

NOTICE OF CLASS ACTION SETTLEMENT

A court authorized this notice. This is not a solicitation from a lawyer. Please read it carefully.

To: All persons employed by Defendants¹ as non-exempt employees in California at any time from November 16, 2014 through September 28, 2020 (“Class Members”).

On September 28, 2020 (the “Preliminary Approval Date”), the Honorable Daniel J. Buckley of the Superior Court of California, County of Los Angeles (the “Court”), granted preliminary approval to a class action settlement (“Settlement”) of the lawsuit entitled *Chelsea Medlock and Anthony Torres v. Manlin I, LLC, et al.*, Los Angeles County Superior Court Case No. 18STCV05391 (the “Lawsuit”) (Plaintiffs and Defendants collectively referred to as “the Parties”), and ordered the Parties to notify all Class Members about the Settlement. You are receiving this notice because Defendants’ records indicate that you are a Class Member who may be entitled to participate in the Settlement.

The Court has not decided whether Defendants did anything wrong.

Unless you choose to opt out of the Settlement by following the procedures described below, you will be deemed a Participating Class Member and, if the Court grants final approval of the Settlement, you will be bound by the terms of the Settlement, including its release of the Released Claims (defined below), and you will receive a check in the mail for your share of the Net Settlement Amount (defined below). The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 10:30 a.m. on March 1, 2021 in Department 1 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. You are not required to attend this hearing, but may do so.

Summary of the Lawsuit

Plaintiffs Chelsea Medlock and Anthony Torres (“Plaintiffs”), on their own behalf and on behalf of other current and former non-exempt employees, allege in the Lawsuit that Defendants failed to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with legally-compliant meal periods and rest breaks; (3) timely pay all wages owed to employees upon termination of employment; (4) provide employees with accurate, itemized wage statements; (5) maintain accurate payroll records; and (6) provide employees with suitable seating in the workplace. Plaintiffs also allege that as a result, Defendants have engaged in unfair competition in violation of California Business & Professions Code § 17200 *et seq.*

Defendants deny all of these allegations and contend that Plaintiffs’ claims lack merit. Defendants contend that they have: (1) properly paid all current and former employees for all time worked, including minimum wages and overtime; (2) provided employees with proper and legally-compliant meal periods and rest breaks; (3) timely paid all wages owed to all employees during each pay period; (4) timely paid wages on termination of employment; (5) provided employees with suitable seating in the workplace; (6) provided employees accurate and legally-compliant wage statements; and (7) maintained accurate payroll records.

After an exchange of relevant information and evidence, the Parties have decided to enter into the Settlement to resolve the Lawsuit. The law firm representing the Plaintiffs, Srourian Law Firm, P.C. (“Class Counsel”), has been appointed by the Court to represent the Class Members. Class Counsel has investigated and researched the claims and issues raised in the Lawsuit, as well as the law applicable to Plaintiffs’ claims and Defendants’ defenses. While Class Counsel believes that the claims alleged in the Lawsuit have merit, Class Counsel also recognizes that the risk and expense of continued litigation, including the risk that Defendants may prevail on their defenses, justify entering into this settlement. Class Counsel believes the proposed Settlement is fair, adequate, reasonable, and in the best interests of Class Members, and Plaintiffs have agreed to settle the Lawsuit as part of a compromise with Defendants.

Defendants have denied, and continue to deny the factual and legal allegations in the Lawsuit and believe that they have valid defenses to Plaintiffs’ claims. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the Lawsuit, or that the Lawsuit can or should proceed as a class action. Defendants have agreed to settle the Lawsuit because of the risk and expense of continued litigation, and as part of a compromise with Plaintiffs.

¹ “Defendants” includes the following entities: Manlin I, LLC, DT Fund Group, LLC, BH Fund II Group, LLC, LAX Group II, LLC, SD Retail Group II, LLC, SA Fund Group RT, LLC, Venice Retail Group, LLC, Venice Caregiver Foundation, Inc, MME Sorrento Valley LLC, MME Seaside LLC, and MME VMS, LLC.

Summary of the Proposed Settlement

The Parties have agreed to settle Plaintiffs' and the Class Members' claims in exchange for a "Maximum Gross Settlement Amount" of \$975,000. This amount is inclusive of: (1) Individual Settlement Payments to Class Members who do not opt out of the Settlement ("Participating Class Members"); (2) payments of \$5,000 each to Named Plaintiffs Chelsea Medlock and Anthony Torres for their service as Class Representatives ("Class Representative Enhancement Payments"); (3) up to \$325,000 in Attorneys' Fees and up to \$15,000 in Costs for Class Counsel's prosecution of the Lawsuit; (4) a \$56,250 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), and (5) Settlement Administrator fees and expenses of approximately \$15,000 ("Settlement Administration Costs"). After deducting the Class Representative Enhancement Payments, Attorneys' Fees and Costs, the LWDA payment, and the Settlement Administration Costs, the remaining portion of the Maximum Gross Settlement Amount (the "Net Settlement Amount") will be allocated to Participating Class Members.

The settlement payment for each Participating Class Member (the "Individual Settlement Payment") will be calculated using the number of workweeks worked by each Participating Class Member in a non-exempt position ("Workweeks") for Defendants from November 16, 2014 through September 28, 2020 (the "Class Period"). To calculate each Individual Settlement Payment:

- (a) The total number of Workweeks for all Participating Class Members during the Class Period ("Total Workweeks") will be calculated.
- (b) The value of each individual Workweek ("Workweek Value") will then be determined by dividing the Net Settlement Amount by the Total Workweeks.
- (c) Each Participating Class Member's gross Individual Settlement Payment will then be calculated by multiplying that Participating Class Member's individual Total Workweeks by the Workweek Value.
- (d) The gross amount of each Individual Settlement Payment will be reduced by required withholding and deductions for employee taxes on the wage portion of the Individual Settlement Payment on the terms set forth in the Settlement.
- (e) The entire Net Settlement Amount will be disbursed to all Participating Class Members.

IRS Forms W-2 and 1099 reflecting the Individual Settlement Payments will be distributed to Participating Class Members and the appropriate tax authorities. Participating Class Members should consult their tax advisors about the tax consequences of the Individual Settlement Payments they receive under the Settlement. For purposes of the Settlement, twenty-five percent of each Individual Settlement Payment will be allocated to the settlement of the wage claims asserted in the Lawsuit, for which IRS Forms W-2 will be issued to Participating Class Members, and seventy five percent will be allocated to the settlement of the non-wage claims asserted in the Lawsuit, for which IRS Forms 1099 will be issued to Participating Class Members.

Your Options Under the Settlement

Option 1 – Automatically Be Bound By and Receive a Payment from the Settlement

If you want to receive an Individual Settlement Payment and be bound by the Settlement's terms, including its release of the Released Claims, you do not need to take any further action. Unless you opt out of the Settlement as described below in **Option 2**, you will automatically be included in the Settlement, including its release of the Released Claims (see below), and you will receive an Individual Settlement Payment if and when the Settlement receives final Court approval.

If you choose **Option 1**, and if the Court grants final approval of the Settlement, your Individual Settlement Payment will be mailed to you. You also will release and waive all of the following claims ("Released Claims"): Any and all claims under the California wage orders (including but not limited to Wage Orders 4 and 10 of the Industrial Welfare Commission (8 Cal. Code. Regs. sections 11010, et seq.)), California Labor Code, California Business & Professions Code (including but not limited to Business & Professions Code section 17200), California Code of Civil Procedure; California Private Attorney General Act, and Labor Code Private Attorneys General Act of 2004, as well as any and all debts, rights, demands, liabilities, obligations, guarantees, penalties, costs, expenses, attorneys' fees, damages, liquidated damages, actions, or causes of action, of whatever kind or nature, whether known or unknown, contingent or accrued, from the beginning of time through the Preliminary Approval Date, that arise out of or relate to the allegations asserted in the Actions, which are asserted in the Actions, or which could have been asserted in the Actions based on the facts and claims asserted in the pleadings including all claims for alleged: (i) unpaid straight time, overtime, double time, or "off the clock" work (Labor Code sections 510, 558, 1182.12, 1194, 1197, 1197.1, 1198); (ii) meal period and rest break violations (Labor Code sections 226.7, 512(a), 1198); (iii) unpaid minimum wages and liquidated damages (Labor Code sections 510, 1182.12, 1194, 1197,

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1197.1, 1198); (iv) failure to timely pay wages upon termination (Labor Code sections 201, 202, 203); (v) failure to timely pay wages during employment (Labor Code section 204); (vi) wage statement violations (Labor Code sections 226(a), 226(e), 226(h)); (vii) failure to reimburse for necessary business expenses (Labor Code section 2802); (viii) failure to keep or provide accurate payroll or time records (Labor Code sections 1174(d), 1198); (ix) Wage Theft Prevention Act notice violations; (x) suitable seating violations; (xi) all claims asserted through California Business & Professions Code §§ 17200, et seq., and California Labor Code §§ 2698, et seq. based on the preceding claims.

The Released Claims will be released as to Defendants, and each of their current or past predecessors, successors, assigns, heirs, affiliates, subsidiaries, parent companies, other related entities, employees, insurers, reinsurers, underwriters, agents, consultants, accountants, auditors, attorneys, representatives, and each of their past, present and future principals, shareholders, owners, members, officers, directors, partners, agents, managers, and employees (the “Released Parties”).

If the Court grants final approval of the Settlement, you will be barred from participating in any other collective, representative, or class action lawsuit against the Released Parties, or any of them, concerning the Released Claims.

Option 2 – Opt Out of the Settlement and Receive No Payment

If you do not wish to participate in the Settlement, you may exclude yourself by submitting a Request for Exclusion Form to the Settlement Administrator that expressly and clearly states your decision to not participate in the Settlement (a “Request for Exclusion”). The Request for Exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and send the Request for Exclusion to the Settlement Administrator by First Class U.S. Mail at the address below, or by facsimile.

Phoenix Settlement Administrators

P.O. Box 7208

Orange, CA 92863

Facsimile number: (949) 209-2503

The Request for Exclusion must be postmarked or faxed not later than December 17, 2020 (the “Response Deadline”). If you submit a Request for Exclusion that is postmarked or faxed after the Response Deadline, the Request for Exclusion will be rejected, you will be included in the Settlement, you will receive an Individual Settlement Payment, and you will waive the Released Claims.

If you submit a valid and timely Request for Exclusion (**Option 2**), you will no longer be a Class Member, you will be excluded from participating in the Settlement, and you will not waive the Released Claims. You also will be barred from objecting to the Settlement and you will not receive an Individual Settlement Payment.

Option 3 – Object to the Settlement

You may object to the terms of the Settlement. To do so, you should submit a valid, written notice of objection on or before the Response Deadline. All Notices of Objection, supporting papers and/or notices of intent to appear at the Final Approval Hearing must: (i) clearly identify the case name and number (*Chelsea Medlock and Anthony Torres v. Manlin I, LLC, et al.*, Case No. 18-ST-CV-05391 (Los Angeles County Superior Court)); (ii) be submitted to the Court either by mailing to: Clerk of Court, Superior Court of California, County of Los Angeles, 312 North Spring Street, Los Angeles, CA 90012, or by filing in person at any location of the Superior Court, County of Los Angeles that includes a facility for civil filings; (iii) be mailed to Class Counsel and Defense Counsel at the addresses provided in the Notice Packet, and (iv) be filed or postmarked on or before the Response Deadline.

Class Members may also appear at the Settlement Fairness Hearing and orally object without first providing a written objection.

Class Members who fail to object in either of the manners specified above will waive all objections to the Settlement and will be foreclosed from objecting, whether by appeal or otherwise, to the Settlement Agreement.

If you choose to object to the Settlement (**Option 3**), subject to the Court’s ruling on your objection, you will still be a Participating Class Member entitled to an Individual Settlement Payment, and you will waive the Released Claims.

Additional Information

This notice provides a summary of the Lawsuit and Settlement. The complete terms and conditions of the Settlement are contained in the Settlement Agreement and other case-related documents, available at www.phoenixclassaction.com/medlock-v-manlin.

You may also obtain and examine the online pleadings and other records in the Lawsuit on the Los Angeles County Superior Court's website, at <http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>. To find the Lawsuit records, enter 18STCV05391 in the "Case Number" field and click "Search." Images of every document filed in the case may be viewed by clicking "Click here to access document images for this case" at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each Court location that has a facility for civil filings or by visiting the Clerk's Office of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. Per recent health concerns, Class Members who wish to view documents related to this case at the Clerk's Office of the Los Angeles Superior Court must first make an appointment with the Clerk and must follow all social distancing and face covering requirements and/or procedures.

All inquiries by Class Members regarding this Class Notice or the Settlement should be directed to the Settlement Administrator or Class Counsel at the following address and phone number.

Phoenix Settlement Administrators

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Orange, CA 92863

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PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
OR DEFENSE COUNSEL WITH INQUIRIES.