

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

Rafael Lopez v. Bay State Milling Company, et. al.,
 Superior Court of the State of California, Yolo County
 Case No. CV2023-0742

*You are **not** being sued. This is **not** an advertisement. This notice affects your rights.*

**YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT.
 PLEASE READ THIS NOTICE CAREFULLY.**

ATTN: «EmployeeName»

You have received this Notice of Class and PAGA Action Settlement because Bay State Milling Company's records show you are what is called a "Class Member," and are entitled to a payment from this class action settlement ("Settlement"). Class Members are all current and former direct or agency employees of Bay State Milling Company who worked at least one shift in California from April 10, 2019 through January 7, 2024.

On February 9, 2024, the Honorable David Rosenberg of the Superior Court of California for the County of Yolo granted preliminary approval of this Class and PAGA Action Settlement and ordered that all Class Members be notified of the Settlement.

Unless you choose not to participate in the Settlement (in other words, should you choose to "opt out") by following the procedures described below, you will be considered a Participating Class Member. If the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement fund, which is estimated to be «estAmount».

IF YOU STILL WORK FOR BAY STATE MILLING COMPANY, PARTICIPATION IN THIS SETTLEMENT WILL NOT AFFECT OR DISRUPT YOUR WORK IN ANY MANNER. YOU WILL NOT BE RETALIATED AGAINST BY DEFENDANTS FOR YOUR PARTICIPATION.

California law strictly prohibits retaliation. Defendants are prohibited by law from taking any adverse action against any Class Member or otherwise targeting, retaliating, or discriminating against any Class Member because of the Class Member's participation in or decision not to participate in this Settlement.

You can view the proposed Final Approval Order, Final Judgment, and payment schedule at www.cptgroupcaseinfo.com/baystatemillingsettlement.

What Is This Case About?

Rafael Lopez was an employee of Defendants. He is the "Plaintiff" in this case and has filed a lawsuit against Bay State Milling Company and Peter Levangie ("Defendants") on behalf of himself and all Class Members, alleging they (1) failed to pay minimum wages; (2) failed to pay overtime wages; (3) failed to provide meal periods or premium pay in lieu thereof; (4) failed to provide rest periods or premium pay in lieu thereof; (5) failed to reimburse necessary business expenses; (6) failed to provide and maintain complete and accurate records; (7) failed to timely pay wages during and after employment; (8) violated California's Unfair Competition Law, codified at California Business and Professions Code sections 17200, *et seq.* and (9) are subject to associated penalties under the California Labor Code and California Private Attorneys General Act ("PAGA").

This notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations raised in the Action or the merits of the claims or defenses asserted. The Court has made no ruling on the merits of Plaintiff's claims or Defendants' defenses thereto.

Defendants are not admitting to any allegations or wrongdoing in this case, and in fact expressly deny that any practices at issue in this lawsuit were or are unlawful. Specifically, Defendants assert that the Class Members were properly compensated at all times during the Class Period. Defendants further assert that Bay State Milling Company has and had during the Class Period lawful wage-and-hour policies, practices, and procedures, including legally compliant timekeeping policies.

Plaintiff entered into settlement discussions with Defendants in an attempt to resolve the disputed claims in this case. On October 9, 2023, the Parties negotiated a settlement on behalf of themselves and the Class Members with the assistance of a third-party mediator. The Parties' agreement has been documented in a Joint Stipulation of Settlement and Release of Class and PAGA Action ("Joint Stipulation").

The Court has preliminarily approved the Joint Stipulation. The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing. The Final Fairness and Approval Hearing ("Hearing") on the adequacy, reasonableness, and fairness of the Settlement will be held at 9:00 a.m. on May 15, 2024, in Department 14 of the Superior Court of California for the County of Yolo, 1000 Main Street, Woodland, CA 95695. You are not required to attend the Hearing.

Attorneys for Plaintiff and the Class Members ("Class Counsel") are:

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Class Counsel has investigated and researched the facts and circumstances underlying the issues raised in this case and the applicable law. While Class Counsel believes Plaintiff's claims in this lawsuit have merit, Class Counsel also recognizes that the risk and expense of continued litigation justify settlement. Because of this, Class Counsel believes the proposed Settlement is fair, adequate, reasonable, and in the best interests of the Class Members.

Summary of the Settlement Terms

Plaintiff and Defendants have agreed to settle this case on behalf of themselves and the Class Members for \$837,500.00 ("Maximum Settlement Amount").

The Maximum Settlement Amount includes: (1) Individual Settlement Payments to Participating Class Members; (2) a \$15,000 service payment to the Representative Plaintiff for his time and effort in pursuing this case and in exchange for a general release of claims against Defendants, subject to Court approval; (3) Settlement Administration Costs not to exceed \$25,000; (4) \$93,750 to the California Labor & Workforce Development Agency, representing the State of California's portion of civil penalties under PAGA (or 75% of the \$125,000 allocated to PAGA penalties); and (5) subject to Court approval of an application for fees and costs, an award of up to \$279,166.67 in attorneys' fees and up to \$25,000 in litigation costs and expenses to Class Counsel.

After deducting the service payments to Plaintiff, the Settlement Administration Costs, the portion of the PAGA payment to be paid to the California Labor and Workforce Development Agency, and attorneys' fees and costs/expenses, a total of approximately \$399,583.33 will be available to Class Members who do not opt out of the Settlement ("Net Settlement Amount"). Employer-side payroll taxes will be paid by Bay State Milling Company *outside* of the Maximum Settlement Amount.

Plan of Distribution to Class Members

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of weeks a Participating Class Member worked during the Class Period (“Workweeks”). Specific calculations of Individual Settlement Payments will be made as follows:

- a. The Settlement Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendants’ possession, custody or control.¹ Workweeks are determined by calculating the number of days each Class Member actually worked during the Class Period, dividing by seven (7). Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down; however, a Class Member who worked only one day during the Class Period will be credited with having worked one Workweek for purposes of the Settlement.
- b. Using the Class Data, the Settlement Administrator will calculate the total Workweeks for all Settlement Class Members by adding the number of Workweeks worked by each Settlement Class Member during the Class Period. The respective Workweeks for each Settlement Class Member will be divided by the total Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member.
- c. In calculating Workweeks, the Settlement Administrator will weight Workweeks worked by direct hire employees at 2.5 times the weight of Workweeks worked by agency employees to account for the difference in their legal claims and the impact of putative arbitration agreements governing agency employees.
- d. Each Settlement Class Member’s Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member’s estimated Individual Settlement Payments.
- e. Using the Class Data, the Settlement Administrator will calculate the total number of pay periods in the PAGA Period and will divide each Class Member’s individual number of eligible pay periods in the PAGA Period to determine their pro rata portion of the portion of the PAGA Payment allocated to each Aggrieved Employees. Partial pay periods will not be counted, meaning incomplete pay periods will be rounded down; however, a Class Member who worked only one day during the PAGA Period will be credited with having worked one pay period for purposes of the Settlement.
- f. According to Defendants’ records, you worked «**TotalWorkweeks_withMultiplier**» Workweeks during the Class Period. Accordingly, your estimated payment pursuant to the terms of the Settlement is approximately «estAmount».

If you believe the information provided above as to the number of your Individual Workweeks is incorrect and you wish to dispute it, please submit the Challenge Form attached to your Share Form to the Settlement Administrator at *Lopez v. Bay State Milling Company*, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606 no later than 30 days after the date this Notice of Class Action Settlement was mailed to you. If you dispute the information stated above, the information provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation (“Disputes”), must be postmarked no later than April 8, 2024. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

¹ Defendants’ Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator in consultation with Class Counsel and counsel for Defendants. The Settlement Administrator’s decision on all Workweek disputes will be final and non-appealable.

Class Member Tax Matters

IRS Forms W-2 and 1099-MISC will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments Class Members receive under the Settlement. Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 33% of each Individual Settlement Payment will be allocated to alleged unpaid wages, 33% will be allocated as alleged unpaid civil penalties, and 34% will be allocated to interest. Again, please consult with a tax advisor regarding the significance of how each Individual Settlement Payment is allocated between wages, penalties, and interest. This notice is not intended to provide legal or tax advice. To the extent this notice or any of its attachments is interpreted to contain or constitute advice regarding any United States or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code.

Your Options Under the Settlement

Option 1 – *Automatically Receive a Payment from the Settlement*

If you want to receive your payment from the Settlement, then no further action is required on your part. You will automatically receive your Individual Settlement Payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1** and the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement funds. In addition, you will be deemed to have released or waived the following claims (“Released Claims”) against the Released Parties for the Release Period

The Released Class Claims include:

All claims made in the Complaint or all claims that reasonably could have been alleged based on the facts and allegations contained in the operative complaint and LWDA letters, including but not limited to California Labor Code sections 200, 201, 202, 203, 204, 206, 210, 226, 226.3, 226.7, 233, 245, 246, 248, 248.2, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1401, 2802, and 2698, et seq., California Industrial Commission Wage Orders, Cal. Code Regs., Title. 8, section 11040, et seq., Business and Professions Code sections 17200, et seq., and California Code of Civil Procedure section 1021.5

The Released PAGA Claims include:

All claims for civil penalties asserted in the Complaint or Plaintiff’s LWDA letter under the Private Attorneys General Act, Labor Code section 2698 et seq. (“PAGA”) based on predicate violations of California Labor Code sections 200, 201, 202, 203, 204, 206, 210, 226, 226.3, 226.7, 233, 245, 246, 248, 248.2, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1401, 2802, and 2698, et seq., California Industrial Commission Wage Orders, Cal. Code Regs., Title. 8, section 11040, et seq.

Released Parties means: (i) Defendants Bay State Milling Company and Peter Levangie; (ii) each of Defendants’ respective past, present and future parents, subsidiaries, and affiliates including, without limitation, any corporation, limited liability company, or partnership; (iii) the past, present and future shareholders, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing, including, but not limited to, temporary staffing agencies.

The Class Release Period means the period from April 10, 2019 through January 7, 2024. The PAGA Release Period means the period from April 3, 2022 through January 7, 2024.

Option 2 – Opt-Out of the Settlement

You will be treated as a participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator, in writing, not later than April 8, 2024, that you wish to opt-out.

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written “Request for Exclusion from The Class Action Settlement” letter or card to the Settlement Administrator postmarked no later than April 8, 2024. Your written request must expressly and clearly state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *LOPEZ V. BAY STATE MILLING COMPANY, ET. AL.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

The written request for exclusion must include your name, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail or equivalent, to the address below.

Lopez v. Bay State Milling Company
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Telephone: 1-888-529-0469

The written request to be excluded from the Settlement must be postmarked to the Settlement Administrator not later than April 8, 2024. If you submit a request for exclusion which is not postmarked by April 8, 2024, your request for exclusion will be rejected, and you will be included in the Settlement Class.

If you choose **Option 2**, you will no longer be a Class Member. Therefore, you (1) will **not** receive any payment from the Settlement, with the exception of your pro-rata portion of the employee portion of the civil penalties allocated to PAGA; (2) will not be deemed to have released any claims due to this Settlement with the exception of the PAGA cause of action, and (3) will be barred from filing an objection to the Settlement.

Do not submit both a Dispute and a Request for Exclusion. If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you can mail a written objection to the Settlement Administrator. Your objection should provide: your full name, address and telephone number, the last four digits of your Social Security Number, the dates you were employed by Bay State Milling Company in California, and your objections to the Settlement, including each specific reason in support of each objection and any legal support for each objection together with any evidence in support of your objection. Your objection should be mailed to the Settlement Administrator on or before April 8, 2024.

You may also appear at the Final Fairness and Approval Hearing set for May 15, 2024 at 9:00 a.m. in Department 14 of the Superior Court of California for the County of Yolo located at 1000 Main Street, Woodland, CA 95695, and discuss your objections with the Court and the Parties at your own expense. You may appear at the Hearing regardless of whether you submitted a written objection. You may also retain an attorney to represent you at the Hearing at your own expense. All objections or other correspondence must state the name and number of the case, which is *Rafael Lopez v. Bay State Milling Company, et. al.*, Yolo County Case Number No. CV2023-0742.

If you choose **Option 3**, you will still be entitled to the money from the Settlement. You will remain a member of the Settlement Class, and if the Court overrules your objections and approves the Settlement, you will receive your Individual Settlement Payment and will be bound by the terms of the Settlement in the same way as Class Members

who do not object, including being deemed to have released the Released Claims. You cannot both object to the settlement and exclude yourself. You must choose one option only.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may refer to the pleadings, the Joint Stipulation of Settlement, and other papers filed in this case, which may be inspected at the Office of the Clerk of the Superior Court of California for the County of Yolo, during regular business hours of each court day.

All questions by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator or Class Counsel.

You can view the final approval order and final judgment and payment schedule at www.cptgroupcaseinfo.com/baystatemillingsettlement.

PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THIS NOTICE. 4860-8909-7107, v.