

[CLASS MEMBER NAME]
[CLASS MEMBER ADDRESS]
[CITY, STATE ZIP]

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Flor De Maria Marroquin v. Food Castle, Inc., et al.

Superior Court of the State of California, County of Los Angeles
Case No.: 21STCV22583

If you are or were employed by Food Castle, Inc. (“Food Castle” or “Defendant”) in California as a non-exempt employee at any time between June 15, 2017, and February 15, 2023 (the “Settlement Class”), a proposed class action settlement (“proposed Settlement”) may affect your rights and you may be entitled to money under the proposed Settlement.

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

PLEASE READ THIS NOTICE CAREFULLY AND MAKE A DECISION BY JUNE 5, 2023. THE NOTICE CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.

- You are receiving this Notice because the Food Castle’s records show that you are in the Settlement Class.
- Plaintiff Flor De Maria Marroquin (“Plaintiff”) in this class action alleges that Food Castle did not pay overtime wages, minimum wages, provide rest periods, provide accurate itemized wage statements, or pay final wages upon termination to former employees. The action brings claims for violations of the California Labor Code, including the Private Attorneys General Act and the Unfair Competition Law.
- Food Castle denies Plaintiff’s claims in their entirety and asserts that it properly complied with California laws regarding overtime, minimum wages, rest periods, wage statements and final wages upon termination. The proposed Settlement is not an admission of any wrongdoing, and the Court has not made any findings of liability.
- The parties in this action disagree as to the probable outcome of the lawsuit with respect to liability and damages if it were not settled. Although Plaintiff believes her claims have merit, she recognizes that litigating has risks, and that she may not prevail and/or obtain class certification on all or some of her claims. Likewise, while Food Castle is confident that it has defenses to Plaintiff’s claims and that it can defeat class certification, it recognizes the risks, distractions, and costs involved with litigation. The parties attended a mediation conference and, recognizing the risks and costs inherent in litigation, reached a proposed Settlement of the claims asserted in the lawsuit.
- On February 15, 2023, the Court granted preliminary approval of the proposed Settlement. This proposed Settlement is the result of good faith, arm’s-length negotiations between the parties, through their respective attorneys. The Court has expressed no opinion on the merits of Plaintiff’s claims or Food Castle’s defenses.
- You have several options available to you:

DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	By doing nothing, if you are a Settlement Class Member you <u>will</u> receive a share of the Settlement proceeds if the proposed Settlement is finally approved, and you will give up any rights to sue Food Castle separately regarding the claims described below in this Notice.
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ASK TO BE EXCLUDED (OPT OUT)	If you timely request in writing to be excluded from the proposed Settlement, you will not receive a share of the Settlement proceeds, but you keep any rights to bring a claim against Food Castle separately for the same allegations in this lawsuit. Your written Request for Exclusion letter must be postmarked by June 5, 2023.
OBJECT	Object to the terms of this proposed Settlement. You cannot choose this option if you request to be excluded from the proposed Settlement. Your written notice of intent to object must be postmarked by June 5, 2023.

Your options are explained in more detail below.

1. Why did I get this notice?

A proposed Settlement has been reached in a class action lawsuit that was brought by a former employee on behalf of Food Castle’s California non-exempt employees. You have received this notice because Food Castle’s records indicate that you are a member of the Settlement Class.

2. What is this lawsuit about?

This class action was originally filed on June 15, 2021. The First Amended Complaint alleges causes of action for: (1) failure to pay overtime; (2) failure to issue accurate wage statements; (3) failure to provide rest periods; (4) failure to pay minimum wages; (5) unfair competition; and (6) violation of the Private Attorneys General Act, and based on the same underlying alleged violations, seeking damages, civil and statutory penalties, interests, costs of suit, restitution, disgorgement, injunctive relief, and attorneys’ fees.

3. What is a class action?

In a class action lawsuit, one or more persons sue on behalf of other people who may have similar claims. The person suing and those he/she seeks to represent, together are called the class or class members. A certified class action allows the Court to resolve the claims of all the class members who choose not to exclude themselves from the class. A class member is bound by the determination or judgment entered in the case, whether the class wins or loses, and may not file his or her own lawsuit on the same claims that were decided in the class action. A class member is also covered by any settlement reached and approved by the Court in the case. A class action allows one court to resolve all of the issues in a lawsuit for all the class members who choose not to exclude themselves from the class.

4. Has the Court decided who is right?

No. The Court has made no decision regarding the merits of Plaintiff’s allegations or Food Castle’s defenses.

5. Why did this case settle?

The parties in this action disagree as to the probable outcome of the action with respect to class certification, liability, and damages if it were not settled. However, the parties each recognize that litigation has risks and costs. The parties attended a mediation conference and, after considering their positions and the risks and costs inherent in litigation, reached the proposed Settlement of the claims asserted in the lawsuit.

6. What are the terms of the proposed Settlement and how much will I receive?

The maximum settlement amount is \$575,000. Under the proposed Settlement, the following amounts will be deducted before any payments are made to employees, subject to final approval by the Court:

- Attorneys’ Fees – \$201,250
- Costs of Suit – \$8,500.00
- Settlement Administration Expenses – \$7,000
- Service Payment to Plaintiff – \$7,500

After these deductions, \$350,750.00 will be available for payment to the Settlement Class receiving this Class Notice as the Net Settlement Amount (“NSA”). Unless otherwise specified, the Settlement Administrator will perform the calculations for the Settlement Payments. If the proposed Settlement is finally approved, each Class Member will share pro-rata in the NSA as follows:

Food Castle will provide the Settlement Administrator with Class Data, including the number of workweeks that each Class Member worked in California for Food Castle as a non-exempt employee during the Class Period, and the total workweeks (“WW”) for all Class Members during the Class Period. The Individual Settlement Payment for each Settlement Class Member who does not Opt Out and is deemed a Participating Class Member shall be calculated by the Settlement Administrator as follows: (a) the number of WW each Participating Class Member worked as a non-exempt employee for Defendant in California during the Class Period; divided by (b) the aggregate number of WW for all Participating Class Members as calculated under subparagraph (a); and then multiplied by (c) the Net Settlement Amount.

7. What do I have to do to receive a share of the proposed Settlement?

If you wish to receive a payment under the terms of this proposed Settlement, you do not have to do anything. However, it is important that if your address has changed, you give your current mailing address to the Settlement Administrator in order to ensure that you receive your share of the Settlement proceeds if the proposed Settlement is finally approved. You will be covered by the release stated in Section 8, below.

8. What rights am I giving up?

The claims you will release by being part of the Settlement are: any and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney’s fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, under any legal theory under state law for any alleged failure to pay all wages due (including minimum wage and overtime wages), failure to pay for all hours worked, failure to provide rest periods, failure to timely pay wages and final wages, failure to furnish accurate wage statements including claims derivative and/or related to these claims during the period of time from June 15, 2017 through February 15, 2023.

9. If the proposed Settlement is finally approved and I receive a share of the Settlement proceeds, how will my Settlement Payment be treated for tax purposes?

For tax purposes, all Settlement Payments will be treated as follows:

- 10 percent (10%) as wages, subject to withholdings; and
- Ninety percent (90%) as statutory and civil penalties, reported as non-wage income.

If you have any tax questions about your Settlement Payment, you will need to consult with your tax advisor about any potential additional tax liability. Food Castle makes no representations as to the taxability or non-taxability of your Settlement Payment pursuant to this proposed Settlement, and nothing in this Notice should be construed as tax advice by or on behalf of Food Castle.

10. What if I do not wish to be part of the proposed Settlement?

Anyone not wishing to participate in the proposed Settlement may exclude himself or herself (“opt out”) by completing, signing and mailing a Request for Exclusion letter postmarked by June 5, 2023, to the Settlement Administrator as follows.

Marroquin v. Food Castle Settlement Administrator
C/O Phoenix Settlement Administrators

P.O. Box 7208

Orange, CA 92863

Telephone: (800) 523-5773

Facsimile: (949) 209-2503

Email: notice@phoenixclassaction.com

Website: <https://www.phoenixclassaction.com/marroquin-v-food-castle/>

If your Request for Exclusion is postmarked after June 5, 2023, it will be rejected, and you will be a Class Member and be bound by the Settlement terms.

To be valid, any Request for Exclusion must state substantially the following: “I wish to exclude myself from the settlement reached in the matter of *Marroquin v. Food Castle, Inc.* I understand that, by excluding myself, I will not receive any money (other than the PAGA Settlement Amount) from the settlement reached in this matter”; (2) contain the name, address, and the last four digits of the Social Security number of the person requesting exclusion; (3) be signed by the Settlement Class Member; and (4) be postmarked or fax stamped by June 5, 2023 and returned to the Settlement Administrator at the specified address or fax telephone number stated in the Class Notice. Anyone who submits a timely and valid Request for Exclusion shall not be deemed a Settlement Class Member and will not receive any payment as part of this proposed Settlement. Such persons will keep any rights to sue Food Castle separately about the claims made in this lawsuit.

11. What if I have an objection to the proposed Settlement?

Any objection to the proposed Settlement must be in writing and mailed to the Settlement Administrator (identified above) postmarked by June 5, 2023. This writing (“Objection”) must state your intent to object to this proposed Settlement, including any intent if you wish to appear at the Final Approval Hearing in Dept. 9 of the Los Angeles County Superior Court, 312 North Spring Street, Los Angeles, CA 90012 on June 27, 2023, at 10:00 a.m. Pacific Time. Your Objection must set forth the basis for your objection to this proposed Settlement and can include any supporting papers and arguments. Each or all of the parties may file a responsive document to any Objection with the Court no later than five (5) days before the Final Approval Hearing.

12. Do I need a lawyer? Who are the lawyers in this case?

You do not need to hire your own lawyer if you remain part of the proposed Settlement, because Class Counsel is working on your behalf. However, if you want your own lawyer, including to make an Objection to the proposed Settlement, you are free to hire one at your own expense. The below are Class Counsel and Food Castle’s Counsel in this case:

<p><u>Class Counsel:</u> Kevin A. Lipeles (Bar No. 244275) kevin@kallaw.com Thomas H. Schelly (Bar No. 217285) thomas@kallaw.com LIPELES LAW GROUP, APC 880 Apollo Street, Suite 336 El Segundo, California 90245 Telephone: (310) 322-2211 Fax: (310) 322-2252</p>	<p><u>Food Castle’s Counsel:</u> Jeremy Mittman (SBN 248854), j2m@msk.com Valentine A. Shalamitski (SBN 236061), vas@msk.com MITCHELL SILBERBERG & KNUPP LLP 2049 Century Park East, 18th Floor Los Angeles, CA 90067-3120 Telephone: (310) 312-2000 Facsimile: (310) 312-3100</p>
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13. What happens next in the case?

The proposed Settlement has been preliminarily approved. The Court will hold a hearing in Dept. 9 of the Los Angeles County Superior Court, 312 North Spring Street, Los Angeles, CA 90012 on June 27, 2023, at 10:00 a.m. Pacific Time, to consider the proposed Settlement, including any Objections, and determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel’s request for attorneys’ fees and costs, Plaintiff’s Service Payment, and the costs of settlement administration. The hearing may be continued to another date and/or the location of the hearing may change. Notice of a change of the hearing date and/or location of the hearing will be provided on <https://www.phoenixclassaction.com/marroquin-v-food-castle/>. It is not necessary for you to appear at this hearing, but you can appear if you wish. If you intend to appear at the hearing, it is important to visit the Los Angeles Superior Court website at www.lacourt.org to determine whether there are any social distancing or COVID-19 related guidelines for in-person court appearances. Presently, a mandatory face mask mandate remains in effect.

14. How can I receive more information?

This Notice is a summary of the basic terms of the proposed Settlement. For the precise terms and conditions of the proposed Settlement, you may review the detailed “Joint Stipulation of Settlement and Release” on file with the Clerk of the Court. You may also ask Class Counsel or the Settlement Administrator to send you a copy of the Joint Stipulation of Settlement and Release. The pleadings and other records in this litigation may be examined during regular business hours at the Office of the Clerk of the Los Angeles County Superior Court, 1st Floor Room 102, 111 North Hill Street, Los Angeles, CA 90012. For further information, you may also call the Settlement Administrator (listed above).

15. What if my information changes?

If this Notice was sent to the wrong address or if, after you receive this Notice, you change your postal address or telephone number, it is your responsibility to inform the Settlement Administrator of your updated information, by calling or writing to the Settlement Administrator.

Please do not contact the Court, the Office of the Clerk, or Food Castle with questions regarding this proposed Settlement.