

Name/Address Changes (if any):

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<<PSA ID>>

<<First Last>>

<<Address>>

<<City, State, Zip, Country>>

NOTICE OF REPRESENTATIVE ACTION SETTLEMENT

If you are or were an hourly-paid, non-exempt employee of Alvarado Restaurant Group, LLC, Palo Alto, Inc., and/or Palo Verde, Inc. at any time between May 9, 2019, and July 5, 2021, you are entitled to receive money from a Settlement brought under the Private Attorneys General Act of 2004 (PAGA).

A court approved this notice. This is not a solicitation from a lawyer. You are not being sued.

1. Why should you read this notice?

A settlement (the "Settlement") has been reached in a representative action lawsuit entitled *Sandra Wallace v. Alvarado Restaurant Group, LLC et al.*, Los Angeles County Superior Court Case No. 20STCV26260 (the "Action" or "Lawsuit"). The Defendants in the Action are Alvarado Restaurant Group, LLC, Palo Alto, Inc., and Palo Verde, Inc. (referred to as "Defendants"). The Action was brought by a former employee of Defendants on behalf of the State of California and all alleged "PAGA Members," defined as all current and former hourly-paid, non-exempt employees who were employed by Defendants in the state of California at any time between May 9, 2019, and July 5, 2021 ("PAGA Period").

The Court has granted approval of the settlement amount to be paid by Defendants for settlement of the Action for civil penalties under PAGA.

Defendants' employment records indicate that you meet the definition of PAGA Member. The Court directed that this Notice be sent to all PAGA Members to inform you about the case and your rights.

This Notice explains the Lawsuit, the Settlement, your legal rights, what benefits are available.

2. What is this Lawsuit about?

On July 13, 2020, Plaintiff Sandra Wallace filed a representative action complaint against Defendants alleging several violations of California wage and hour laws. Plaintiff filed the Action as a Private Attorney General on behalf of the State and sought penalties on behalf of herself, the State, and all current and former hourly-paid, non-exempt employees of Defendants within the PAGA Period. Plaintiff alleges that Defendants owed penalties under California's Private Attorneys General Act of 2004, California Labor Code §§ 2698-2699.5 ("PAGA"). In agreeing to this settlement, Defendants do not admit to any wrongdoing or that they are liable in any way for any civil penalties under PAGA.

3. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a Settlement. This allows the Parties to avoid the risk and uncertainty of trial and any subsequent appeal, and all affected employees will receive compensation. Plaintiff and Plaintiff's attorneys believe the Settlement is fair, reasonable and adequate, and in the best interests of all PAGA Members.

4. What are the terms of the Settlement?

Defendant will pay Two Million Two Hundred and Fifty Thousand Dollars and Zero Cents (\$2,250,000.00) to settle the Action (the "Gross Settlement Amount"). The Gross Settlement Amount includes: (a) all PAGA Payment Shares to PAGA Members; (b) Plaintiff's Representative Payment; (c) Plaintiff's Counsel's attorneys' fees and costs; (d) a payment to the California Labor and Workforce Development Agency ("LWDA") for civil penalties brought under PAGA; and (e) the reasonable fees and costs of the Settlement Administrator.

The Court has approved the following payments from the Gross Settlement Amount:

- Plaintiff's Counsel's fees of Seven Hundred and Eighty-Seven Thousand Five Hundred Dollars and Zero Cents (\$787,500.00);
- Plaintiff's Counsel's out-of-pocket litigation costs of Seventeen Thousand Six Hundred Fifteen Dollars and Thirty-nine Cents (\$17,615.39);
- Settlement Administration Costs for the third-party Settlement Administrator of up to Nine Thousand Nine Hundred and Fifty Dollars and Zero Cents (\$9,950.00); and
- Plaintiff's Representative Payment of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) in recognition of her time and service in pursuing the Action and in fulfilling her obligation.

After these costs are deducted the remaining money (the “Net Settlement Amount”) will be split between the LWDA and PAGA Members. The law requires that 75% of the Net Settlement Amount, or One Million Seventy Thousand Five Hundred Seventy-Five Dollars and Ninety-Six Cents (\$1,070,575.96), be paid to the LWDA. The remaining 25% of the Net Settlement Amount, or Three Hundred Fifty-Six Thousand Eight Hundred Fifty-Eight Dollars and Sixty-Five Cents (\$356,858.65) (“PAGA Payment”), will be paid out to the PAGA Members. No portion of the Gross Settlement Amount will be returned to Defendants.

5. How much am I receiving?

Each PAGA Member will receive a *pro rata* share of the PAGA Payment based on the number of pay periods the PAGA Member worked for Defendants as an hourly-paid, non-exempt employee during the PAGA Period. Any pay period in which a PAGA Member worked at least one day shall be counted as a pay period.

To calculate a PAGA Member’s PAGA Payment Share, the PAGA Payment will be divided by the aggregate total number of pay periods of all PAGA Members, resulting in the “Pay Period Value.” Each PAGA Member’s PAGA Payment Share will be calculated by multiplying each individual PAGA Member’s total number of pay periods by the Pay Period Value.

Your Compensable Pay Periods are: <<PayPeriods>>

Your PAGA Payment Share is: \$<<Est.PAGAPaymentAmt>>

All settlement payments are subject to taxation. Each PAGA Payment Share will be allocated as follows: 100% as penalties that will not be subject to deductions and withholdings. Each PAGA Member will receive an IRS Form-1099 for his or her PAGA Payment Share, unless the PAGA Member’s PAGA Payment Share is \$600 or less.

The Settlement checks will be able to be cashed for 180 days after they are issued. After 180 days, the Settlement checks will no longer be able to be cashed. Any funds represented by Settlement checks remaining uncashed for more than 180 days after issuance shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500, *et seq.* in the names of those PAGA Members who did not cash their Settlement checks until such time they claim their property.

6. What claims are being released by the Settlement?

A Judgment has been entered by the Court. Upon funding of the Gross Settlement Amount, all PAGA Members have released the Released Parties from the Released Claims for the PAGA Period, which is defined as the period of time between May 9, 2019, and July 5, 2021.

The Released Parties are defined as Defendants and 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, related companies, including, but not limited to Alvarado Holdings, LLC, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The Released Claims are defined as any and all claims for the recovery for civil penalties, attorneys’ fees and costs permissible under PAGA which Plaintiff and/or the PAGA Members had, or may claim to have, against Released Parties, arising out of the violations alleged in the Complaint or the PAGA Notice, including unpaid straight and overtime wages (including any work off-the-clock), failure to provide reporting time pay, failure to pay employees all minimum wages and overtime wages owed including by failing to pay all overtime and double time at the correct regular rate of pay, failure to provide compliant meal and rest breaks, failure to pay them all premium wages owed for short, late or missed meal and rest periods, failure to pay all wages owed at discharge or resignation; failure to timely pay wages within the times permissible under Labor Code section 204; failure to provide complete and accurate wage statements; failure to keep complete and accurate payroll records; failure to reimburse necessary business-related expenses and internet service; violations of Labor Code Sections 201, 202, 203, 204, 226(a), 226.2, 226.3, 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802.

Claims of PAGA Members, if any, for individual wage claims, vested benefits, wrongful termination, unemployment insurance, disability benefits, social security, workers’ compensation, claims while classified as exempt, and claims outside of the PAGA Period are not encompassed within the definition of “Released Claims.” PAGA Members cannot opt out of or object to the foregoing PAGA Release.

If you have questions, you can call the Settlement Administrator at (800) 523-5773.

PLEASE DO NOT TELEPHONE THE COURT ABOUT THIS SETTLEMENT
They will not be able to assist you.