NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL

Edgar Hernandez, et al. v. Township Retail Services, Inc., et al. Los Angeles County Superior Court Case No. 18STCV06709

As a current or former non-exempt employee of Township Retail Services, Inc. ("Township") in California at any time from December 4, 2013 through July 20, 2022, you may be entitled to receive money from a proposed class action settlement.

The California Superior Court, County of Los Angeles authorized this Class Notice. This is not a solicitation from a lawyer. This is not a lawsuit against you. You have not been sued.

PLEASE READ THIS CLASS NOTICE CAREFULLY. YOUR LEGAL RIGHTS ARE AFFECTED BY IT.

- A proposed class action settlement of \$850,000 has been reached between Plaintiff Edgar Hernandez, Plaintiff Ernesto Nunez, and Defendants Township Retail Services, Inc., Township Building Services, Inc., and Township Retail Services, LLC (hereinafter collectively "Township") on behalf of Settlement Class Members.
- The settlement resolves the class and representative action lawsuit entitled *Edgar Hernandez, Ernesto Nunez, individually and on behalf of other persons similarly situated and similarly aggrieved employees, v. Township Retail Services, Inc., et al.*, Los Angeles County Superior Court Case No. 18STCV06709 ("Lawsuit"), wherein Plaintiffs allege various wage and hour violations. The Settlement also avoids the costs and risks from continuing the Lawsuit, pays money to persons like you, and releases Township from alleged liability.
- The Court has not made a determination of the validity of the claims in the Lawsuit. Township denies any and all liability arising from any of the claims and contends that at all relevant times it complied with applicable laws.
- This Settlement will be used to settle claims of all Settlement Class Members. The amount of Settlement Class Members' individual settlements will be determined by the number of weeks they worked for Township ("workweeks") plus additional workweeks for employees whose employment ended.
- Lawyers for the Settlement Class Members will be asking the Court to award up to \$283,333.33 to be paid out of the settlement (one-third) as attorneys' fees for investigating the facts, litigating the case, and negotiating the settlement, as well as litigation costs and expenses, not to exceed \$25,000, incurred during the case. They also will ask the Court to approve: (1) a \$5,000 incentive award to Plaintiff Edgar Hernandez and a \$5,000 incentive award to Plaintiff Ernesto Nunez ("Plaintiffs" or "Representative Plaintiffs") who assisted in litigating this case for the benefit of all Settlement Class Members; (2) a \$15,000 payment to the California Labor and Workforce Development Agency ("LWDA"); and (3) up to a maximum of \$15,000 to the Settlement Administrator for costs incurred in administering this Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT			
DO NOTHING	You will automatically receive payment from the Settlement and you will give up any right you may have to sue for alleged violations and related claims released by the Settlement. You get a payment and release your claims . (<i>See Sections 10, 11 and 19, below</i>). If you do not agree with the number of workweeks presented to you in this Class Notice, you will have until July 31, 2023 to submit any dispute regarding your individual workweek calculations. (<i>See Section 10, below</i>).		
OPT OUT OR EXCLUDE YOURSELF	If you do not want to participate in the settlement you can opt-out. To opt-out, you must submit a written request for exclusion to the Settlement Administrator stating your intent to not be part of the settlement and sign and date the statement. The written statement must be postmarked on or before July 31, 2023. If you opt-out, you will not release any claims against Township and you will receive no benefit from this settlement, except your share of PAGA civil penalties to the extent you are entitled to them. (<i>See Sections 10 and 13, below</i>).		
OBJECT	If you do not think the settlement is fair and do not opt out, then you may write to the Settlement Administrator about why you do not like the settlement and they will forward your concerns to the attorneys who will then provide it to the court. Your objection must be postmarked on or before July 31, 2023. (<i>See Section 16, below</i>). You may not object if you have opted out.		

BASIC INFORMATION

1. Why did I get this Class Notice package?

The records of Township indicate that you were employed by Township in California as a non-exempt employee at any time from December 4, 2013 through July 20, 2022 ("Settlement Class") (See Section 6, below).

You were sent this Class Notice because you have a right to know about a proposed settlement involving this lawsuit and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and after any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments that the settlement allows. This package explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the California Superior Court for the County of Los Angeles. The persons who sued are called Plaintiffs, and the organization they sued is called the Defendant.

2. What is this Lawsuit about?

On December 4, 2017, Plaintiff Ernesto Nunez filed a class and representative action complaint in the San Diego County Superior Court (37-2017-00046831-CU-OE-CTL) against Township, on his own behalf and on behalf of other persons ("Nunez Lawsuit").

On November 30, 2018, Plaintiff Edgar Hernandez filed a class action complaint in the Los Angeles County Superior Court (18STCV06709) against Township, on his own behalf and on behalf of other persons ("Lawsuit").

On March 17, 2021, the claims in the Nunez Lawsuit were added to the Lawsuit through the filing of a First Amended Complaint which asserts the following class causes of action: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Wages; (4) Failure to Provide Accurate Wage Statements; (5) Failure to Reimburse Business Expenses; and (6) Violation of Unfair Business Practices Act – Bus. & Prof. Code §§ 17200, et seq. The First Amended Complaint also includes a representative cause of action for civil penalties under the Private Attorneys' General Act ("PAGA") in accordance with the required notices communicated by Plaintiffs to the LWDA and Township.

Township has vigorously denied and defended against the allegations in the Lawsuit, asserting that it has paid its employees properly and has no liability for any of the alleged claims under any statute, wage order, common law, or equitable theory.

3. Why is this a class action?

In a class action, one or more people called Class Representatives or Representative Plaintiffs sue on behalf of people who have similar claims. All these people comprise a Class and are referred to as Class Members, except those who decide to exclude themselves from the Class. One court resolves the issues for all Class Members.

4. Why is there a settlement?

Since the Nunez Lawsuit and Lawsuit were filed, there has been an ongoing investigation, and information exchanged. The parties have participated in mediation with a highly respected neutral mediator. As a result, the parties reached this Settlement to avoid the cost and risk of further litigation.

The Superior Court of California, County of Los Angeles, has not made a ruling on the merits of Plaintiffs' claims or Township's defenses. However, the Court has preliminarily approved the proposed Settlement. The Court will decide whether to give final approval to the Settlement at the Final Approval hearing scheduled for September 27, 2023 at 9:00 a.m. The Court is located at 312 North Spring Street, Los Angeles, CA, 90012, Department SS-11.

The settlement does not mean that any law was broken. The proposed Settlement is a compromise of disputed claims and does not mean that Township violated any legal wage requirements or is liable for any of the charges made by Plaintiffs. Township denies all of the legal claims in the case, and also asserts that a class action is improper for any purpose other than this settlement. Plaintiffs and Class Counsel believe that this settlement is fair and reasonable and is in the best interest of all Settlement Class Members.

5. What is a class action settlement?

The Court must approve the terms of the settlement described below as fair and reasonable to the class. Once approved, the settlement will affect all Settlement Class Members except those who have opted out (*i.e.* excluded themselves). This Class Notice explains your legal rights, the terms of the settlement, what you must do to participate, and the amount of money you may get. Please read this entire Class Notice carefully.

WHO IS IN THE SETTLEMENT?

To see if you will get money from this settlement, you first have to decide if you are a Settlement Class Member.

6. How do I know if I am a Settlement Class Member?

The parties have agreed, subject to Court approval, that the Settlement Class is made up of the following group:

The **Settlement Class** is defined as:

All non-exempt employees who are or previously were employed by Township in California during the period of December 4, 2013 through July 20, 2022 ("Class Period").

If you received this Class Notice, you are considered to be a Settlement Class Member.

7. Are there exceptions to being included?

You can elect to be excluded from this settlement by opting out of this settlement and you will not be a Settlement Class Member.

8. I'm still not sure if I am a Settlement Class Member. What should I do?

You are receiving this Class Notice because Township's records indicate that you are a Settlement Class Member. If you believe you have received this Class Notice in error, please notify the Settlement Administrator immediately.

If this Class Notice was sent to a different address from where you now reside, you need to contact the Settlement Administrator and provide updated information so that any future correspondence or the settlement payment itself reach you.

In order to receive payment under this Settlement, you do not have to take any action.

THE SETTLEMENT BENEFITS—WHAT YOU GET

9. What does the settlement provide?

The Settlement Agreement provides that Township will pay Eight Hundred Fifty Thousand Dollars (\$850,000) (the "Settlement Amount") to fully resolve the claims being settled and released in the Lawsuit. After payment of the sums awarded by the Court (1) to the Settlement Administrator for its costs, up to a maximum of Fifteen Thousand Dollars (\$15,000); (2) to Settlement Class Counsel for their legal fees in the Action, including any work they do in the future, up to a maximum of Two Hundred Eighty Three Thousand Three Hundred Thirty Three Dollars and Thirty-Three Cents (\$283,333.33), which is thirty one-third (33 1/3%) of the Settlement Amount; (3) to Settlement Class Counsel for their litigation costs and expenses, up to a maximum of Twenty Five Thousand Dollars (\$25,000); (4) to Representative Plaintiffs Edgar Hernandez and Ernesto Nunez as service awards for services they provided on behalf of the Settlement Class, risk of payment of costs in the event there had been an unfavorable outcome, and stigma, up to a maximum of Five Thousand Dollars (\$5,000) each; (5) to the California Labor and Workforce Development Agency ("LWDA"), the sum of Fifteen Thousand Dollars (\$15,000) as its share of PAGA penalties; the remaining sum, estimated at no less than Four Hundred Seventy Two Thousand Five Hundred Dollars (\$472,500) (the "Net Settlement Amount") will be distributed entirely to Settlement Class Members who qualify to receive payment.

The actual and complete terms of the Settlement are set forth in the Stipulated Settlement Agreement ("Settlement Agreement") filed with the Court. You can obtain a complete copy of the Settlement Agreement by calling Settlement Class Counsel, whose contact information is provided in Section 20, below.

10. How much will my payment be? How do I receive payment?

As a Settlement Class Member, you will automatically receive payment if you do not exclude yourself.

Based on Township's records, your total number of Workweeks during your applicable time period is: [NUMBER], which includes the following number of Workweeks due to your employment having ended during the Class Period: [NUMBER].

Your estimated settlement payment based on the number of Workweeks indicated above is: [AMOUNT], less taxes.

Your estimated settlement payment is calculated pursuant to the method set forth below:

A Settlement Class Member's estimated share of the Net Settlement Amount shall be determined based on each Settlement Class Member's number of Workweeks Worked during the applicable Class Period. Settlement Class Members whose employment has ended during the Class Period will be allocated an additional 0.25 Workweeks Worked for each Workweek Worked, up to a maximum of 6 additional Workweeks Worked credit to compensate them for their waiting time penalty claim. Each Settlement Class Member's share of the Net Settlement Amount shall be determined by dividing the Net Settlement Amount by the total number of Workweeks Worked by all Settlement Class Members during the applicable Class Period, including the enhancements described above, to determine the Per Workweek Settlement Amount. Each Settlement Class Member's Individual Settlement Amount is then determined by multiplying the Per Workweek Settlement Amount by the number of Workweeks Worked by that Settlement Class Member. In the event that any Settlement Class Members opt out of the Settlement, any portion of the Net

Settlement Amount that is not claimed shall be paid to Participating Settlement Class Members on a proportional basis determined by the number of Workweeks Worked by each Participating Settlement Class Member. The amount actually paid to each Participating Settlement Class Member shall be known as the Individual Settlement Payment.

Taxation of your Individual Settlement Payment will be as follows:

Twenty Percent (20%) of each Participating Settlement Class Member's Individual Settlement Payment shall be apportioned to wages. Standard payroll deductions shall be taken from the wage portion. The Settlement Administrator will issue a check and W-2 Form to each Participating Settlement Class Member for the Wage Component.

Eighty Percent (80%) of each Participating Settlement Class Member's Individual Settlement Payment shall be apportioned to penalties and interest. No withholding shall be made on the interest and penalty portion. The Settlement Administrator will issue a second check and IRS Form 1099 for the interest and penalty component. Any taxes due on the portion of the Individual Settlement Payment reported on a Form 1099 shall be the responsibility of the individual Participating Settlement Class Member.

The Settlement Administrator shall be responsible for issuing the payments and calculating and withholding all required state and federal taxes.

Township will be responsible for paying all employer tax liabilities separate and apart from the Settlement Amount.

What if I believe My Workweeks are Wrong? If you wish to challenge the number of Workweeks shown above, you must provide a written statement stating what you believe to be the correct number of Workweeks you worked during the Class Period. You must also include information and/or documents that support your claim that you worked a different number of Workweeks. Township's records will control unless you submit documentation that establishes otherwise. If there is a dispute about which information is accurate, the Settlement Administrator will resolve the challenge with the assistance of Class Counsel and Defense Counsel. If the dispute remains unresolved, it will be submitted to the Court for final resolution.

Your share of PAGA civil penalties: Please note that if you were employed at anytime from August 14, 2016 to July 20, 2022 ("PAGA Period"), you will additionally be entitled to a proportionate share of the \$5,000 allocated to PAGA civil penalties payable to employees. Your share will be reflected by the proportionate number of pay periods worked by you during the PAGA Period relative to the total number of pay periods worked by Settlement Class Members during the PAGA Period. Settlement Class Members who are entitled to a PAGA share and who exclude themselves from the Settlement will still be paid their PAGA share under this paragraph, and be bound by the Release as to All Aggrieved Employees, as set forth in Section 12 below.

Your estimated PAGA share based on the [NUMBER] pay periods you were employed during the PAGA Period indicated above is: [AMOUNT]. You will receive a payment for this sum, even if you exclude yourself from this Settlement.

11. When would I get my payment?

The Court will hold a hearing on September 27, 2023, to decide whether to approve the settlement. If the Court approves the settlement, after that there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. To check on the progress of the settlement, call the Settlement Administrator at 1-800-523-5773 or Class Counsel, whose contact information is set forth in Section 20 below. *Please be patient*.

<u>Uncashed Checks</u>: All checks for Individual Settlement Payments shall remain valid and negotiable for 180 days from the date of their issuance. Any checks not cashed during the 180 day period after distribution shall be void, and the Participating Settlement Class Member's release set forth herein shall remain valid. Uncashed Individual Settlement Payments shall escheat to the Unclaimed Property Fund of the Controller's office for the State of California. (sco.ca.gov).

Your payment is expected to be mailed to the address where you received this Class Notice. <u>If your mailing address changes</u> for any reason, you must promptly notify the Settlement Administrator to ensure that your payment is mailed to the <u>correct address</u>.

12. What am I releasing?

Release As To All Participating Class Members: Upon the Effective Date and funding in full of the Settlement Amount by Defendant, all Settlement Class Members who do not timely opt out of the Settlement ("Participating Class Members"), including their heirs, assigns, estates and representatives, shall be deemed to fully forever, irrevocably and unconditionally release and discharge the Released Parties from the Released Claims. The Settlement Agreement shall be in full settlement, compromise, release and discharge of the Released Claims and each of them, and the Released Claims by the Class Representative, and the Released Parties shall have no further or other liability or obligation to any Class Member and/or the Class Representative with respect to the Released Claims and Class Representative's Released Claims, except as expressly provided herein.

Release As To All Aggrieved Employees: Upon the Effective Date and funding in full of the Settlement Amount by Defendant, Plaintiffs and the State of California shall be deemed to fully forever, irrevocably and unconditionally release and discharge the Released Parties from the Released PAGA Claims.

"Released Claims" means: all class claims alleged in the Action which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period.

"Released PAGA Claims" means: all PAGA claims alleged in the Action and Plaintiffs' PAGA notices to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period.

"Released Parties" means: Defendants, including each of Defendants' respective 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..

HOW YOU OPT OUT

13. How can I opt out of this settlement?

If you do not want to remain a member of the Settlement Class, you may opt out of the class action Settlement by mailing a written request for exclusion to the Settlement Administrator, Phoenix Administrators, postmarked no later than July 31, 2023. The request for exclusion must be submitted in writing in any form you choose but must be signed by you and must include your name, address, telephone number, last four digits of your Social Security number and a statement that you wish to be excluded from the Settlement. If you timely opt out of the Settlement, you will no longer be a member of the Settlement Class and you will be barred from participating in this Settlement. You will not receive any settlement payment if you opt out of this Settlement, except for your share of PAGA civil penalties described in Section 10 above, to the extent you are entitled to them. By timely opting out of the Settlement, you will retain whatever rights or claims you may have, if any, against Township, and you will be free to hire your own attorney to pursue those claims on an individual basis, or you may represent yourself, if you choose to do so.

If you do not opt out, you will be bound by all the terms of the Settlement Agreement, including the release of claims set forth above, meaning that you cannot separately sue Township, their employees, or any other related persons or entities for the matters being settled in this case. You will also be releasing your ability to file or prosecute any claims, suits, or administrative proceedings (including filing claims with the California Division of Labor Standards Enforcement) regarding claims released by the Settlement.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

To represent you and other Class Members in this action, the Court has appointed Zorik Mooradian and Haik Hacopian of Mooradian Law, APC and Farzad Rategar of Rastegar Law Group, APC. These lawyers are called Class Counsel. They will be compensated from the Settlement Amount as discussed in this Class Notice. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of up to \$283,333.33 to them for attorneys' fees, or one-third (33 1/3%) of the Settlement Amount. The fees will pay Class Counsel for investigating the facts, litigating the case and negotiating and finalizing the settlement. Class Counsel will also ask the Court to award litigation costs and expenses, not to exceed \$25,000. Township has agreed not to oppose Class Counsel's application for these fees and costs. The Court may choose to award less than the amount requested by Class Counsel.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

16. How do I tell the Court that I do not like the settlement?

You may appear at the Final Approval Hearing to present any objection you may have to the settlement, regardless of whether you submit a written objection in advance. You may object to the Settlement either personally or through an attorney. To the extent you wish to submit a written objection, you are strongly encouraged to do so by timely mailing a written notice that you are objecting to the Settlement Administrator (Phoenix Administrators) postmarked no later than July 31, 2023. If you submit a written objection by the deadline and in compliance with this paragraph, you are not required to appear in person at the Final Approval Hearing for your objection to be considered by the Court. In order for your objection (written or otherwise) to be considered, you must not have opted out. The Final Approval Hearing is presently set for September 27, 2023 at 9:00 a.m.. If you have not opted out, you may appear, personally or through an attorney, at the Final Approval Hearing to present your objection

directly to the Court. If you wish to file any legal briefs, papers or memoranda in support of your objection, you may provide them to the Settlement Administrator with your written notice that you are objecting or you may file them directly with the Court no later than fifteen (15) days prior to the Final Approval Hearing.

All written objections must be signed and must contain the following information:

Your name:

- Your address;
- Your telephone number;

The name of the case (Township Class Action); and

A description of your objections.

If you object to the Settlement and if the Court approves the Settlement, you will be bound by the terms of the Settlement Agreement in the same way as a Settlement Class member who does not object. You will also receive a settlement payment.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to. If you have submitted a written objection by the deadline and in compliance with this paragraph, you are not required to appear in person at the Final Approval Hearing for your objection to be considered by the Court.

17. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at 9:00 a.m. on September 27, 2023, at the Los Angeles County Superior Court, Dept. SS-11, 312 North Spring Street, Los Angeles, CA 90012. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Judge will listen to people who have asked to speak at the hearing. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take.

The date of the Fairness Hearing may change without formal notice to you and any change will be posted on the Settlement Administrator's general website http://www.phoenixclassaction.com/hernandez-v-township, which you should check periodically.

18. Do I have to come to the hearing?

No. Class Counsel will represent the Participating Class Members at the hearing. But, you are welcome to come at your own expense. If you sent an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not required.

Should you choose to appear at the Fairness Hearing, you may appear remotely. To do so, you must arrange an appearance at https://my.lacourt.org/laccwelcome through the "Civil" tab not sooner than thirty (30) days before the hearing. You will be asked to create a login, choose whether you will be making an audio or video appearance, and pass technical validations for your hardware. You must enter the lead case number (18STCV06709) when prompted and select the hearing date for the Final Fairness Hearing.

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will receive your settlement payment. You will remain a member of the Settlement Class and will be bound by all the terms of the Settlement Agreement, including the release of claims set forth in Section 12 above, meaning that you cannot separately sue Township, their employees, or any other related persons or entities for the matters being settled under this Settlement. You will also be releasing your ability to file or prosecute any claims, suits, or administrative proceedings (including filing claims with the California Division of Labor Standards Enforcement) regarding claims released by the Settlement.

GETTING MORE INFORMATION

20. Are there more details about the settlement?

This Class Notice summarizes the proposed settlement. You may call or contact Class Counsel or the Settlement Administrator if you would like more information about the case. If you would like a complete copy of the Settlement Agreement, please contact Settlement Class Counsel. You may also go to the Court's website at http://www.lacourt.org/casesummary/ui/ and enter the case number (18STCV06709) to electronically access all publicly filed documents in the Lawsuit. Please note that fees may be charged by the Court for retrieval of any documents. You may also access important case documents, including the Final Judgment if the Court grants final approval, on the Settlement Administrator's website at http://www.phoenixclassaction.com/hernandez-v-township.

THE SETTLEMENT ADMINISTRATOR FOR THE SETTLEMENT IS:	SETTLEMENT CLASS COUNSEL	ATTORNEYS FOR TOWNSHIP ("DEFENSE COUNSEL")
Phoenix Administrators P.O. Box 7208 Orange, CA 92863 Telephone: (800) 523-5773 Facsimile: (949) 209-2503 Email: notice@phoenixclassaction.com http://www.phoenixclassaction.com/hernandez-v-township	Zorik Mooradian zorik@mooradianlaw.com Haik Hacopian haik@mooradianlaw.com Mooradian Law, APC 24007 Ventura Blvd., Suite 210 Calabasas, California 91302 Telephone: (818) 487-1998 Facsimile: (888) 783-1030 Farzad Rastegar farzad@rastegarlawgroup.com Rastegar Law Group, APC 22760 Hawthorne Blvd., Suite 200 Torrance, California 90501 Telephone: (310) 961-9600 Facsimile: (310) 961-9094	Mark Kobata mkobata@bkd-law.com Barlow & Kobata 1180 S. Beverly Drive, Suite 302 Los Angeles, CA 90035 Phone: (310) 277-7556 Fax: (310) 277-2982

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR TOWNSHIPWITH INQUIRIES.

The statements in this document are not findings by a court of law. These statements are not an expression of opinion or approval by a judge. This notice is based only on statements by the Parties to this Lawsuit. You received this notice to help you decide what steps, if any, to take about this Lawsuit.