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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

MAY 31 2023

DAVID H. YAMASAKI, Clerk of the Court

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

CARLOS MUNGUIA and JOSE ESQUIVEL, as
individuals and on behalf of all others similarly
situated, and as private attorneys general,

Plaintiffs,

vs.

BLUE LINE FOODSERVICE DISTRIBUTION,
INC., a Michigan corporation; and DOES 1
through 50, inclusive,

Defendants.

Case No. 30-2020-01157719-CU-OE-CXC

[Hon. Lon F. Hurwitz, Department CX101]

**REVISED [~~PROPOSED~~] ORDER
GRANTING MOTION FOR PRELIMINARY
APPROVAL**

Date: April 14, 2023
Time: 1:30 p.m.
Department: CX101

Complaint Filed: September 28, 2020
SAC Filed: September 8, 2021

1 Plaintiffs' motion for an Order Granting Preliminary Approval of Class Action and PAGA
2 Settlement was filed with the Court on January 4, 2022, and a hearing was held before this Court on
3 April 14, 2023. Simon L. Yang of Diversity Law Group, P.C. appeared on behalf of Plaintiffs Carlos
4 Munguia and Jose Esquivel and the Class, and Carolyn B. Hall of Ogletree, Deakins, Nash, Smoak &
5 Stewart, P.C. appeared for Defendant, Blue Line Foodservice Distribution, Inc.

6 **I. RECITALS**

7 1. On August 28, 2020, Plaintiffs initiated this class and representative Labor Code Private
8 Attorneys General Act of 2004 ("PAGA") action. On behalf of current and former non-exempt
9 employees in California and as proxies for the State of California, Plaintiffs alleged claims for wage
10 statement violations. On September 24, 2020, Plaintiffs filed an amended complaint to also allege
11 regular rate miscalculations resulting in alleged overtime violations when non-exempt employees earned
12 overtime wages and non-discretionary compensation in the same workweek. On September 8, 2021,
13 Plaintiffs filed the operative Second Amended Complaint (the "Complaint") to also allege sick pay
14 violations resulting from the regular rate miscalculations.

15 2. The Complaint alleges that Defendant violates the Labor Code in two ways. *First*,
16 Defendant underpays overtime and sick pay. Specifically, when non-exempt employees earn overtime or
17 sick pay in workweeks that they also earn non-hourly, non-discretionary compensation (e.g., incentives,
18 bonuses, or "XATA Pay") they are allegedly not paid all of their overtime or sick pay. Instead of paying
19 overtime at 1.5 times the regular rate of pay and sick pay at the regular rate, Defendant unlawfully bases
20 both types of payments on the base hourly rate of pay. As a result, Defendant allegedly fails to pay all
21 overtime and sick pay due, fails to timely pay all wages due during employment or upon the separation
22 of employment, and fails to provide accurate itemized wage statements. *Second*, Defendant additionally
23 allegedly fails to furnish itemized wage statements that comply with Labor Code section 226(a).¹
24 Whenever Plaintiffs, the putative class, and aggrieved employees are paid overtime, Defendant allegedly
25 issues wage statements that do not accurately itemize and show (i) the overtime rate as 1.5 times the
26 regular rate of pay or (ii) the total hours worked.

27
28 ¹ Except as otherwise noted, all "Section" references are to the Labor Code.

1 3. The Parties, through their counsel of record, have reached an agreement to settle all
2 claims alleged by Plaintiffs on behalf of the Class (as defined below and in the Agreement) and as a
3 proxy for the State of California pursuant to PAGA.

4 **II. FINDINGS**

5 4. The Court conditionally certifies the following Classes for settlement purposes only: (i)
6 all current and former non-exempt employees of Defendant who earned overtime wages or sick pay and
7 non-discretionary compensation in the same workweek at any time from April 6, 2016, through
8 September 1, 2021 (the “Regular Rate Class”); and (ii) all current and former non-exempt employees of
9 Defendant who were paid overtime wages at any time from April 6, 2019, through September 1, 2021
10 (the “Wage Statement Class”).

11 5. The Court hereby approves the terms and conditions provided for in the Agreement. The
12 Court finds that on a preliminary basis the Agreement falls within the range of reasonableness of a
13 settlement and appears to be presumptively valid, subject to any objections that may be raised at the
14 final fairness hearing and subject to final approval by the Court. It appears to the Court on a preliminary
15 basis that the settlement is fair, adequate, and reasonable as to all potential Class Members when
16 balanced against the uncertain outcome of further litigation relating to liability and damages issues. It
17 also appears that investigation, research, and court proceedings have been conducted so that counsel for
18 the Parties are able to reasonably evaluate their respective positions. It appears to the Court that
19 settlement at this time will avoid substantial additional costs by all Parties, as well as avoid the delay
20 and risks that would be presented by the further prosecution of the action. It also appears that settlement
21 has been reached as a result of intensive, serious, and non-collusive arms-length negotiations.

22 **III. ORDERS**

23 After considering the papers and evidence, arguments of counsel, and all other matters presented
24 to the Court, and having taken the matter under submission, **IT IS HEREBY ORDERED** as follows:

25 6. The Court grants preliminary approval of the Second Amended Joint Stipulation of Class
26 Action and PAGA Settlement (“Agreement”), which is attached as Exhibit H to the Supplemental
27 Declaration of Simon L. Yang, ROA 128. The Agreement appears to be fair, adequate, and reasonable to
28 the Class.

1 7. The Court appoints and designates: (a) Plaintiffs Carlos Munguia and Jose Esquivel as
2 Class Representatives, and (b) Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C., and
3 William L. Marder of Polaris Law Group as Class Counsel for the Class. Class Counsel is authorized to
4 act on behalf of the Class with respect to all acts or consents required by, or which may be given,
5 pursuant to the Agreement, and such other acts reasonably necessary to finalize the Agreement and its
6 terms. Any Class Member may enter an appearance through his or her own counsel at such Class
7 Member's own expense. Any Class Member who does not enter an appearance or appear on his or her
8 own behalf will be represented by Class Counsel.

9 8. A final fairness hearing on the question of whether the proposed Agreement, the
10 allocation of payments to Settlement Class Members, attorneys' fees and costs to Class Counsel, the
11 payment to the Labor Workforce & Development Agency, and the Class Representative Service Awards
12 should be finally approved as fair, reasonable, and adequate as to the members of the Class is set for
13 October 6, 2023, at 1:30 p.m. in this Court.

14 9. The Court hereby approves, as to form and content, the Notice of Class Action Settlement
15 ("Notice Packet"), which is attached as Exhibit 1 to the Agreement and this Order. The Court finds that
16 distribution of the Notice Packet to Class Members substantially in the manner and form set forth in the
17 Agreement and this Order meets the requirements of due process and shall constitute due and sufficient
18 notice to all parties entitled thereto.

19 10. The Court appoints and designates Phoenix Settlement Administrators as the Settlement
20 Administrator. The Court hereby directs the Settlement Administrator to provide the approved Notice
21 Packet to Class Members using the procedures set forth in the Agreement.

22 11. Any Class Member may choose to opt out of and be excluded from the settlement as
23 provided in the Agreement and Notice Packet and by following the instructions for requesting exclusion.
24 Any person who timely and properly opts out of the settlement will not be bound by the Agreement or
25 have any right to object, appeal, or comment thereon. Any request for exclusion must be in writing and
26 signed by each such Class Member opting out and must otherwise comply with the requirements
27 delineated in the Notice Packet. Class Members who have not requested exclusion by submitting a valid
28

1 and timely request for exclusion shall be bound by all determinations of the Court, the Agreement, and
2 Judgment.

3 12. Any Class Member may object to the Agreement or express his or her views regarding
4 the Agreement. Any Class Member may present evidence and file briefs or other papers relevant to the
5 issues to be heard and determined by the Court as provided in the Notice Packet.

6 13. A Motion for Final Approval shall be filed by the Class Representatives no later than
7 sixteen (16) court days before the final fairness hearing.

8 14. The Court reserves the right to adjourn or continue the date of the final fairness hearing
9 and all dates provided for in the Agreement without further notice to the Class. The Court retains
10 jurisdiction to consider all further applications arising out of or connected with the Agreement.

11 15. Should for whatever reason final approval is not granted, the fact that the Parties were
12 willing to stipulate to certification of a class as part of the settlement shall have no bearing on the issue
13 of whether a class should be certified in a non-settlement context.

14 **IT IS SO ORDERED.**

15 DATED: MAY 31 2023, 2023

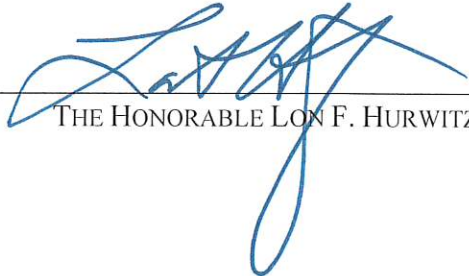

THE HONORABLE LON F. HURWITZ

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Carlos Munguia, et al. v. Blue Line Foodservice Distribution, Inc.
Superior Court of California – Orange County
Case No. 30-2020-01157719-CU-OE-CXC

IF YOU WERE EMPLOYED BY BLUE LINE FOODSERVICE, INC. (“BLUE LINE” OR “DEFENDANT”) IN CALIFORNIA AS AN HOURLY-PAID EMPLOYEE YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT.

The Court approved this notice. This is not an advertisement.

You are not being sued. However, your legal rights are affected whether you act or not.

PLEASE READ THIS NOTICE.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
INCLUDE THE FOLLOWING:	
OPTION #1: DO NOTHING	You will receive a payment from the Settlement and be bound by its release. No action is required for you to receive a share of this Settlement.
OPTION #2: EXCLUDE YOURSELF	You will not receive a share of the Settlement. ¹ This is the only option that allows you to file your own lawsuit against Defendant for the claims released in this Settlement. To “opt out” of the Settlement, you must submit a Request for Exclusion by INSERT DEADLINE .
OPTION #3: OBJECT	If you choose, you may object to this Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from receiving a portion of the Settlement. You cannot object if you exclude yourself from the Settlement.

WHAT IS IN THIS NOTICE

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¹ Regardless of whether you exclude yourself from the Settlement, you will still receive an Individual PAGA Payment (if you qualify as a PAGA Group Member) and be bound by the release of PAGA Released Claims under the Settlement.

Questions? Contact the Settlement Administrator toll free at 8-*-***-******

1. Why Should You Read This Notice?

You have received this Notice because Blue Line's records indicate that you work, or used to work, for Blue Line in California as a non-exempt employee. You are receiving this notice because you may be a member of a class on whose behalf a lawsuit has been brought and settled. The lawsuit is known as *Carlos Munguia, et al. v. Blue Line Foodservice Distribution, Inc.*, Orange County Superior Court, Case No. 30-2020-01157719-CU-OE-CXC (the "Lawsuit").

The Parties in the Lawsuit reached a settlement ("Settlement"). The settlement class is comprised of all current and former hourly-paid employees ("Class Members") employed by Defendant in California who worked for Defendant at any time during the Covered Period defined as April 6, 2016, through September 1, 2021 (the "Covered Period"). There shall be two Subclasses as follows:

Regular Rate Class: all current and former California non-exempt employees of Defendant who earned overtime wages or sick pay and non-discretionary compensation in the same workweek at any time since April 6, 2016 to September 1, 2021.

Wage Statement Class: all current and former California non-exempt employees who were paid overtime wages at any time since April 6, 2019 to September 1, 2021.

This Notice tells you of your rights to share in the Settlement. On April 14, 2023, the Honorable Lon F. Hurwitz of the Orange County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Blue Line's records indicate that you are a Class Member, and therefore you may be entitled to a payment from the settlement.**

The Court will hold a Final Approval Hearing concerning the proposed Settlement on October 6, 2023, at 1:30 p.m. in Department CX103, of the Orange County Superior Court located at 751 West Santa Ana Blvd., Santa Ana, CA 92701. The Final Approval Hearing may be continued to another date without further notice. You are not required to attend the hearing but you are welcome to do so.

2. What is the Class Action Settlement?

The Settlement will affect all members of the class and members of the representative PAGA group. You may get money from the Settlement. This Notice will explain the terms of the Settlement and the amount of money you may receive under the Settlement.

3. What Is the Case About?

The Lawsuit alleges the Class Members were not paid overtime wages at the correct overtime regular rate of pay, were not paid sick pay wages at the correct regular rate of pay, and were not

Questions? Contact the Settlement Administrator toll free at 8-*-***-******

provided legally-compliant wage statements. The Lawsuit further alleges these actions constituted unfair business practices under California law. Among other things, the Lawsuit seeks penalties under California's Labor Code Private Attorneys General Act ("PAGA") set forth in California Labor Code section 2699 *et seq.*

The Lawsuit was filed by Plaintiffs Carlos Munguia and Jose Esquivel (together, "Plaintiffs"). They assert the above claims in their individual capacity, as class representatives, and as representatives under PAGA.

Blue Line has denied, and continues to deny, the factual and legal allegations raised in the Lawsuit and believes it has no liability for any of Plaintiffs' or the Class Members' claims under any statute, wage order, common law, or equitable theory. By agreeing to settle, Blue Line is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Blue Line has agreed to settle the case as part of a compromise with Plaintiffs. The Settlement is not an admission of any wrongdoing by Blue Line or an indication that Blue Line violated any law.

The Parties reached a Settlement subject to Court approval as represented in the Joint Stipulation of Class Action and PAGA Settlement and Release (the "Settlement" or "Settlement Agreement"). Class Counsel believes that the Settlement is fair, reasonable, and adequate, and that it is in the best interests of Class Members. Likewise, Defendant has decided that settlement is favorable because it avoids the time, risk, and expense of a lengthy lawsuit, and settlement immediately resolves, finally and completely, the pending and potential claims. By settling this lawsuit, Defendant does not admit, concede, or imply that it has done anything wrong or legally actionable.

4. *How Much Can I Expect to Receive?*

Defendant will pay a total sum of \$250,000.00 ("Maximum Settlement Amount"), which includes all settlement payments to Class Members ("Net Settlement Amount"), class counsel's fees and costs, costs of administering the Settlement, payment for alleged civil penalties under PAGA ("PAGA Payment"), and the Class Representatives' Service Awards.

Individual Settlement Payments: Each Class Member who does not exclude himself or herself from the Settlement ("Settlement Class Member") will receive a prorated portion ("Individual Settlement Payment") of the Net Settlement Amount based on the number of pay periods actually worked for Blue Line during the Covered Period ("Pay Periods"). The Settlement Class Member will receive credit for Pay Periods worked as part of the "Regular Rate Class" and/or the "Wage Statement Class," as described below.

The Settlement Administrator will calculate each Individual Settlement Payment by dividing the Net Settlement Amount by the combined total number of Pay Periods for the Regular Rate Subclass, and Wage Statement Subclass, to arrive at the Pay Period Value. The Pay Period Value will then be multiplied by the number of Pay Periods worked by the Class Member as part of the Regular Rate Class and as part of the Wage Statement Class, to arrive at the Individual Settlement Payment for that Class Member.

Questions? Contact the Settlement Administrator toll free at 8-*-***-******

You will receive approximately the following payment based on your pay periods worked in each Class:

Regular Rate Class: Blue Line's records indicate that you worked approximately _____ pay periods between April 6, 2016, through September 1, 2021. Based on these records, your estimated payment as a Class Member in this Class would be \$ _____.

Wage Statement Class: Blue Line's records indicate that you worked approximately _____ pay periods between April 6, 2019, through September 1, 2021. Based on these records, your estimated payment as a Class Member in this Class would be \$ _____.

Individual PAGA Payments: All Class Members who worked for Blue Line in California at any time from April 6, 2019 to September 1, 2021 ("PAGA Group Member") are also entitled to receive a prorated portion of the PAGA Payment, regardless of whether they opt out of the Settlement.

The Settlement Administrator will calculate each PAGA Group Member's Individual PAGA Payment by dividing the 25% of the PAGA Payment to be distributed to Class Members, (i.e. \$6,250) by the total number of pay periods worked by the PAGA Group Members, to arrive at the PAGA Pay Period Value, and then multiplying the PAGA Pay Period Value by the number of Pay Periods worked by each PAGA Group Member.

Blue Line's records indicate that you worked approximately _____ pay periods between April 6, 2019, through September 1, 2021. Based on these records, your estimated PAGA Payment is \$ _____.

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your payment under the Settlement.

For tax purposes, Individual Settlement Payments for each individual Regular Rate Settlement Class Member shall be allocated and treated as follows: 10% as wages subject to IRS Form W-2 reporting and applicable taxes/withholdings, and 90% as non-wage income. For Wage Statement Class Members who are not Regular Rate Class Members, Individual Settlement Payments for each individual shall be allocated 100% as non-wage income, penalties and interest.

5. *Why Did the Defendant Join in This Notice?*

Blue Line does not admit any claim alleged in the Lawsuit and denies that it owes money for any of the claims in this matter. Blue Line is settling the lawsuit as a compromise. Blue Line reserves the right to object to and defend itself against any claim if, for any reason, the Settlement fails. The Court's file has the Settlement documents with more information on the lawsuit. You may review the Court's docket in the case at <http://www.occourts.org/>.

6. *Who Are the Plaintiffs in This Class Action?*

Questions? Contact the Settlement Administrator toll free at 8-*-***-******

Carlos Munguia and Jose Esquivel are the Plaintiffs, Class Representatives, and PAGA Representatives in the Lawsuit. They are acting on behalf of themselves and on behalf of other members of the class and the State of California.

7. *Who Are the Attorneys Representing the Parties?*

Class Counsel

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8. *What are my Rights? How Will My Rights Be Affected?*

Class Counsel, appointed and approved by the Court for Settlement only, will represent you. You have three options:

OPTION #1: Participate in the Settlement

Under the Settlement, you will **automatically** receive a settlement payment unless you opt out by following the opt-out procedure set forth below.

This Notice of Settlement states the total number of pay periods you worked for Defendant during the Covered Period, in either or both subclasses. Your individual settlement payment as a Class Member will be based on that number. If you believe the information on this Notice is correct, then you do not need to take any further action to receive your settlement payment.

If you believe the pay period information shown above in Section 4 is incorrect, you must submit a written pay period dispute stating why you believe the listed pay periods are not correct. The pay period dispute must be mailed to the Settlement Administrator (whose address is listed below) and must be postmarked no later than August 1, 2023, 2023. You should submit to the Settlement Administrator documentation to support the number of pay periods you believe you worked during the Covered Period. If there is a dispute about the pay periods you worked, the Settlement Administrator will review the records to resolve the dispute.

If you are a current employee of the Defendant, your decision as to whether or not to participate in this Settlement will not affect or in any way impact your employment.

Questions? Contact the Settlement Administrator toll free at 8-*-***-******

OPTION #2: Object to the Settlement

If you wish to Object to the Settlement, you must submit a written Objection stating why you object to the Settlement. The Objection must be signed by you and include your full name, address, telephone number, and last four digits of your Social Security number. The Objection must be mailed to the Settlement Administrator (whose address is listed below) and must be postmarked no later than , 2023. Absent good cause found by the Court, late Objections will not be considered. If you wish to object to the Settlement, you may use the *Notice of Objection* Form included in this Notice Packet.

You may also, if you wish, appear at the Final Approval Hearing set for October 6, 2023 at 1:30 p.m. in Department CX101, of the Orange County Superior Court located at 751 West Santa Ana Blvd., Santa Ana, CA 92701 and discuss your objections with the Court and the Parties. The Final Approval Hearing may be continued to another date without further notice.

IMPORTANT: Prior to the hearing date, you should check www.occourts.org/media-relations/CoronaVirusUpdate.html for the most current instructions regarding how to appear for the hearing and to access services that are available to answer questions.

IF YOU OBJECT TO THE SETTLEMENT, YOU WILL STILL RECEIVE YOUR SHARE OF THE SETTLEMENT IF THE COURT APPROVES THE SETTLEMENT.

OPTION #3: Opt Out of the Settlement

If you wish to be excluded from participating in the Settlement, you must submit a written statement ("Opt Out") indicating you desire to be excluded or otherwise opt out of the Settlement. Your Opt Out must be in writing, signed by you, and contain your name, address, telephone number, and the last four digits of your Social Security number. You must submit your completed, signed Opt Out to the Settlement Administrator by mail to the address below. To be considered timely, your Opt-Out must be postmarked no later than , 2023. Late Opt-Outs will not be considered. If you wish to "opt out" of the Settlement, you may use the *Election Not To Participate In ("Opt Out" From) Class Action Settlement* Form included in this Notice Packet.

If you timely mail a complete and valid Opt-Out, you will no longer be a member of the class and you will not be eligible to object to the terms of the Settlement or receive an Individual Settlement Payment. Except for the PAGA Release, you will not be bound by the terms of the Settlement, and may pursue any valid claims you may have, at your own expense, against Defendant. Individuals who qualify as PAGA Group Members shall still receive an Individual PAGA Payment, regardless of whether they opt out of the Settlement.

EFFECT OF THE SETTLEMENT ON YOUR RIGHTS

Upon final approval of the Settlement by the Court, all Settlement Class Members will be deemed to have released the Released Parties from all Released Claims and PAGA Released Claims, as defined below. Regardless of whether an individual opts out of the Settlement, all PAGA Group Members will be deemed to have released the Released Parties from all PAGA Released Claims.

Questions? Contact the Settlement Administrator toll free at 8-*-***-******

“Released Parties” means Blue Line Foodservice Distribution, Inc. and all its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, franchisees, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers, and all persons acting under, by, through, or in concert with any of them, and each of them.

“Released Claims” means all causes of action based on the factual or legal theories alleged in the Action, or that reasonably could have been raised in the Action, including all of the following legal claims: (a) any and all claims for unpaid or underpaid overtime wages; (b) any and all claims for failure to pay sick pay at proper rates; (c) any and all claims for improper or inaccurate itemized wage statements, including any alleged violations of Labor Code Section 226(a)(1)-(9) based on the facts and legal theories contained in the Action, and including claims for injuries suffered therefrom; (d) any and all claims for the untimely payment of final wages and associated waiting time penalties under Labor Code Section 203 based on the facts, claims, causes of action, or legal theories alleged in the Action, (e) any and all claims under the Business & Professions Code (including Section 17200 *et seq.*) premised on the facts, claims, or legal theories described herein or in the Action; (e) any other claims or penalties under the wage and hour laws pleaded in the Action; and (f) all damages, penalties, interest and other amounts recoverable under said causes of action under California and federal law, to the extent permissible, including but not limited to the California Labor Code as to the facts alleged in the Action, the applicable Wage Orders as to the facts and theories alleged in the Action. The period of the Release shall extend to the limits of the Covered Period. To the extent permitted by law, the *res judicata* effect of the Judgment will be the same as that of the Release; and the definition of Released Claims shall not be limited in any way by the possibility that Plaintiffs or Settlement Class Members may discover new facts, legal theories, or legal arguments not alleged in the operative complaint but which might serve as an alternative basis for pursuing the same claims, causes of action, or legal theories of relief falling within the definition of Released Claims.

“PAGA Notices” means the August 25, 2020 and August 31, 2020 letters that Plaintiff Esquivel sent to the California Labor Workforce Development Agency (“LWDA”) pursuant to Labor Code §2699.3(a)(c) seeking to exhaust Plaintiffs’ administrative remedies under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), Cal. Lab. Code §§2698, *et seq.*

“PAGA Released Claims” means any and all claims for recovery of civil penalties and attorneys’ fees and costs permissible under PAGA which Plaintiffs and/or the PAGA Group Members had, or may claim to have, against the Released Parties during the PAGA Period, arising from or related to the same set of operative facts as alleged in the Action, or in the PAGA Notices, including: (a) failure to pay overtime; (b) failure to pay sick pay at proper rates; (c) failure to provide complete and accurate wage statements; (d) failure to timely pay wages on termination; and (e) violations of Labor Code Sections 201, 202, 203, 204, 210, 218, 218.5, 218.6, 226, 226.3, 233, 246, 248.5, 510, 558, 1194, 1198, and the applicable IWC Wage Order.

Regardless of whether an individual opts out of the Settlement, all PAGA Group Members will be deemed to have released Blue Line of all PAGA Released Claims.

Questions? Contact the Settlement Administrator toll free at 8-*-***-******

9. *How Will the Attorneys for the Class Be Paid?*

The attorneys for the Class Representatives and the Settlement Class will be paid from the Maximum Settlement Amount. The attorneys are seeking a fee of \$83,333 as well as reimbursement of their costs, up to \$20,000. Plaintiffs are each seeking Service Awards of \$10,000 from the Settlement for their service as Class Representatives. Likewise, the Parties agree that \$25,000 shall be allocated to settle the PAGA claim, with \$18,750 to be paid to the LWDA, and the remaining \$6,250 to be divided on a pro rata basis among the PAGA Group Members and included in their Individual Settlement Payments. The Settlement Administrator estimates that the cost of administration will not exceed \$6,000. All of these amounts are to be deducted from the Maximum Settlement, with the remainder available for distributions to Class Members who do not Opt-Out.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may call Class Counsel, Larry L. Lee (213-488-6555) or email him at lwlee@diversitylaw.com, or call the Settlement Administrator at the telephone number listed below, toll free. Please refer to the Settlement Administrator.

Blue Line Foodservice Distribution, Inc. Settlement Administrator

c/o INSERT

[ADDRESS]

[PHONE NUMBER]

[WEBSITE]

You can find a copy of the Settlement Agreement as well as the Motions for Preliminary and Final Approval on the website of the Blue Line Foodservice Distribution, Inc. Settlement Administrator which is INSERT URL.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANT OR DEFENDANT'S ATTORNEYS WITH INQUIRIES ABOUT THE SETTLEMENT.

47398192.1

Questions? Contact the Settlement Administrator toll free at 8-*-***-******