COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Andrew Sanchez v. Fellowship Warehousing and Logistics, LLC Riverside County Superior Court Case No. CVRI2104191

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Fellowship Warehousing and Logistics, LLC ("FWL") for alleged wage and hour violations. The Action was filed by a former FWL employee, Andrew Sanchez ("Plaintiff"), and seeks compensation for Defendant's: (1) failure to pay wages for all hours worked at minimum wage; (2) failure to pay overtime wages for daily overtime worked; (3) failure to authorize or permit meal periods; (4) failure to authorize or permit rest periods; (5) failure to timely pay earned wages during employment; (6) failure to provide complete and accurate wage statements; (7) failure to timely pay all earned wages and final paychecks due at time of separation of employment; and (8) unfair business practices, for a class of current and former hourly non-exempt employees who worked for FWL during the time period from September 15, 2017, to April 7, 2023 ("Class Members");

The proposed Settlement has two main parts: (1) a Class Settlement requiring FWL to fund Individual Class Payments, and (2) a PAGA Settlement requiring FWL to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on FWL's records, and the Parties' current assumptions, your Individual Class Payment is estimated to be << SubClass1_Amt>> (less withholding) and your Individual PAGA Payment is estimated to be << PAGAClass_Amt>>. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to DEFENDANT's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on FWL's records showing that you worked << SubClass1_Weight>> workweeks during the Class Period and you worked << PAGAClass_Weight>> pay periods during the PAGA Period. If you believe that you worked more workweeks/pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires FWL to make payments under the Settlement and requires Class Members to give up their rights to assert certain claims against FWL.

If you worked for FWL during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing**. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims against FWL.
- (2) **Opt-Out of the Class Settlement**. You can exclude yourself from the Class Settlement (opt-out) either by completing the Exclusion Form attached at the bottom of this notice, or by submitting a written Request for Exclusion, or by otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against FWL. If you are an Aggrieved Employee, you will remain eligible for an Individual PAGA Payment regardless of whether you opt-out of the Class Settlement.

FWL will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement.	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against FWL that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement.	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.
The Opt-out Deadline is July 22, 2025	You cannot opt-out of the PAGA portion of the proposed Settlement. DEFENDANT must pay Individual PAGA Payments to all Aggrieved Employees.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement. Written Objections Must be Submitted by July 22, 2025	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the August 20, 2025, Final Approval Hearing.	The Court's Final Approval Hearing is scheduled to take place on August 20, 2025. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods. Written Challenges Must be Submitted by July 22, 2025	The amount of your Individual Class Payment and PAGA Payment (if any) depends on how many Workweeks you worked during the Class Period and how many Pay Periods you worked during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to FWL's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by July 22, 2025. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former FWL employee. The Action accuses FWL of violating California labor laws by failing to pay minimum wages, failing to pay overtime wages, failing to authorize or permit meal periods, failing to authorize or permit rest periods, failing to timely pay earned wages during employment, failing to provide complete and accurate wage statements, failing to timely pay all earned wages and final paychecks due at time separation of employment; and engaging in unfair business practices. Based on the same claims, Plaintiff have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Lavi and Ebrahimian, LLP ("Class Counsel."). FWL strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws. FWL is represented by attorneys in the Action: Landegger Verano, ALC ("Defense Counsel").

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether FWL or Plaintiff is correct on the basis of the law and the facts. In the meantime, Plaintiff and FWL hired an experienced, neutral mediator Eve Wagner in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and FWL have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, FWL does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) FWL has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- a. FWL Will Pay \$695,000.00 as the Gross Settlement Amount ("Gross Settlement"). FWL has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement, in two (2) installment payments. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, FWL will fund the first half of the Gross Settlement not more than thirty (30) days after the Judgment entered by the Court becomes final or October 7, 2023, whichever date is later. Defendant will fund the remaining half of the Gross Settlement six (6) months after the first payment is made. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
- b. <u>Court Approved Deductions from Gross Settlement</u>. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - i. Up to \$231,666.67 (1/3 of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$15,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - ii. Up to \$7,500.00 as a Class Representative Service Payment for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
 - iii. Up to \$13,750.00 to the Administrator for services administering the Settlement.
 - iv. Up to \$50,000.00 for PAGA penalties, allocated 75% to the LWDA PAGA Payment (\$37,500.00) and 25% in Individual PAGA Payments (\$12,500.00) to the Aggrieved Employees based on their PAGA Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

c. <u>Net Settlement Distributed to Class Members</u>. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

- d. Taxes Owed on Payments to Class Members. Plaintiff and FWL are asking the Court to approve an allocation of 15% of each Individual Class Payment to taxable wages ("Wage Portion") and 85% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. FWL will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report any Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.
 - Although Plaintiff and FWL have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes, if applicable) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.
- e. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
- f. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator by either completing the exclusion form attached at the end of this Notice, or otherwise in writing, not later than July 22, 2025, that you wish to opt-out. The easiest way to notify the Administrator is to send a completed exclusion form by the July 22, 2025, Response Deadline. The Request for Exclusion should be either a completed exclusion form, or a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against FWL. You cannot opt out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) who are Aggrieved Employees remain eligible for Individual PAGA Payments.
- g. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and FWL have agreed that, in either case, the Settlement will be void: FWL will not pay any money and Class Members will not release any claims against FWL.
- h. <u>Administrator</u>. The Court has appointed a neutral company, CPT Group, Inc. (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
- i. <u>Participating Class Members' Release</u>. After the Judgment is final and FWL has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the "Released Class Claims" released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against FWL or its related entities based on the Class claims alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the release of the following "Released Class Claims":

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from any and all claims that were or could have been alleged in the Operative Complaint that arose during the Class Period including without limitation with respect to the following claims: (a) failure to pay minimum wages owed; (b) failure to pay all overtime wages owed; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or provide premium pay for non-compliant rest periods; (e) failure to timely pay all wages due during employment; (f) failure to issue accurate, itemized wage statements and maintain payroll records; (g) failure to timely pay all wages due upon separation of employment; (h) all claims under California Business & Professions Code § 17200 for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; (i) violation of or claims under the following sections of the California Labor Code, sections 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 1174, 1194, 1194.2, 1197, 1197.1, 1198; and (j) violation of the California Industrial Wage Orders that could have been premised on the facts, claims, causes of action or legal theories described above, as well as any potential penalties, interest or attorneys' fees associated with all of such causes of action under California law, ("Released Class Claims"). Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

The "Released Parties" means: Defendant Fellowship Warehousing & Logistics, LLC and each of its officers, directors, employees, and agents. With respect to those Class Members who were employed with Defendant through a staffing agency and limited to Released Class Claims and Released PAGA Claims arising during Class Members' staffing with Defendant, "Released Parties" also includes any staffing agencies, including without limitation, Lobos Staffing and Velasco Lumper Service.

j. Released PAGA Claims by Plaintiff and the State of California. Plaintiff and the State of California hereby releases Releasees from all claims, demands, rights, liabilities and causes of action under the California Labor Code Private Attorneys General Act that were alleged, or reasonably could have been alleged, based on the claims asserted in the Operative Complaint, the PAGA Notice (and any amendments thereto) and ascertained in the course of the Action, arising during or with respect to the PAGA Period. ("Released PAGA Claims").

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

a. Individual Class Payments. The "Net Settlement Amount" is calculated by deducting from the Gross Settlement Amount the amounts approved by the Court for the Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

b. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the 25% share of the PAGA Penalties (\$12,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.

c. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in FWL's records, are stated in the first page of this Notice. You have until July 22, 2025, to challenge the number of Workweeks and/or Pay Periods

credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information. You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept FWL's calculation of Workweeks and/or Pay Periods based on FWL's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and FWL's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

- **a.** Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out), including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment, if any.
- **b**. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee, including those who opt out of the Class Settlement (i.e., every Non-Participating Class Member who is an Aggrieved Employee).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit either, a completed exclusion form attached at the end of this Notice, or, a written and signed letter with your name, present address, telephone number, the last four digits of your social security number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as Sanchez v. Fellowship Warehousing and Logistics, LLC, and include your identifying information (full name, address, telephone number, approximate dates of employment, and the last four digits of your social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by July 22, 2025, or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and FWL are asking the Court to approve. At least sixteen (16) court days before the August 20, 2025, Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Class Representative Service Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents cost to you. You can also view them on the Administrator's Website www.cptgroupcaseinfo.com/fellowshipwarehousingsettlement.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is July 22, 2025. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action, Sanchez v. Fellowship Warehousing

and Logistics, LLC, and include your name, current address, telephone number, and approximate dates of employment for FWL and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on August 20, 2025 at 8:30 a.m., in Department 1 of the Riverside Superior Court, located at 4050 Main Street, Riverside, CA 92501. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) personally.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website www.cptgroupcaseinfo.com/fellowshipwarehousingsettlement, beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything FWL and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to CPT Group, Inc.'s website at www.cptgroupcaseinfo.com/fellowshipwarehousingsettlement. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Settlement Administrator:

Name of Company: Sanchez v. Fellowship Warehousing and Logistics, LLC c/o CPT Group, Inc.

Email Address: fellowshipwarehousingsettlement@cptgroup.com

Mailing Address: 50 Corporate Park, Irvine CA 92606

Telephone: 1-888-544-5018 Fax Number: 1-949-419-3446

Class Counsel:

Joseph Lavi, Esq. (SBN 209776) Vincent C. Granberry (SBN 276483)

James Clark (SBN 349799) LAVI & EBRAHIMIAN, LLP

8889 W. Olympic Blvd., Suite 200 Beverly Hills, CA 90211

Telephone: (310) 432-0000 Facsimile: (310) 432-0001 Email: jlavi@lelawfirm.com

> vgranberry@lelawfirm.com psong@lelawfirm.com abliznets@lelawfirm.com WHT1@lelawfirm.com

Defense Counsel:

Alfred J. Landegger, Esq. (SBN 84419) Roxana E. Verano, Esq. (SBN 186837) Evelyn Zarraga, Esq. (SBN 296835) LANDEGGER VERANO, ALC 15760 Ventura Boulevard, Suite 1200 Encino, CA 91436

Telephone: (818) 986-7561 Facsimile: (818) 986-5147

Email: <u>alfred@landeggeresq.com</u> <u>roxana@landeggeresq.com</u> evelyn@landeggeresq.com

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the California Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.