

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Jimenez v. El Proyecto Del Barrio, Inc., Case No. 19STCV18696
The Los Angeles County Superior Court authorized this notice.
This is not a solicitation from a lawyer.

ATTENTION: IF YOU HAVE BEEN EMPLOYED BY EL PROYECTO DEL BARRIO AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA AT ANY TIME DURING THE PERIOD BEGINNING MAY 30, 2015 AND ENDING ON APRIL 1, 2021, YOU MAY BE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	You will automatically receive an Individual Settlement Payment. No action is required for you to get your share of this Settlement. You will be mailed a settlement check at the address where this Notice was mailed (unless you timely provide an updated address to the Settlement Administrator).
EXCLUDE YOURSELF	<u>GET NO PAYMENT.</u> The only way for you to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal claims as the ones in the Action is to submit a valid Request for Exclusion to the Settlement Administrator postmarked no later than December 23, 2021 . If you submit a timely Request for Exclusion, you will <u>not</u> receive an Individual Settlement Payment. Information on how to exclude yourself from the settlement is provided in section 12(b) of this Notice.
OBJECT	If you wish to object to the Settlement, you must submit a written Objection, and supporting papers, to the Settlement Administrator and be postmarked no later than December 23, 2021 . This option is available only if you do <u>not</u> exclude yourself. Information on how to submit an objection to the settlement is provided in section 12(c) of this Notice.

A proposed class action settlement (“the Settlement”) has been reached between Plaintiffs Maria Del Socorro Jimenez, Elisa Lopez, Rosa Valdez, and Osiris Gonzalez (“Plaintiffs”), on behalf of themselves and the below-defined Class Members, and Defendants El Proyecto Del Barrio, Inc. (“Defendant”), and the Court has preliminarily approved the proposed class action settlement. A hearing to determine whether the settlement should receive the Court’s final approval will be held on March 29, 2022 at 10:00 a.m. in Department 14 of the Los Angeles County Superior Court, which is located at 312 N. Spring Street, Los Angeles, CA 90012.

This Notice explains the proposed settlement and provides an estimate of how much money you will receive as a settlement payment if you do not exclude yourself from the settlement.

1. WHY DID I GET THIS NOTICE?

Defendants’ records show that you are, or have been, employed by Defendant as a non-exempt employee in California during the period from May 30, 2015 through April 1, 2021 (the “Class Period”). This notice explains the Action, the Settlement, and your legal rights.

The Action is known as *Jimenez v. El Proyecto Del Barrio, Inc.*, Case No. 19STCV18696, and is pending in the Superior Court of California for the County of Los Angeles (the “Action”). Maria Del Socorro Jimenez, Elisa Lopez, Rosa Valdez, and Osiris Gonzalez are the Plaintiffs, and the company they sued, El Proyecto Del Barrio, Inc. is the Defendant.

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2. PURPOSE OF THIS NOTICE

The purpose of this notice is to provide you with information about the lawsuit and the proposed settlement and to advise you of your options.

3. WHY IS THIS LAWSUIT A CLASS ACTION?

In a class action, one or more people called “Plaintiffs” (in this case, Maria Del Socorro Jimenez, Elisa Lopez, Rosa Valdez, and Osiris Gonzalez) sue on behalf of people who have similar alleged claims. All of these people are a “class” or “class members.” The Court resolves the issues for all class members, except for those who exclude themselves from the class. On October 8, 2021, the Honorable Kenneth R. Freeman issued an order provisionally certifying the Settlement Class for purposes of settlement only.

4. WHY IS THERE A SETTLEMENT?

After conducting substantial investigation, including a review of Defendant’s policies, procedures, sample records, and Plaintiffs’ files, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean any laws were broken. Defendant denies all of the claims asserted in the Action and denies it violated any laws. Plaintiffs and their lawyers think the Settlement is in the best interests of all Class Members.

5. PERSON ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT

The people eligible to receive a settlement payment are all non-exempt employees of Defendant who worked for Defendant in California at any time from May 30, 2015 through April 1, 2021. You are receiving this notice because, according to Defendant’s records, you are eligible to participate in the settlement.

6. DESCRIPTION OF THE ACTION

The Action alleges causes of action for: (1) failure to provide meal and rest breaks; (2) failure to pay for all hours worked; (3) failure to pay overtime; (4) failure to provide accurate wage statements; (5) violation of the Unfair Practices Act; (6) failure to pay all wages owed at termination; and (7) recovery of civil penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”), California Labor Code sections 2698-2699.5.

Defendant denies all of Plaintiffs’ allegations and denies any wrongdoing. Among other things, Defendant contends that all employees have been properly compensated and that Defendant complied with all applicable California labor laws.

The Court has made no ruling on the merits of the Plaintiffs’ claims or the defenses asserted by Defendant. The Court has preliminarily approved the proposed settlement. The Court will decide whether to give final approval to the settlement at a hearing scheduled for March 29, 2022 at 10:00 a.m. (the “Final Approval Hearing”).

7. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

Attorneys representing Plaintiffs and the class (“Class Counsel”) are:

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8. THE TERMS OF THE PROPOSED SETTLEMENT

The following is a summary of the settlement. The specific and complete terms of the proposed Settlement are stated in the Class and PAGA Action Settlement Agreement (“Settlement Agreement”), a copy of which is filed with the Court. You can obtain a copy of the Settlement Agreement from the following website: www.Phoenixclassaction.com/EIProyectoDelBarrio. If you have any questions about the Settlement, you may contact Class Counsel or the Settlement Administrator.

Subject to Court approval, Defendant has agreed to pay \$2,150,000 to settle any and all obligations for the claims alleged in the lawsuit. This amount is called the Gross Settlement Amount. As discussed below, the Gross Settlement Amount will be used to cover all payments to the settlement class, settlement administration costs, attorneys’ fees and costs, service and release awards to the Plaintiffs, and funds owed to the state of California in settlement of penalties. All of these payments will be deducted from the Gross Settlement Amount. The remaining amount (called the Net Settlement Amount) will be distributed to class members who do not timely submit Requests for Exclusion, as discussed below.

(a) Attorneys’ Fees and Costs: Class Counsel has worked on this matter without compensation and have advanced funds to pay for expenses necessary to prosecute the Action. Accordingly, under the settlement, Class Counsel may request an amount not to exceed \$716,666.66 to compensate them for their work on the case, plus their reasonable costs and expenses incurred in the litigation not to exceed \$25,000. Subject to court approval, the attorneys’ fees and costs will be deducted from the Gross Settlement Amount.

(b) Service and Release Awards: The Plaintiffs are requesting a service and release award of \$10,000 each, for a total of \$40,000, in addition to the amounts they will receive as members of the class, to compensate them for undergoing the burden and expense of prosecuting the action and for the broader release of claims they are required to provide to Defendant. Subject to court approval, the service and release awards will be deducted from the Gross Settlement Amount.

(c) Settlement Administration Costs: The Settlement Administrator, Phoenix Settlement Administrators has advised the parties that the settlement administration costs will not exceed \$12,250. Subject to court approval, the settlement administration costs will be deducted from the Gross Settlement Amount.

(d) Payment to State of California: A total of \$20,000 of the Gross Settlement Amount will be allocated to settle allegations that Defendant owes civil penalties to the state for alleged violations of the California Labor Code. Of this amount, \$15,000 (75%) will be paid to the California Labor & Workforce Development Agency (“LWDA”) in accordance with the Labor Code requirements. Subject to court approval, the \$15,000 payment to the LWDA will also be deducted from the Gross Settlement Amount. The other 25%, which is \$5,000, will be distributed to those class members who were employed by Defendant at any time between May 30, 2018 through April 1, 2021 (the “PAGA period”).

(e) Payments to Settlement Class Members: The remainder of the Gross Settlement Amount (called the Net Settlement Amount) will be distributed to class members who do not exclude themselves from the settlement (called Settlement Class Members). The amount of each Settlement Class Member’s share of the Net Settlement Amount will be calculated by dividing the total number of qualifying workweeks that the Settlement Class Member worked during the Class Period by the total number of qualifying workweeks worked by all Settlement Class Members during the Class Period and multiplying that fraction by the Net Settlement Amount. A qualifying workweek is a full or partial week that a class member worked for El Proyecto during the Class Period. Class Members who worked for Defendant at any time from May 30, 2018 through April 1, 2021 will also participate in the “PAGA Settlement,” whereby they will receive a portion of the \$5,000 penalty allocation referenced above in section 8(d). The PAGA claim portion of your settlement payment, if you worked for Defendant between May 30, 2018 and April 1, 2021 will be calculated by dividing the total number of qualifying pay periods you worked during that time period by the total number of pay periods worked by all eligible employees and then multiplying that fraction by \$5,000.

9. WHAT YOU WILL RECEIVE UNDER THE SETTLEMENT

According to Defendant’s records, you worked a total of __ qualifying workweeks during the Class Period and a total of __ qualifying pay periods during the PAGA period. Under the settlement, you will receive approximately \$_____ for the Class settlement and will receive \$_____, which is your share of the \$5,000 PAGA settlement. This amount may increase or decrease based on various factors, including the number of class members who submit Requests for Exclusion, the amounts approved by the Court for attorneys’ fees and costs, settlement administration costs, service and release awards to Plaintiffs, payment to the LWDA, and disputes by other class members regarding their qualifying workweeks during the Class Period. **To receive your settlement payment, you do not need to do anything. You will receive a settlement payment unless you exclude yourself from the settlement.**

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If you disagree with the number of qualified workweeks, you can contest the number of qualifying workweeks set forth in the paragraph above. To do so, you must provide the Settlement Administrator with a written explanation of your position. The statement must also include your full name, current address and telephone number, and must identify this case (*Jimenez v. El Proyecto Del Barrio, Inc.*, Case No. 19STCV18696). You must provide written documentation supporting the number of workweeks you believe that you worked; otherwise, the number listed above will be presumed correct. You must postmark your written statement no later than **December 23, 2021**. The Settlement Administrator will consider the documentation you submit and will communicate with you and the parties as necessary regarding the dispute to determine whether an adjustment is warranted before making a final determination regarding your settlement payment. The Settlement Administrator will mail you its final determination.

10. PAYMENT SCHEDULE

The Settlement Administrator will mail settlement checks to class members after the settlement is finally approved by the Court. You will have 180 days after the Settlement Administrator mails your settlement check to cash it; otherwise, it will be voided and the amount of your settlement payment will be sent to the California State Controller as unclaimed property in your name and you will need to contact that agency to obtain your funds. For tax purposes, twenty percent (20%) of your settlement payment shall be attributed to wages and reported on a W-2 form; eighty percent (80%) will be attributed to interest and penalties. The amount of interest and penalties will be reported on an IRS Form 1099. Nothing in this Notice should be construed as providing you with tax advice. You should consult with your tax advisor concerning the tax consequences of the payment you receive.

11. RELEASE OF CLAIMS

(a) Release by Class Members Who Do Not Exclude Themselves from the Settlement.

Unless you submit a valid Request for Exclusion (described below in section 12), you will release El Proyecto and its past, present and/or future owners, co-owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, reinsurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, operators, payroll providers, joint employers, co-employers, and joint venturers from all causes of action and factual or legal theories that were alleged in the Second Amended Complaint or arise from facts alleged in the Second Amended Complaint, including all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. The time period governing these Released Claims shall be the Class Period only. Claims and damages that were not alleged in the Second Amended Complaint (or any subsequent operative Complaint) and do not arise from the facts alleged in the Second Amended Complaint are specifically excluded from the release. The claims that you will be releasing by participating in the settlement include claims for: (1) failure to provide meal and rest breaks; (2) failure to pay for all hours worked; (3) failure to pay overtime; (4) failure to provide accurate wage statements; (5) violation of the Unfair Practices Act; (6) failure to pay all wages owed at termination. The release only releases claims that arose at any time from May 30, 2015 through April 1, 2021. Claims and damages that were not alleged in the operative Complaint and do not arise from the facts alleged in the operative Complaint are specifically excluded from the release.

(b) Release by PAGA Settlement Members—Class Members who worked for Defendant at any time from May 30, 2018 through April 1, 2021.

If you worked for Defendant at any time between May 30, 2018 and April 1, 2021, you will receive a payment that is your share of the \$5,000 PAGA penalty and you will release El Proyecto and its past, present and/or future owners, co-owners, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, reinsurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, operators, payroll providers, joint employers, co-employers, and joint venturers from all claims for civil penalties recoverable by Plaintiffs, individually and as the representatives acting as proxies or agents of the LWDA, a State of California Executive Branch Agency, for violations that were alleged in, or arise out of the facts alleged in the Second Amended Complaint and/or the May 30, 2019 letter submitted by Plaintiffs Maria del Socorro Jimenez, Elisa Lopez, and Rosa Valdez to California's Labor and Workforce and Development Agency with respect to failure to provide meal and rest breaks, failure to pay for all hours worked, failure to pay overtime, failure to provide accurate wage statements, and failure to pay all wages owed at termination. The express purpose is to forever bar Plaintiffs, the LWDA, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA from asserting any of the Released Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided by law, including but not limited to under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability of Plaintiffs, the State of California,

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and any Aggrieved Employee to bring a PAGA claim on behalf of the LWDA is completely and forever foreclosed.

12. YOUR OPTIONS

As a member of the settlement class, you have three options. Each option will affect your rights, which you should understand before making your decision. Your rights regarding each option, and the procedure you must follow to select each option, are explained below:

(a) You Can Do Nothing.

If you do nothing, you will remain a member of the settlement class and will receive a settlement payment. You will also be bound by the release of claims set forth in Section 11 above. The payment will remain valid and negotiable for one hundred eighty (180) days from the date of the issuance. This deadline to cash the payment check shall not be extended for you absent Court Order.

(b) You Can Exclude Yourself from the Settlement Class.

If you do not want to remain a member of the settlement class—and GET NO PAYMENT from the proposed settlement—you can request exclusion (i.e., opt out) by sending the Settlement Administrator a written Request for Exclusion at the address specified in Section 17 below. The deadline to postmark a Request for Exclusion is **December 23, 2021**. A Request for Exclusion is a written statement that unambiguously requests exclusion from the settlement class. The Request for Exclusion must include the case number (*Jimenez v. El Proyecto Del Barrio, Inc.*, Case No. 19STCV18696), and for identification purposes, your name, current address and telephone number, and the last four digits of your social security number (for verification purposes). You must also sign the Request for Exclusion. You should keep a copy of your Request for Exclusion. Moreover, to demonstrate receipt by the Settlement Administrator, you may elect to send your Request for Exclusion via certified mail. Requests for Exclusion that do not include all required information, or that are not postmarked on or before **December 23, 2021**, will not be valid.

If you submit a valid and timely Request for Exclusion, you will not be bound by the settlement or the release of claims in Section 11 above; and you will not receive any money under the settlement. You will also be barred from objecting to this settlement. By opting out of the settlement class, you will retain whatever rights or claims you may have against Defendant.

Please note: The submission of a Request for Exclusion cannot exclude you from the PAGA Settlement. Thus, if you worked for Defendant at any time from May 30 10, 2018 and April 1, 2021, you will receive your portion of the PAGA Settlement and you will be bound by the more limited release set forth in section 11(b).

(c) You Can Object to the Settlement.

If you do not submit a Request for Exclusion from the settlement, you may object to the settlement in writing by sending your written objections to the Settlement Administrator at the address specified in Section 17 below. The deadline to postmark your written objections is **December 23, 2021**. You may also object to the settlement by appearing at the Final Approval Hearing. Only class members who have not requested exclusion may object to the settlement.

Any written objection must state the basis of your objection and include any papers and briefs in support of your position. Your written objection must be signed and must contain your current address and telephone number (or that of your attorney) and refer to this case (*Jimenez v. El Proyecto Del Barrio, Inc.*, Case No. 19STCV18696).

If you object to the settlement and if the Court approves the settlement notwithstanding your objections, you will be bound by the terms of the settlement and be deemed to have released all of the Released Claims as set forth in Section 11 above, and you will not be permitted to file a Request for Exclusion.

13. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the service and release awards to the Plaintiffs, and Class Counsel's request for attorneys' fees and costs, and other issues will be held on March 29, 2022, at 10:00 a.m., in Department 14 of the Los Angeles Superior County Superior Court, 312 N. Spring Street, Los Angeles, CA 90012. Any Class Member may attend the hearing. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time.

14. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer any questions the judge may have. If you send a written objection, you do not have to come to Court to talk about it. If you did not submit a written objection, but still object to the settlement, you must appear at the hearing in order to present your objection. You may also pay another lawyer to attend, but it is not required. Class Counsel will not represent you in connection with any objection.

15. NON-RETALIATION

Defendant will not retaliate or take any adverse action against a class member for participating in the settlement and receiving a settlement payment.

16. WHAT HAPPENS IF I DO NOTHING?

If you do nothing, you will automatically receive a settlement payment as described above and you will be bound by the release of Released Claims against the Released Parties, as described in section 11 of this Notice.

17. ADDITIONAL INFORMATION AND COURTHOUSE SOCIAL DISTANCING INFORMATION.

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file at the Los Angeles County Superior Court, 312 N. Spring Street, Los Angeles, CA 90012, subject to the social distancing procedures in place at the Courthouse. You may also review the settlement agreement and other documents on-line at www.Phoenixclassaction.com/ or you may contact the Settlement Administrator as follows:

Phoenix Settlement Administrators
Telephone: (800) 523-5773
Facsimile: (949) 209-2503
Email: notice@phoenixclassaction.com
Website: <http://www.phoenixclassaction.com/>

You may also contact Class Counsel at the address and telephone number provided in Section 4 above.

IMPORTANT: If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.

If you are planning to come to the Final Approval Hearing, you should review the Court's social distancing requirements at: <http://www.lacourt.org/newsmedia/ui/HfySfy.aspx> (Here for You, Safe for You).

These rules require that all persons entering any courthouse or courtroom must wear a face covering/mask over his or her nose and mouth at all times within the public areas of the courthouse or courtroom. Individuals who wear a face shield must ensure it covers both the nose and the mouth, wraps around the sides of a wearer's face and extend to below the chin with a cloth drape from the bottom of the face shield to below the neck. Children under the age of three (3) are exempt, as are persons with a medical condition, mental health condition, or disability that precludes them from wearing a face covering. However, they must "take whatever protective measures their condition permits, such as wearing a face shield without a drape on the bottom edge."

Individuals are required to maintain at least (6) six feet of physical distance from all persons (except those within their household) at all times and comply with social distance signage throughout the courthouse.

Individuals are requested to use hand sanitizer when entering the courthouse, practice good hand-washing hygiene, and cover coughs and sneezes, preferably with a tissue.

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE

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