

Edwin Aiwazian (SBN 232943)
Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
Selena Matavosian (SBN 348044)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

VERONICA BERNAL, individually, and on
behalf of other members of the general public
similarly situated; KAILIE FAGEN,
individually, and on behalf of other members
of the general public similarly situated and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act;

Plaintiffs,

vs.

A&E FAGEN, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: BC712866

Honorable Kenneth R. Freeman
Department SSC14

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: September 12, 2023
Time: 11:00 a.m.
Department: SSC14

Complaint Filed: July 5, 2018
FAC Filed: May 19, 2022
Trial Date: None Set

1 This matter has come before the Honorable Kenneth R. Freeman in Department 14 of the
2 Superior Court of the State of California, for the County of Los Angeles, on September 12, 2023 at
3 11:00 a.m. for Plaintiff's Motion for Preliminary Approval of Class Action Settlement. Lawyers for
4 Justice, PC appears as counsel for Plaintiff Kailie Fagen ("Plaintiff"), individually and on behalf of
5 all others similarly situated and other aggrieved employees and Fisher & Phillips LLP appears as
6 counsel for Defendant A&E Fagen, Inc. ("Defendant").

7 The Court, having carefully considered the papers, argument of counsel, and all matters
8 presented to the Court, and good cause appearing, hereby GRANTS Plaintiff's Motion for
9 Preliminary Approval of Class Action Settlement.

10 **IT IS HEREBY ORDERED THAT:**

11 1. The Court preliminarily approves the Joint Stipulation of Class Action and PAGA
12 Settlement ("Settlement," "Agreement," or "Settlement Agreement"), attached as "**EXHIBIT 1**" to
13 the Declaration of Selena Matavosian in Support of Plaintiff's Motion for Preliminary Approval of
14 Class Action Settlement. This is based on the Court's determination that the Settlement falls within
15 the range of possible approval as fair, adequate, and reasonable.

16 2. This Order incorporates by reference the definitions in the Settlement Agreement,
17 and all capitalized terms defined therein shall have the same meaning in this Order as set forth in the
18 Settlement Agreement.

19 3. It appears to the Court on a preliminary basis that the Settlement is fair, adequate
20 and reasonable. It appears to the Court that extensive investigation and research have been
21 conducted such that counsel for the parties at this time are able to reasonably evaluate their respective
22 positions. It further appears to the Court that the Settlement, at this time, will avoid substantial
23 additional costs by all parties, as well as avoid the delay and risks that would be presented by the
24 further prosecution of the case. It further appears that the Settlement has been reached as the result
25 of intensive, serious and non-collusive, arms-length negotiations, and was entered into in good faith.

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1 4. The Court preliminarily finds that the Settlement, including the allocations for the
2 Attorneys' Fees and Costs, Enhancement Payment, LWDA Payment, Settlement Administration
3 Costs, and payments to the Settlement Class Members and PAGA Employees provided thereby,
4 appear to be within the range of reasonableness of a settlement that could ultimately be given final
5 approval by this Court. Indeed, the Court has reviewed the monetary recovery that is being granted
6 as part of the Settlement and preliminarily finds that the monetary settlement awards made available
7 to the Class Members and PAGA Employees are fair, adequate, and reasonable when balanced
8 against the probable outcome of further litigation relating to certification, liability, and damages
9 issues.

10 5. The Court concludes that, for settlement purposes only, the proposed Class meets
11 the requirements for certification under section 382 of the California Code of Civil Procedure in
12 that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class is
13 impracticable; (b) common questions of law and fact predominate, and there is a well-defined
14 community of interest amongst the members of the Class with respect to the subject matter of the
15 litigation; (c) Plaintiff's claims are typical of the claims of the members of the Class; (d) Plaintiff
16 will fairly and adequately protect the interests of the members of the Class; (e) a class action is
17 superior to other available methods for the efficient adjudication of the controversy; and (f) Class
18 Counsel is qualified to act as counsel for Plaintiff in her individual capacity and as the representative
19 of the Class.

20 6. The Court conditionally certifies, for settlement purposes only, the Class, defined as
21 follows:

22 All current and former hourly-paid or non-exempt employees of Defendant within
23 the State of California employed at any time during the period from July 5, 2014
through the date on which the Court enters this Order.

24 7. The Court provisionally appoints Edwin Aiwazian, Arby Aiwazian, Joanna Ghosh,
25 and Selena Matavosian of Lawyers *for* Justice, PC as counsel for the Class ("Class Counsel").

26 8. The Court provisionally appoints Plaintiff Kailie Fagen as the representative of the
27 Class ("Class Representative").

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1 9. The Court provisionally appoints Phoenix Settlement Administrators (“Phoenix”) to
2 handle the administration of the Settlement (“Settlement Administrator”).

3 10. Within twenty-one (21) calendar days of the date on which the Court enters this
4 Order, Defendant shall provide the Settlement Administrator with the following information about
5 each Class Member: full name, last known mailing address, Social Security Number, start and end
6 dates of employment as hourly-paid or non-exempt employees of Defendant in California during the
7 Class Period, and such other information as is necessary for the Settlement Administrator to calculate
8 Workweeks and PAGA Workweeks (collectively referred to as the “Class List”) in conformity with
9 the Settlement Agreement.

10 11. The Court approves, both as to form and content, the Notice of Class Action
11 Settlement (“Class Notice”) attached hereto as **“EXHIBIT 1.”** The Class Notice shall be provided
12 to Class Members in the manner set forth in the Settlement Agreement. The Court finds that the
13 Class Notice appears to fully and accurately inform the Class Members of all material elements of
14 the Settlement, of Class Members’ right to be excluded from the Class Settlement by submitting a
15 Request for Exclusion, of Class Members’ right to dispute the Workweeks and/or PAGA
16 Workweeks credited to each of them, and of each Settlement Class Member’s right and opportunity
17 to object to the Class Settlement by submitting a Notice of Objection to the Settlement
18 Administrator. The Court further finds that distribution of the Class Notice substantially in the
19 manner and form set forth in the Settlement Agreement and this Order, and that all other dates set
20 forth in the Settlement Agreement and this Order, meet the requirements of due process and shall
21 constitute due and sufficient notice to all persons entitled thereto. The Court further orders the
22 Settlement Administrator to mail the Class Notice in English and Spanish by First-Class U.S. mail
23 to all Class Members within seven (7) calendar days of receipt of the Class List, pursuant to the
24 terms set forth in the Settlement Agreement.

25 12. The Court hereby preliminarily approves the proposed procedure, set forth in the
26 Settlement Agreement, for seeking exclusion from the Class Settlement. Any Class Member may
27 choose to be excluded from the Class Settlement by submitting a timely and valid Request for
28 Exclusion in conformity with the requirements set forth in the Class Notice, to the Settlement

1 Administrator, postmarked no later than the date which is forty-five (45) calendar days from the
2 initial mailing of the Class Notice to Class Members (“Response Deadline”), or, in the case of a re-
3 mailed Class Notice, the Response Deadline for that Class Member shall be extended by fifteen (15)
4 calendar. Any such person who timely and validly chooses to opt out of, and be excluded from, the
5 Class Settlement will not be entitled to any recovery under the Class Settlement and will not be
6 bound by the Class Settlement or have any right to object, appeal, or comment thereon.
7 Nevertheless, all Class Members employed by Defendant at any time during the period from
8 February 10, 2021, through Preliminary Approval (“PAGA Employees”) will be bound by the
9 PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they
10 submit a Request for Exclusion. Class Members who have not submitted a timely and valid Request
11 for Exclusion (i.e., Settlement Class Members) shall be bound by the Settlement Agreement and any
12 final judgment based thereon.

13 13. A Final Approval Hearing shall be held before this Court on
14 _____ at _____ a.m./p.m. in
15 Department SSC14 of the Los Angeles County Superior Court, located at Spring Street Courthouse,
16 312 N. Spring Street, Los Angeles, California 90012, to determine all necessary matters concerning
17 the Settlement, including: whether the proposed settlement of the action on the terms and conditions
18 provided for in the Settlement is fair, adequate, and reasonable and should be finally approved by
19 the Court; whether a judgment, as provided in the Settlement, should be entered herein; whether the
20 plan of allocation contained in the Settlement should be approved as fair, adequate, and reasonable
21 to the Class Members and PAGA Employees; and determine whether to finally approve the requests
22 for the Attorneys’ Fees and Costs, Enhancement Payment, Settlement Administration Costs, and
23 allocation for the PAGA Amount.

24 14. Class Counsel shall file a motion for final approval of the Settlement and for
25 Attorneys’ Fees and Costs, Enhancement Payment, and Settlement Administration Costs, along with
26 the appropriate declarations and supporting evidence, including the Settlement Administrator’s
27 declaration, by _____, to be heard
28 at the Final Approval Hearing.

15. To object to the Class Settlement, a Class Member must submit their Notice of Objection to the Settlement Administrator on or before the Response Deadline. The Notice of Objection must be signed and must contain the information that is required, as set forth in the Class Notice, including and not limited to the grounds for the objection. Settlement Class Members may also present their objection orally at the Final Approval Hearing, regardless of whether they have submitted a Notice of Objection.

16. The Settlement is not a concession or admission, and shall not be used against Defendant as an admission or indication with respect to any claim of any fault or omission by Defendant. Whether or not the Settlement is finally approved, neither the Settlement, nor any document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted into evidence as, received as or deemed to be in evidence for any purpose adverse to the Defendant, including, but not limited to, evidence of a presumption, concession, indication or admission by Defendant of any liability, fault, wrongdoing, omission, concession, or damage, except for legal proceedings concerning the implementation, interpretation, or enforcement of the Settlement.

17. In the event the Settlement does not become effective in accordance with the terms of the Settlement Agreement, or the Settlement is not finally approved, or is terminated, cancelled or fails to become effective for any reason, this Order shall be rendered null and void, shall be vacated, and the Parties shall revert back to their respective positions as of before entering into the Settlement Agreement.

18. The Court reserves the right to adjourn or continue the date of the Final Approval Hearing and any dates provided for in the Settlement Agreement without further notice to the Class Members, and retains jurisdiction to consider all further applications arising out of or connected with the Settlement.

IT IS SO ORDERED.

Dated: _____

By: The Honorable Kenneth R. Freeman
Judge of the Superior Court

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Veronica Bernal, et al. v. A&E Fagen, Inc., et al.
Superior Court of California for the County of Los Angeles, Case No. BC712866

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Kailie Fagen ("Plaintiff") and Defendant A&E Fagen, Inc. ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Veronica Bernal, et al. v. A&E Fagen, Inc., et al.*, Los Angeles County Superior Court, Case No. BC712866 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all current and former hourly-paid or non-exempt employees of Defendant within the State of California at any time during the Class Period.

"Class Member" means a member of the Class.

"Class Period" is the time period from July 5, 2014, through [date of Preliminary Approval].

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employees" means all Class Members employed by Defendant at any time during the PAGA Period.

"PAGA Period" means the time period from February 10, 2021, through [date of Preliminary Approval].

"PAGA Settlement" means the settlement and resolution of the Released PAGA Claims.

II. BACKGROUND OF THE LAWSUIT

On July 5, 2018, former plaintiffs Veronica Bernal and Franchessca Alvarez-Reyes commenced a putative class action lawsuit by filing the Class Action Complaint for Damages against Defendant and former defendant Whittier Grocery Outlet in the Los Angeles County Superior Court, Case No. BC712866. On November 12, 2019, the Court entered an Order dismissing former defendant Whittier Grocery Outlet without prejudice from the Action. On January 11, 2021, the Court entered an Order dismissing former plaintiff Franchessca Alvarez-Reyes and her individual claims without prejudice from the Action. On February 10, 2022, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On May 19, 2022, former plaintiff Veronica Bernal and Plaintiff filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* ("Operative Complaint"), adding Plaintiff and a cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, et seq. ("PAGA"). On August 31, 2022, the Court entered an Order dismissing former plaintiff Veronica Bernal and her individual claims without prejudice from the Action.

Plaintiff alleges that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, keep requisite payroll records, and reimburse business expenses, and thereby engaged in unfair business practices in violation of California Business & Professions Code section 17200, *et*

seq., and conduct that gives rise to penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies Plaintiff's allegations in their entirety. Defendant contends that it paid all minimum wages due to its employees, paid all overtime wages due to its employees, provided all required meal periods to its employees, provided all required rest breaks to its employees, timely paid its employees all wages during their employment and at separation, provided its employees with legally compliant wage statements, maintained legally compliant payroll records, reimbursed its employees for all business expenses they incurred, did not commit any acts of unfair competition, complied with all requirements contained in the California Private Attorneys General Act, and complied with all other requirements of state and federal law. Defendant contends that its affirmative defenses to this action may otherwise prevent or limit Plaintiff's class and PAGA claims.

After participating in mediation with a neutral third-party mediator, the Parties agreed to a settlement and entered into a Joint Stipulation of Class Action and PAGA Settlement ("Settlement," "Agreement," or "Settlement Agreement").

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. Pursuant to that order, the Court has appointed Phoenix Class Action Administration Solutions as the administrator of the Settlement ("Settlement Administrator"), Plaintiff Kailie Fagen as representative of the Class ("Class Representative"), and the following Plaintiff's attorneys as counsel for the Class ("Class Counsel"):

Edwin Aiwarzian
Arby Aiwarzian
Joanna Ghosh
Alexandra Rose
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or PAGA Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members, the State of California, and PAGA Employees. The Court has made no ruling on the merits of the claims asserted in the Action and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The Total Settlement Amount is One Hundred Ninety-Two Thousand Five Hundred Dollars (\$192,500) (the "Total Settlement Amount"), subject to possible increase if it is determined that the number of Workweeks exceeds a predetermined threshold. The portion of the Total Settlement Amount that is available for payment to Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Total Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys' fees, in an amount not to exceed 35% of the Total Settlement Amount (i.e., \$67,375.00 if the Total Settlement Amount is \$192,500.00) and reimbursement of litigation costs and expenses in an amount not to exceed Sixteen Thousand Dollars (\$16,000.00) (collectively, "Attorneys' Fees and Costs") to Class Counsel; (2) Enhancement Payment in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00) to

Plaintiff for her services in the Action; (3) the amount of Ten Thousand Dollars (\$10,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (i.e., \$7,500.00) and the remaining 25% (i.e., \$2,500.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed Nine Thousand Dollars (\$9,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendant as an hourly-paid or non-exempt employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued payment of their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) wages, which will be reported on an IRS Form W-2, and eighty percent (80%) penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Share, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contribution in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) shall be paid by Defendant separately and in addition to the Total Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of Workweeks each PAGA Employee worked for Defendant during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator has divided the PAGA Employee Amount by the total number of PAGA Workweeks of all PAGA Employees to yield the “PAGA Workweek Value,” and multiplied each PAGA Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield his or her Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C below). PAGA Employees shall be bound to the PAGA Settlement irrespective of whether they exercise their option to opt out of the Class Settlement.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Defendant will fund the Total Settlement Amount in four (4) installment payments, over the course of approximately two (2) years, as follows:

- Within thirty (30) calendar days of Final Approval, Defendant will make a deposit of Sixty-Seven Thousand Five Hundred Dollars (\$67,500.00) of the Total Settlement Amount, into a qualified settlement account established by the Settlement Administrator (“First Installment”).
- Within six (6) months after the First Installment, Defendant will make a deposit of Forty-Five Thousand Dollars (\$45,000.00) of the Total Settlement Amount, into the qualified settlement account established by the Settlement Administrator (“Second Installment”).
- Within six (6) months after the Second Installment, Defendant will make a deposit of Forty Thousand Dollars (\$40,000.00) of the Total Settlement Amount, into the qualified settlement account established by the Settlement Administrator (“Third Installment”).
- Within six (6) months after the Third Installment, Defendant will make a deposit of Forty Thousand Dollars (\$40,000.00) of the Total Settlement Amount, plus an amount sufficient to pay Employers Taxes, into the qualified settlement account established by the Settlement Administrator (“Forth Installment”).
- Within seven (7) calendar days of the funding of the Fourth Installment, the Settlement Administrator will issue the Individual Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees, LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys’ Fees and Costs to Class Counsel, and the Settlement Administration Costs to itself.

The timing of these distributions will depend on the date of Final Approval of the Settlement and the dates on which

Defendant funds the installments.

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Workweeks (if applicable) Based on Defendant's Records

According to Defendant's records,

- From July 5, 2014, through [date of Preliminary Approval] (i.e., the Class Period), you are credited as having worked [] Workweeks.
- From February 10, 2021, through [date of Preliminary Approval] (i.e., the PAGA Period), you are credited as having worked [] PAGA Workweeks.

If you wish to dispute the Workweeks and/or PAGA Workweeks credited to you, you may submit your dispute by way of written letter that is sent to the Settlement Administrator that: (a) contains the case name and number of the Action (*Veronica Bernal, et al. v. A&E Fagen, Inc., et al.*, Case No. BC712866); (b) contains your full name, signature, address, telephone number, and last four digits of your Social Security Number; (c) clearly states that you dispute the number of Workweeks and/or PAGA Workweeks credited to you and what you contend is the correct number to be credited to you; (d) includes information and/or attaches documentation demonstrating that the number of Workweeks and/or PAGA Workweeks that you contend should be credited to you are correct; and (e) is returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and/or Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ []. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Notice is only an estimate. Your actual Individual Settlement Share and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Second Installment, Plaintiff and all Class Members who do not submit a timely and valid Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Fourth Installment, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

"Released Class Claims" means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, damages, or causes of action which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, under any federal, state or local law, and shall specifically include claims for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and

associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, reimburse necessary business-related expenses, unfair or unlawful business practices pursuant to California Business and Professions Code sections 17200, *et seq.* based on the aforementioned, and any violation of California Labor Code arising from or related to the aforementioned, including, violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and Industrial Welfare Commission Wage Orders.

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letter and/or the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, codified in California Labor Code section 2698, *et seq.*, including for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and Industrial Welfare Commission Wage Orders.

“Released Parties” means Defendant and its respective owners, agents, attorneys, insurers, past and present companies, divisions, affiliates, DBAs (if any), predecessors, successors, shareholders, officers, directors, managers, management employees, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries, privies, and/or any and all persons and/or corporate entities acting by, through, under or in concert with any of them.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Total Settlement Amount (i.e., \$67,375.00 if the Total Settlement Amount is \$192,500.00) and reimbursement of litigation costs and expenses in an amount not to exceed Sixteen Thousand Dollars (\$16,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Total Settlement Amount.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of up to Seven Thousand Five Hundred Dollars (\$7,500.00) (“Enhancement Payment”), in recognition of her services in connection with the Action. The Enhancement Payment will be paid from the Total Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiff in addition to her Individual Settlement Payment and Individual PAGA Payment that she is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Nine Thousand Dollars (\$9,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, translating the Class Notice to Spanish, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and dispute of Workweeks and/or PAGA Workweeks, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Total Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims described in Section III.D above.

If you are a PAGA Employee, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims described in Section III.D above.

As a Class Member and PAGA Employee, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter indicating a request to be excluded from the Class Settlement ("Request for Exclusion") to the Settlement Administrator.

A Request for Exclusion must: (a) contain the case name and number of the Action (*Veronica Bernal, et al. v. A&E Fagen, Inc., et al.*, Case No. BC712866); (b) contain your full name, signature, address, telephone number, and last four digits of your Social Security Number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address below, postmarked **on or before** **Response Deadline**.

[Settlement Administrator]

[Mailing Address]

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion from the Class Settlement, by, submitting a timely and valid written objection ("Notice of Objection") to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

A Notice of Objection must: (a) contain the case name and number of the Action (*Veronica Bernal, et al. v. A&E Fagen, Inc.*, Case No. BC712866); (b) contain your full name, signature, address, telephone number, and last four digits of your Social Security Number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in section IV.B above, postmarked **on or before** **Response Deadline**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 14 of the Los Angeles County Superior Court, located at the Spring Street Courthouse, 312 North Spring Street, Los Angeles, California 90012, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval hearing may be continued without further notice to Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear by audio or video if you wish to.

Please note, due to COVID-19, there may be limitations on personal appearances and telephonic appearances may be an option. You can find information regarding the Court's most current COVID-19 guidelines online at: <https://www.lacourt.org/>.

You can find information regarding appearing remotely through LA CourtConnect online at: <http://www.lacourt.org/laceligibility/ui/civil.aspx?casetype=ci>.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action for a fee by making an appointment in advance and visiting the civil clerk's office during business hours, located at the Stanley Mosk Courthouse, 111 North Hill Street, California, 90012, or by online by visiting the following website: <https://www.lacourt.org/casesummary/ui>.

Please note, due to the COVID-19 pandemic, there may be restrictions on access to Court facilities and records. You can find information regarding the Court's most current COVID-19 guidelines online at: <https://www.lacourt.org/>.

You may also visit the Settlement Administrator's website at [REDACTED] for more information and documents relating to the Settlement, including the Final Approval Order and Judgment.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [REDACTED], OR YOU MAY ALSO CONTACT CLASS COUNSEL.