act, Cal. Labor Code section 2698, *et seq.*, which are predicated on alleged violations of Labor Code sections 201, 202, 203, 226, 226.7, 510, 512, 558, 1194, 1194.2, and 2802.

“Released Parties” means Defendant and all of its past and present parent companies, controlling persons, directors, officers, shareholders, and agents.

The Court will have to approve the final release of claims in this case, and that will be decided at the Final Fairness and Approval Hearing.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Settlement, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must expressly and clearly indicate that you do not want to participate in the Settlement, and you desire to be excluded from the Settlement. The written request for exclusion must include your name, Social Security Number, and signature. Sign, date, and mail your written request for exclusion by mail to the address below.

[Settlement Administrator]

The written request to be excluded from the Settlement must be postmarked or received by the Administrator not later than **[RESPONSE DEADLINE]**. If you exclude yourself from the Settlement then you will get no payment, and retain your legal rights to pursue claims that would otherwise be released by the settlement of the Lawsuit.

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you may file a written objection stating why you object to the Settlement. Your written objection must provide your full name, address, your reasons why you think the Court should not approve the Settlement, along with any legal authority, if any, you assert supports your objection, and your signature. Your written objection must be mailed to the Administrator no later than **[RESPONSE DEADLINE]**. Please note that you cannot both object to the Settlement and exclude yourself. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Final Fairness Hearing

You may, if you wish, also appear at the Final Fairness and Approval Hearing set for [REDACTED].m. on [REDACTED], in the Shasta Superior Court, located at 1500 Court Street, Redding, California, 96001, in Department [REDACTED], and raise or discuss your objections with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the Hearing at your own expense.

Due to the COVID-19 pandemic, hearings are currently being conducted remotely through CourtCall. Class Members who wish to appear at the final fairness hearing should contact Class Counsel to arrange a telephonic appearance through CourtCall, at least three days before the hearing if possible. Any CourtCall fees for an appearance by an objecting class member will be paid by Class Counsel.

Questions? Contact the Settlement Claims Administrator toll free at 800-523-5773

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may visit www. .com, call the Settlement Administrator at [PHONE NUMBER] or Class Counsel:

Manny M. Starr (SBN 319778)
manny@frontierlawcenter.com
FRONTIER LAW CENTER
23901 Calabasas Road, #2074
Calabasas, CA 91302
Telephone: (818) 914-3433
Facsimile: (818) 914-3433

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Office of the Clerk of the Shasta Superior Court, located at 1500 Court Street, Redding, California, 96001, during regular business hours of each court day.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
DEFENDANT, OR DEFENDANT'S ATTORNEYS WITH INQUIRIES.**

Questions? Contact the Settlement Claims Administrator toll free at 800-523-5773