

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Sandoval v. West Pico Foods et al.

Los Angeles County Superior Court, Case No. 20STCV26873

**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.**

To:	All current and former hourly-paid, non-exempt employees who were employed by West Pico Foods, Inc., and West Pico Distributors, LLC in the State of California at any time between July 13, 2016, and April 24, 2021.
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SUMMARY OF YOUR OPTIONS IN THIS SETTLEMENT:

Do Nothing and Receive a Payment (See Sections 4-7, below)	To receive a cash payment from the Settlement, you do not have to do anything. After final approval by the Court, the payment will be mailed to you at the same address as this Notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself (See Section 8, below)	To exclude yourself, you must send a written request for exclusion to the Settlement Administrator by December 13, 2021. If you request exclusion, you will receive no money from the Settlement.
Object (See Section 10, below)	Write to the Settlement Administrator about why you do not like the Settlement by December 13, 2021 and/or appear at the Final Approval Hearing to make an oral objection.
Final Approval Hearing (See Sections 12-14, below)	The Court will hold the Final Approval Hearing at 11:00 a.m. on January 18, 2022 in Department 7, of the Los Angeles Superior Court—Spring Street Courthouse, located at 312 N. Spring St. Los Angeles, CA 90012

According to Defendants' records, you have been identified as a member of the Class, and therefore are receiving this Notice. Based on Defendants' records, and the Parties' current assumptions, **your Individual Settlement Payment is estimated to be \$_____ and included in that amount is your share of the PAGA Payment, which is estimated to be \$_____.** The actual amount you may receive may be different and will depend on a number of factors.

Your options are further explained in this Notice. To exclude yourself from, or object to, the settlement you must take action by certain deadlines. If you want to participate in the settlement as proposed, you do not need to do anything to obtain your share of the settlement. Defendants will not retaliate against you for any actions you take with respect to the settlement.

BASIC INFORMATION

1. What is this settlement about?

A lawsuit was commenced by Lazaro Sandoval (“Plaintiff”) a former employee of West Pico Foods, Inc. and West Pico Distributors, LLC. (“Defendants”) on July 13, 2020. The case is currently pending in the Los Angeles County Superior Court, Case No. 20STCV26873.

The lawsuit claims that Defendants violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendants failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked including overtime, did not provide accurate wage statements, did not timely pay all wages owed at the end of employment, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The lawsuit claims that the Defendants violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties and restitution. Defendants deny all alleged violations and deny that they owe Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people called the Class Representative sue on behalf of people who appear to have similar claims. All these people are referred to here as Class Members. In a class action one court resolves 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.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or Defendants. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”). On September 22, 2021, the Court granted preliminary approval of the Settlement, appointed Plaintiff Lazaro Sandoval as the Class Representative, and appointed his attorneys at Protection Law Group as counsel for the Class (“Class Counsel”).

The Class Representative and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendants as an hourly-paid, non-exempt employee in the state of California at any time between July 13, 2016, and April 24, 2021.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendants will pay a maximum of Four Hundred Thousand Dollars (\$400,000) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts that will be requested at the Final Approval Hearing and are subject to comment or objection by Participating Class Members. The Court will fix these amounts at the Final Approval Hearing.

- A. **Attorneys’ Fees to Class Counsel** not to exceed 35% of the Gross Settlement Amount or One Hundred and Forty Thousand Dollars (\$140,000);

- B. **Litigation Costs/Expenses to Class Counsel** currently estimated to be Sixteen Thousand Six Hundred Dollars (\$16,600);
- C. **Enhancement Payment to the Class Representative** in an amount not to exceed Five Thousand Dollars (\$5,000);
- D. **Settlement Administration Costs** which are currently estimated to be Six Thousand Dollars (\$6,000); and
- E. **PAGA Payment** in the amount of Twenty-Five Thousand Dollars (\$25,000) for the settlement of claims arising under the Private Attorney's General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$18,750) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$6,250) will be distributed to hourly-paid, non-exempt employees who worked for Defendants from May 19, 2019 to April 24, 2021, for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your "Individual Settlement Payment" will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly-paid, non-exempt employee of Defendants from July 13, 2016, to April 24, 2021 ("Workweeks"). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

Your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest and forty percent (40%) penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member's settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099. Please be advised that you are responsible for all taxes, penalties and interest owed with respect to your Settlement Payment, regardless of the foregoing allocations. You should consult with an accountant or other tax professional with any questions. Neither the Parties, their lawyers nor the Court is providing you with financial or tax advice.

You must cash your Settlement check by the void date stated on the check. If you do not cash your check by the void date, your check will be automatically cancelled and the money represented by your check will be sent on your behalf to the Controller of the State of California, Unclaimed Property Division. You must make timely and valid application to the Controller in order to obtain your money. Neither the Parties, their lawyers nor the Court is providing you with any advice on how or when to obtain your monies from the Controller.

You worked XXX workweeks during the class period. Your Individual Settlement Payment is \$XXX.XX. The amount of the payment may change depending on the number of timely and valid requests for exclusions submitted in the Settlement, if any.

This Amount was determined based on Defendants' record of your employment between July 13, 2016, and April 24, 2021, and is presumed correct. If you dispute the accuracy of Defendants' records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide via mail, fax, or email any documentation you have supporting such dispute by December 13, 2021. All disputes regarding your workweeks will be resolved and decided by the Parties or if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

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

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Amount by Defendants, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion will release the “Released Parties” from the “Released Claims” for the “Class Period.”

The “Released Parties” include Defendants and any of their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The “Released Claims” include all claims, rights, demands, liabilities and causes of actions that are alleged or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in the Action including the following claims: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to provide timely pay wages during employment (including a claim under the Industrial Welfare Commission Wage Orders, and common law including conversion); (viii) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (ix) failure to maintain required payroll records and (x) all claims under the California Labor Code Private Attorneys General Act of 2004 or for civil penalties that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint including but not limited to Labor Code sections 210, 226.3, 1197.1, 558, and 2699. In addition, any Participating Class Member who cashes his or her settlement check will be deemed to have opted into the action for purposes of the FLSA and, the Released Claims include any and all claims those Settlement Class Members may have under the FLSA related to the alleged claims.

The “Class Period” during which the release of Released Claims pertains is from July 13, 2016, to April 24, 2021.

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 PAGA the with respect to all of the Released Parties irrespective of whether a Class Member submits a request for exclusion.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendants 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 from Net Settlement Amount. 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.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Claims you must submit a written request for exclusion. You must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number. Your request for exclusion must also include a statement that you do not wish to be included in this action similar to the following: I wish to exclude myself from the class action settlement reached in the matter of *Sandoval v. West Pico Foods*. I understand that by excluding myself I will not receive money from the class portion of the settlement.”

The written Request for Exclusion must be faxed, emailed, or mailed to the Settlement Administrator listed below, and must be faxed, emailed, or post-marked by December 13, 2021. You cannot exclude yourself by phone.

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com

A request for exclusion shall not be presumptively invalid if it does not contain all of the information requested if the Settlement Administrator can ascertain your identity and ascertain that you want to opt-out. However, timeliness is still required and the date of the fax, email, or postmark on the return mailing envelope receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted.

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You may still receive a portion of the PAGA Payment if you worked between May 19, 2019 and April 24, 2021, because the request for exclusion does not apply to this claim. You will not be legally bound by the release of Released Claims (except for Released Claims that arise under PAGA (California Labor Code sections 2698 *et seq.*)).

You may be able to sue Defendants and/or the Released Parties or continue any suit you have pending against Defendants or the Released Parties, regarding the Released Claims (except for Released Claims that arise under PAGA (California Labor Code sections 2698 *et seq.*)).

THE LAWYERS REPRESENTING YOU

9. Do I have a lawyer in this case?

The Court has approved PROTECTION LAW GROUP, LLP as Class Counsel. The firm’s contact information is:

PROTECTION LAW GROUP LLP
Heather Davis, Esq.
Amir Nayebdadash, Esq.
237 California Street
El Segundo, California 90245
Telephone: (424) 290-3095

Class Counsel will ask the Court for attorneys’ fees of up to \$140,000 and reimbursement of litigation cost/expenses of up to \$16,600. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

10. What if I want to object to this settlement?

If you are a Class Member, you can object to any aspect of the Settlement, including its fairness, the amount of fees and costs to be awarded to Class Counsel, and the amount of enhancement payment to be awarded to the Class Representative, and you can give reasons for your objection. The Court will consider your views. To make a written objection, you must fax, email, or mail your objection to the Settlement Administrator listed below no later than December 13, 2021.

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com

Your written objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. Written objections will not be presumptively invalidated if the objections do not comply with all the requirements if the Settlement Administrator can ascertain your identity and ascertain that you want to object. However, timeliness is still required and the date of the fax, email, or postmark will be deemed the exclusive means for determining that the written objection is timely. You may also come to the Final Approval Hearing on January 18, 2022 and make an oral objection at that time, and the Court will hear from any class member who attends the Final Approval Hearing and asks to speak regarding his or her objection regardless of whether he/she has submitted a written objection.

11. What is the difference between objecting and excluding?

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 FAIRNESS HEARING

12. 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 and to fix the amount of fees and costs to be awarded to Class Counsel, and the amount of the enhancement payment to be awarded to the Class Representative ("Final Approval Hearing"). You may attend, but you do not have to attend. The Court will hold the Final Approval Hearing at 11:00 a.m. on January 18, 2022 in Department 7, of the Los Angeles Superior Court—Spring Street Courthouse, located at 312 N. Spring St. Los Angeles, CA 90012. The date, time, and location of the hearing may be changed without further notice to you. If you are interested in attending or participating in the Final Approval Hearing, you should confirm the date, time, and location by contacting Class Counsel.

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.

13. 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" for a small fee. <https://www.lacourt.org/lacc/>

14. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at <http://www.phoenixclassaction.com/>.

IF YOU DO NOTHING

15. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Claims. You will not be able to participate in any other lawsuit against Defendants or Released Parties about the Released Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days.

GETTING MORE INFORMATION

16. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Amended Settlement Agreement. You can get a copy of the Amended Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at <http://www.phoenixclassaction.com/> or by contacting the Settlement Administrator or Class Counsel. Copies of the Amended Settlement Agreement, the Class Notice, motion for attorneys' fees, costs, and enhancement award, and the final judgment can be obtained at no cost from Class Counsel. Please also contact Class Counsel with any questions you may have.

WHAT IF MY INFORMATION CHANGES?

17. 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 matter. 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**