

NOTICE OF CLASS ACTION SETTLEMENT

Perez, et al. v. Centinela Feed, Inc.

Superior Court of the State of California, County of Los Angeles, Case No. BC575341

PLEASE READ THIS NOTICE CAREFULLY

A California state court authorized this Notice. This is not a solicitation from a lawyer.

To: Any person employed by Centinela Feed, Inc. (“Defendant”) in a non-exempt position in the State of California at any time from March 12, 2011 through April 5, 2018 (the “Class” or “Settlement Class”).

Pursuant to the Order of the Superior Court for the State of California, County of Los Angeles, entered on April 5, 2018, **YOU ARE HEREBY NOTIFIED AS FOLLOWS:**

A proposed settlement (the “Settlement”) has been reached among the parties in this class action pending in the Superior Court for the State of California, County of Los Angeles, brought on behalf of the Class, as defined above. The Court has preliminarily approved the Settlement and conditionally certified the Class for settlement purposes only. You have received this Notice because Defendant’s records indicate that you are a member of the Class (“Class Member” or “Settlement Class Member”). This Notice is designed to inform you of how you can participate in the Settlement, object to the Settlement, or exclude yourself from the Settlement. **You have until July 2, 2018 to choose from the options below.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
REMAIN PART OF THE SETTLEMENT CLASS	<ul style="list-style-type: none">• Class Members do not have to take any action to remain in the Class and receive the payments offered by the Settlement. Payments will be issued to eligible Class Members automatically once the Settlement becomes final.• If you wish to challenge the number of hours that you are attributed to have worked for Defendant in California during the time period from March 12, 2011 to April 5, 2018 (“Hours Worked”) as reflected in the accompanying Claim Summary Form, you may do so by following the instructions therein.
EXCLUDE YOURSELF FROM THIS SETTLEMENT	<ul style="list-style-type: none">• If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement. Excluding yourself means you will not receive any payment or benefits from this Settlement and you will not release any of the claims being settled in this case.• This option allows you to keep any rights you currently have to negotiate with or sue Defendant over the claims in this case.
OBJECT TO THIS SETTLEMENT	<ul style="list-style-type: none">• If you do not exclude yourself, you may write to the Settlement Administrator about why you do not approve of this Settlement or offer your oral comments at the Final Approval Hearing.
GO TO THE FINAL APPROVAL HEARING	<ul style="list-style-type: none">• If you do not request to be excluded from the Settlement, you may attend the Final Approval Hearing and speak in Court about your opinion of this Settlement. You do not need to attend the Final Approval Hearing to participate in the Settlement or have your written objections considered.

If you have any questions, please visit www.CFSettlement.com or call 1-888-868-4936

I. BACKGROUND OF THE CASE

On March 12, 2015, Plaintiff Edward Perez filed a Complaint for Enforcement under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. against Defendant Centinela Feed, Inc. alleging various violations of California wage and hour laws. On June 24, 2015, Plaintiff Edward Perez filed a First Amended Complaint for Enforcement under the Private Attorneys General Act, California Labor Code § 2698, Et Seq., adding Giovanni Saucedo as a named plaintiff. On May 9, 2017, Plaintiffs Edward Perez and Giovanni Saucedo (“Plaintiffs”) filed a Second Amended Complaint for Damages and Enforcement under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (the “Complaint”). This lawsuit is referred to in this Notice as the “Action.”

The allegations in the Action include claims that Defendant violated the law with respect to its hourly-paid or non-exempt employees in the State of California, by failing to properly pay minimum wages for all hours worked, failing to pay all overtime wages earned, failing to provide compliant meal and rest periods and associated premium pay, failing to provide reimbursements for business expenses, and failing to pay all wages owed during employment and at the time of termination, among other violations. The statutes which Plaintiffs allege Defendant violated include: California Labor Code (“Cal. Lab. Code”) sections 1194 and 1197 [failure to pay all wages and minimum wage violations]; Cal. Lab. Code sections 510 and 1198 [failure to pay overtime]; Cal. Lab. Code sections 226.7 and 512 [failure to provide compliant meal and rest periods]; Cal. Lab. Code sections 2800 and 2802 [failure to reimburse necessary business-related expenses]; Cal. Lab. Code section 200 et seq. [failure to pay timely wages and waiting time penalties]; Cal. Lab. Code section 226 [inaccurate wage statements]; Cal. Lab. Code. 1174(d) [failure to maintain requisite payroll records]; Cal. Lab. Code section 2698 et seq. (Private Attorneys General Act or “PAGA”); and California Business and Professions Code section 17200 [engaging in unfair competition].

Defendant denies any liability or wrongdoing of any kind associated with the claims alleged and contends that this Action is not appropriate for class action or representative treatment for any purpose other than settlement. Defendant further contends that it has complied with applicable state and federal labor laws, including and not limited to, the California Labor Code and the California Business and Professions Code, and the applicable Industrial Welfare Commission Orders. After participating in mediation, the parties reached an agreement to settle the Action pursuant to the terms and conditions contained in the Joint Stipulation of Settlement of Class Action as amended by Amendment No. 1 to Joint Stipulation of Settlement of Class Action and Amendment No. 2 to Joint Stipulation of Settlement of Class Action (collectively referred to as the “Settlement” or “Settlement Agreement”) and summarized below.

II. SUMMARY OF THE SETTLEMENT

A. Who is included in the Settlement?

You are a Class Member, and are included in the Settlement, if you were employed by Defendant Centinela Feed, Inc. in a non-exempt position in the State of California at any time from March 12, 2011 through April 5, 2018.

B. How Do I Receive Money From the Settlement?

If you received this Notice in the mail and you are part of the Class, you do not have to take any action to remain part of the Settlement Class and receive the benefits and payments offered by the Settlement. Settlement payments to Class Members who do not request to be excluded from the Settlement (“Participating Class Members”) will be automatically paid once the Settlement becomes final. You do not need to make a claim or take any other action to receive your share of the Settlement.

C. What will I receive from the Settlement?

Under the Settlement, Defendant will pay a total amount of \$850,000 (“Gross Settlement Amount” or “Settlement Fund”). The amount of the Settlement Fund which will be available to be paid to Participating Class Members (“Net Settlement Fund”) is currently estimated to be \$399,250, calculated as follows:

\$850,000	(Gross Settlement Amount)
- \$323,000	(Plaintiffs’ Requested Attorneys’ Fees)
- \$25,000	(Plaintiffs’ Litigation Costs and Expenses - estimated)
- \$7,000	(Enhancement Awards in the Amount of \$3,500 each to Plaintiffs)
- \$32,000	(Settlement Administration Costs - estimated)
- \$63,750	(PAGA Payment to the Labor and Workforce Development Agency)
= \$399,250	(Net Settlement Fund)

These amounts listed above are explained in further detail below and in the Settlement Agreement. All of the amounts listed above are subject to Court approval. Thus, the final amount of the Net Settlement Fund will vary if the Court does not approve the requested amounts (e.g., for attorneys’ fees, litigation costs, or Class Representative Enhancement Awards), or if the Settlement Administration Costs are different than estimated.

The Net Settlement Fund will be distributed to each Participating Class Member on a *pro rata* basis, based on their respective number of Hours Worked during the Class Period (“Individual Settlement Amount”).

Each Individual Settlement Amount will be calculated as follows: (1) Dividing the Net Settlement Fund by the total number of hours worked by all Participating Class Members; and (2) Multiplying the resulting amount by the total number of hours worked by the Participating Class Member.

Individual Settlement Amounts will be allocated for tax purposes as follows: (1) one-third (1/3) of each as wages, which will be subject to deductions and withholdings for the employee’s share of state and federal payroll taxes, and which will be reported on a Form W-2; and (2) one-third (1/3) as penalties and one-third (1/3) as interest, which will not be subject to deductions and withholdings, and which will be reported on a Form 1099 that shall be issued. Defendant will pay the employer’s share of payroll taxes with respect to the wage-portion of each Individual Settlement Amount, separately and apart from the amount that Defendant will pay under the Settlement. Participating Class Members employee’s share of taxes with respect to the wage-portion of each Individual Settlement Amount will be deducted and withheld prior to distribution of settlement checks.

The enclosed Claim Summary Form contains the number of hours you have worked according to Defendant’s records, as well as an estimate of the gross amount of your Individual Settlement Amount (assuming the Net Settlement Fund is the amount stated above and you do not submit a timely and valid Request for Exclusion). If you wish to challenge the number of hours you worked, you may do so by following the procedures in the Claim Summary Form.

D. When will I receive my Settlement Payment?

If you do not submit a Request for Exclusion, you will receive payment of your Individual Settlement Amount after the “Effective Date” of the settlement, which will occur after: (a) final approval by the Court of the Settlement (following notice to the Class Members and a hearing); (b) entry of judgment; and (c) the expiration of any time for appeal or review, or, if any appeal is filed and not dismissed, after the final approval order is upheld on appeal in all material respects and is no longer subject to review upon appeal or by writ of certiorari.

After the Effective Date you will receive your settlement payment by way of up to two installments to be paid by Centinela and distributed by the Settlement Administrator as follows: (1) First Installment paid thirty (30) calendar days following the Effective Date; (2) Second Installment paid thirty (30) calendar days following the Effective Date or January 10, 2019 (whichever comes later). Whether you receive payment in one or two installments, and the timing of the installment payments, will depend on the Effective Date of the Settlement.

E. What if I do not want to participate in the Settlement?

You may exclude yourself from this Settlement by submitting a written Request for Exclusion to the Settlement Administrator set forth in Section III.D below and the enclosed Summary of Claim Form, postmarked on or before **July 2, 2018**. If you submit a timely and valid Request for Exclusion, you will not receive a payment under the Settlement or be bound by the terms of the Settlement. You will keep any rights you currently have to negotiate with or sue Defendant over the claims in this case.

F. What if I do not submit a Request for Exclusion?

If you do not timely submit a Request for Exclusion, you will be a Participating Class Member bound by the Settlement and you will receive payment of an Individual Settlement Amount. You should only send a Request for Exclusion if you do not want to be part of the Settlement and do not want to receive a payment under the Settlement.

G. Release of Claims.

Upon the Effective Date of the Settlement, the Participating Class Members will release Defendant Centinela Feed, Inc. and its present and former parent companies, subsidiaries, successors, predecessors, joint ventures, and each of their respective present and former officers, directors, stockholders, employees, insurers, co-insurers, re-insurers, auditors, consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees, general and limited partners, predecessors, successors and assigns (“Released Parties”) from, any and all claims, demands, rights, liabilities, and/or causes of action of any nature and description whatsoever, known or unknown, in law or in equity, under any state or federal law, asserted or that could have been asserted against Defendant Centinela Feed Inc. (as defined herein), based on the factual allegations that were alleged in the Complaint, with respect to the Class Period, including but not limited to allegations that Centinela Feed: (1) failed to provide meal or rest periods; (2) failed to pay minimum wage or overtime; (3) failed to pay for all hours worked; (4) failed to provide accurate itemized wage statements; (5) violated, or is liable under, the California Labor Code, including, but not limited to, §§ 201-204, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 510-512, 551, 552, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802; (6) violated California Business and Professions Code §17200, et seq.; (7) violated California Code of Civil Procedure §§ 1021.5, 1032 and California Civil Code §§ 3287, 3289; (8) violated the California Wage Orders or regulations of the California Industrial Welfare Commission; and/or (9) violated the California Private Attorney General Act (Cal. Labor. Code §§ 2698, et seq.) (“Released Claims”).

If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

H. The Class Representatives.

The Court has preliminarily appointed Plaintiffs Edward Perez and Giovanni Saucedo as the Class Representatives in this Action. In addition to the Individual Settlement Amounts that they will receive as Participating Class Members, and subject to Court approval, Plaintiffs will each request to be paid an Enhancement Award of up to \$3,500 (for a combined total of \$7,000), for their services as Class Representatives, as well as their willingness to accept the risks in the event of an unsuccessful outcome. These payments will be deducted from the Gross Settlement Amount.

I. Attorneys' Fees and Costs.

The Court has preliminarily appointed Lawyers *for* Justice to serve as Counsel for the Class ("Class Counsel"). Class Counsel will request that the Court award payment from the Gross Settlement Amount of reasonable attorneys' fees to Class Counsel based on a percentage of the Gross Settlement Amount and/or lodestar basis (i.e. a reasonable hourly rate multiplied by the reasonable number of hours of work performed), subject to reduction or enhancement at the discretion of the Court. Class Counsel intends to request attorneys' fees in the amount of up to thirty eight percent (38%) of the Gross Settlement Amount (or \$323,000) plus up to \$25,000 for reimbursement of verified costs, both of which, if approved by the Court, will be deducted from the Gross Settlement Amount. Class Counsel believes the amount for costs and attorneys' fees requested is fair and reasonable for their services to the Class Members. The parties have not reached an agreement regarding the amount of attorneys' fees recoverable by Class Counsel.

As a member of the Class, you will not be separately responsible for the payment of attorneys' fees or reimbursement of litigation expenses unless you choose to retain your own counsel separate from Class Counsel.

J. The Settlement Administrator and Administrative Expenses

The Court has appointed Angeion Group to act as the Settlement Administrator to handle the notice and settlement administration process. The Settlement Administrator will process requests for exclusion and challenges from Class Members regarding their number of Hours Worked, transmit payments under the Settlement, and perform tasks that are usual and customary in administering a class action settlement. The costs of administering the Settlement are currently estimated to be \$32,000 and will be deducted from the Gross Settlement Amount. The actual costs of administering the settlement may vary and will be subject to Court approval at the Final Approval Hearing.

K. PAGA Penalties and LWDA Payment

Under the Settlement, \$85,000 out of the Gross Settlement Amount has been allocated to the payment of penalties under the California Private Attorneys General Act (Cal. Labor. Code §§ 2698, *et seq.*) ("PAGA"). Pursuant to statute under PAGA, seventy-five percent (75%) of the PAGA penalties (or \$63,750) must be paid to the California Labor and Workforce Development Agency ("LWDA"), and twenty-five percent (25%) (or \$21,250) will be a part of the Net Settlement Fund to be distributed to the Participating Class Members on a *pro rata* basis.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?

A. Participate in the Settlement and Receive a Settlement Payment

You do not have to take any action to participate in the Settlement as a Participating Class Member. If you do not take any action, you will automatically receive payment of your share of the Settlement. You will be bound by the terms of the Settlement and any final judgment that may be entered by the Court and will be deemed to have released the Released Claims against the Released Parties.

B. Participate in the Settlement and Dispute Hours Worked

The enclosed Claim Summary Form lists the number of hours that you worked as a Class Member during the period from March 12, 2011 and April 5, 2018, based on Defendant's records. You may challenge the number of hours listed on the Claim Summary Form by submitting a written challenge in compliance with the instructions contained in the Claim Summary Form, postmarked no later than **July 2, 2018**, at the following address:

Centinela Feed Wage and Hour Settlement
Attn: Challenges
1801 Market Street, Suite 660
Philadelphia, PA 19103

C. Object to the Settlement

Class Members who do not submit a Request for Exclusion may object to the Settlement. To object, you may mail a written objection to the Settlement Administrator, postmarked no later than **July 2, 2018**, at:

Class Action Opt Out & Objection
Attn: Centinela Feed Wage and Hour Settlement
PO Box 30456
Philadelphia, PA 19103

or you may make your objection through oral comments offered at the Final Approval Hearing.

Your written objection must include the following information:

- Your full name, current address, telephone number, and signature.
- The case name and number (*Perez, et al. v. Centinela Feed, Inc.*, Los Angeles County Superior Court Case No. BC575341).
- Your objections and the specific reasons why you object.
- A statement of whether you intend to appear at the Final Approval Hearing, either in person or through counsel.
- If you are represented by separate counsel, the name, address, bar number, and telephone number of all attorneys who will represent you.
- A list of any other objections submitted by you, or your separate counsel, to any class action settlements submitted in any court in the United States, whether state, federal or otherwise, in the previous five years. If you or your separate counsel has not objected to any other class action settlement in any court in the United States in the previous five years, you or your counsel shall affirmatively so state in the written objection.

Please note that any objections must be submitted by an individual Class Member, his or her legally authorized representative, or his or her attorney—not as a member of a group, class, or subclass.

D. Exclude Yourself from the Settlement.

If you do not wish to participate in the Settlement, you must mail a timely and valid Request for Exclusion to the Settlement Administrator, postmarked by **July 2, 2018** at:

Class Action Opt Out & Objection
Attn: Centinela Feed Wage and Hour Settlement
PO Box 30456
Philadelphia, PA 19103

Your Request for Exclusion must include the following information:

- Your full name, current address, telephone number, and signature.
- The case name and number (*Perez, et al. v. Centinela Feed, Inc.*, Los Angeles County Superior Court Case No. BC575341).
- A statement that you wish to exclude yourself from the class action settlement.

Any Class Members who does not submit a timely and valid Request for Exclusion will remain a part of the Settlement Class and will be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, regardless of whether he or she has objected to the Settlement.

Any Class Member who does submit a timely and valid Request for Exclusion will no longer be a member of the Settlement Class, will be barred from participating in the Settlement, and will receive no benefits or payment from the Settlement. Any such person, at his or her own expense, may pursue any claims he or she may have against Defendant that relate to this lawsuit.

Please note: If you submit a Request for Exclusion you may rescind your Request for Exclusion by submitting a Rescission of Exclusion Request. Rescission of Exclusion Requests must be made in writing to the Settlement Administrator and postmarked no later than **July 2, 2018**. If you first submit a Request for Exclusion and later submit a valid Rescission of Exclusion Request, you will receive your Individual Settlement Amount and you may object to the Settlement as provided in Section III.C. above.

IV. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 11 of the Superior Court for the State of California, County of Los Angeles, 312 N Spring St, Los Angeles, California 90012, on **August 17, 2018 at 11:00 a.m.**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and reimbursement of litigation costs and expenses, the Class Representative Enhancement Awards, the Settlement Administration Costs, and the allocation for PAGA penalties.

It is not necessary for you to appear at this hearing. You may appear at the hearing to present your objection at the hearing. The Final Approval Hearing may be postponed without further notice. As such, if you want to attend the Final Approval Hearing, you should check the Court's website and the settlement website (www.CFSettlement.com) before making travel plans.

V. GETTING MORE INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the Joint Stipulation of Class Action Settlement, Amendment No. 1 to Joint Stipulation of Settlement of Class Action, and Amendment No. 2 to Joint Stipulation of Settlement of Class Action ("Settlement Agreement") which will be available at www.CFSettlement.com and on file with the Court. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined at any time during regular business hours in the Superior Court of the State of California, County of Los Angeles, 312 N Spring St, Los Angeles, California 90012-4701. You may also contact the Settlement Administrator at: 1-888-868-4936. You also may contact Class Counsel (listed below) for more information:

Edwin Aiwazian
LAWYERS *for* JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

IMPORTANT:

- 1. PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT!**
- 2. If you move, please send the Settlement Administrator your new address. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.**