

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE
FOR FINAL APPROVAL HEARING**

Carmen Guillen Garcia, et al. v. American Licorice Company, et al.
(County of Alameda, California Superior Court Case No. RG21107049)

As a current or former non-exempt California employee of American Licorice Company, you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement fund.

You have received this Notice of Class Action Settlement because the records of defendants American Licorice Company (“Company”) and John Nelson (collectively, “Defendants”) show you are a “Class Member,” and therefore entitled to a payment from this class action Settlement. Class Members are all persons employed by the Company in the State of California in an hourly-paid, non-exempt position at any time during the period from July 29, 2017 through October 25, 2022 (“Class Period”).

- The settlement is to resolve a class action lawsuit, *Carmen Guillen Garcia, et al. v. American Licorice Company, et al.*, pending in the Superior Court of California for the County of Alameda, Case Number RG21107049 (the “Lawsuit”), which alleges that Defendants: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to pay timely pay wages upon termination or resignation from employment; (6) failed to issue compliant wage statements; (7) failed to timely pay wages; and (8) engaged in unfair competition. Based on these and other alleged Labor Code violations, Plaintiffs also seek penalties under the California Labor Code Private Attorney Generals Act (“PAGA”).
- On March 7, 2023, the Alameda County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendants vigorously deny the claims in the Lawsuit and contends that it fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you worked from July 20, 2020 through October 25, 2022, (“PAGA Period”) as a non-exempt employee of Defendants, as well, then you will be deemed an “Aggrieved Employee” and you will still receive your share of the proceeds available from the settlement of the PAGA Released Claims, defined below, (your “Individual PAGA Payment”) even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, Phoenix Settlement Administrators, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for August 15, 2023 at 3:00 p.m. in Department 23 of the Administrative Building of the Alameda County Superior Court, located at 1221 Oak Street, Oakland, California 94612.

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 3:00 p.m. on August 15, 2023, in the Administrative Building of the Alameda County Superior Court, located at 1221 Oak Street, Oakland, California 94612, in Department 23. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendants’ records show that you currently work, or previously worked, for Defendants as a non-exempt, hourly-paid employee in the State of California at some point during the Class Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a “Settlement Administrator” appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

Questions? Contact the Settlement Administrator toll free at (800) 523-5773

What Is This Case About?

Carmen Guillen Garcia, Angela Lopez Rodriguez and Beatriz Grijalva were non-exempt, hourly-paid employees of Defendants. They are the “Plaintiffs” in this case and are suing on behalf of themselves and Class Members for Defendants’ alleged failure to pay overtime and minimum wages, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to timely pay wages upon termination or resignation from employment, failure to issue compliant wage statements, failure to timely pay wages and engaging in unfair competition.

Based on these and other alleged Labor Code violations, Plaintiffs also seek to recover penalties under the California Labor Code Private Attorney Generals Act.

Defendants deny all of the allegations made by Plaintiffs and denies that they violated any law. Defendants contend, among other things, that it complied with the California Labor Code and Business and Professions Code, as required by applicable law, and meets all of its legal obligations to its employees. The Court has made no ruling on the merits of Plaintiffs’ claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiffs and Defendants have agreed to settle this case on behalf of themselves and Class Members and Aggrieved Employees for the Gross Settlement Amount, which unless increased pursuant to the Settlement Agreement, amounts to \$1,900,000.00. The Gross Settlement includes: (1) Administration Costs up to \$9,500.00 (2) a service payments of up to \$7,500.00 to Carmen Guillen Garcia, \$5,000.00 to Angela Lopez Rodriguez, and \$5,000.00 to Beatriz Grijalva, for a total of \$17,500.00 to Plaintiffs, for their time and effort in pursuing their case and in exchange for a broader release of claims against Defendants; (3) up to 35% of the Gross Settlement Amount in attorneys’ fees which, unless escalated pursuant to the Settlement Agreement, amounts to \$665,000.00; (4) up to \$50,000.00 in litigation costs to Class Counsel, according to proof; and (5) payment allocated to PAGA penalties in the amount of \$40,000.00 Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA (\$30,000.00) will be paid to the LWDA and twenty-five percent (25%) (\$10,000.00) will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than \$1,118,000.00 will be available for distribution to Class Members (“Net Settlement Amount”).

Based on its records, the Company estimates that, between July 9, 2017, and May 13, 2022, (1) there were 275 Class Members and 33,482 Total Workweeks; and (2) there were 199 Aggrieved Employees who worked a total of 12,959 PAGA Pay Periods. In the event the actual number of Workweeks during the aforementioned time period increases by more than 10%, or 3,348 Workweeks, then the Gross Settlement Amount shall be increased proportionally by the Workweeks in excess of 36,830 Workweeks multiplied by the Workweek Value. The Workweek Value shall be calculated by dividing the originally agreed-upon Gross Settlement Amount (\$1,900,000.00) by 33,482, which amounts to a Workweek Value of \$56.75. Thus, for example, should there be 37,000 Workweeks during the aforementioned time period, then the Gross Settlement Amount shall be increased by \$9,647.50. ((37,000 Workweeks – 36,830 Workweeks) x \$56.75 per Workweek.).

“Workweek” means any week during which a Class Member worked for the Company for at least one day during the Class Period, based on hire dates, re-hire dates (as applicable), and separation dates (as applicable).

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks worked by Class Members in non-exempt positions for Defendants in California during the Class Period (“Eligible Workweeks”). Specifically, Class Members’ payments will be calculated by dividing the number of Eligible Workweeks attributed to the Class Member by all Eligible Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (Individual’s Eligible Workweeks ÷ total Settlement Class Eligible Workweeks) x Net Settlement Amount. In addition, Class Members who worked during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the \$40,000.00 allocated as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Period.

Defendants’ records indicate that you worked [Eligible Workweeks] as a non-exempt employee in California during the Class Period and [Eligible Workweeks] during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [\$Estimated Award] and your estimated payment as an Aggrieved Employee would be [\$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than May 20, 2023. Please include any documentation you have that you contend supports your dispute.

Tax Reporting

100% of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099. 25% of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and 75% will be allocated as penalties and interest reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Questions? Contact the Settlement Administrator toll free at (800) 523-5773

Your Options Under the Settlement

Option 1 – Do Nothing and Receive Your Payment

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member. If you do not opt out of the settlement, you will be bound by the entire release in the settlement and receive your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an Aggrieved Employee. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.**

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had upon final approval of this Settlement and payment by Defendants to the Settlement Administrator.

Release by Participating Class Members: For the duration of the Class Period, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, including claims for unpaid minimum wages; unpaid overtime wages; failure to provide meal periods or pay premium wages in lieu thereof; failure to provide rest periods or pay premium wages in lieu thereof; failure to furnish accurate itemized wage statements; failure to pay timely wages; failure to pay all final wages due upon termination; failure to maintain accurate time and pay records; and unfair competition. For the avoidance of doubt, the Released Class Claims covered by this Agreement include claims for violation of California Labor Code §§ 201-204, 226, 226.7, 510, 512, 558, 558.1, 1194, 1194.2, and 1197; all related provisions of the California Industrial Welfare Commission Wage Orders; and California Business and Professions Code §§ 17200 *et seq.*; and any and all remedies available on any of the foregoing claims, including without limitation, compensatory damages, wages, penalties, liquidated damages, interest, costs, attorneys' fees, restitution, declaratory relief, and injunctive relief. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the California Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

Release by Aggrieved Employees: For the duration of the PAGA Period, all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and/or the PAGA Notices, including PAGA penalty claims based on alleged unpaid minimum wages; unpaid overtime wages; failure to provide meal periods or pay premium wages in lieu thereof; failure to provide rest periods or pay premium wages in lieu thereof; failure to furnish accurate itemized wage statements; failure to pay timely wages; failure to pay all final wages due upon termination; and failure to maintain accurate time and pay records. For the avoidance of doubt, the Released PAGA Claims covered by this Agreement include claims for PAGA penalties based upon alleged violation of California Labor Code §§ 201-204, 226, 226.7, 510, 512, 558, 558.1, 1194, 1194.2, and 1197; and all other remedies available under PAGA on any of the foregoing claims, including attorneys' fees and costs.

“Released Parties” refers to the Defendant, its subsidiaries, affiliates, and their former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns.

Option 2 – Opt Out of the Settlement

If you do not wish to receive your Individual Settlement Payment or release the Class Released Claims, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must expressly and clearly indicate that you do not want to participate in the Settlement, and you desire to be excluded from the Settlement. The written request for exclusion must include your name, address, and telephone number or email address. Your request for exclusion must reasonably communicate that you wish to be excluded from the Settlement. Sign, date, and mail or email your written request for exclusion by U.S. First-Class Mail to the address below.

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863

Your written request for exclusion must be mailed to the Administrator not later than May 20, 2023.

The proposed settlement includes the settlement of the PAGA Released Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are an Aggrieved Employee, you will still receive your Individual PAGA Payment and will be deemed to have released the PAGA Released Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Class Released Claims.

Questions? Contact the Settlement Administrator toll free at (800) 523-5773

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you may submit an objection in writing stating why you object to the Settlement. Your written objection must be mailed or emailed to the Administrator no later than May 20, 2023. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Final Approval Hearing

You may, if you wish, also appear at the Final Approval Hearing set for August 15, 2023 at 3:00 p.m. in the Department 23 of the Administrative Building of the Alameda County Superior Court, located at 1221 Oak Street, Oakland, California 94612, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may also retain an attorney to represent you at the Hearing at your own expense.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at (800) 523-5773 or Class Counsel, whose information appears below:

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You may also visit the Settlement Administrator's website at <https://www.phoenixclassaction.com/garcia-v-american-licorice-company/> to gain access to key documents in this case, including the Operative Complaint, Settlement Agreement, the Class Notice, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Administrative Building of the Alameda County Superior Court, located at 1221 Oak Street, Oakland, California 94612, during regular business hours of each court day.

The pleadings and other records in this litigation may be examined online on the Alameda County Superior Court's website, known as 'eCourt Public Portal,' at <https://eportal.alameda.courts.ca.gov>. After arriving at the website, click the 'Search' tab at the top of the page, then select the Document Downloads link, enter the case number and click 'Submit.' Images of every document filed in the case may be viewed 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.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE,
DEFENDANTS, OR DEFENDANTS' ATTORNEYS WITH INQUIRIES.**