

SUPERIOR COURT OF CALIFORNIA, COUNTY OF BUTTE

Penca v. Sierra Nevada Brewing Co.

Case No. 21CV02883

NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights are affected by whether you act or don't act.*

TO: Any and all persons who have been employed by Defendant Sierra Nevada Brewing Co. (“Defendant”) as hourly-paid, non-exempt employee (whether hired directly or through staffing agency People 2.0 Global LLC dba Allevity Recruiting & Staffing fka Anderson and Associates) within the State of California at any time during the period from October 17, 2017, through January 31, 2023.

The Superior Court of California, County of Butte has granted preliminary approval of a proposed settlement (“Settlement”) of the above-captioned action (the “Action”). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action and PAGA Settlement (“Notice”) carefully. The purpose of this Notice is to provide a brief description of the claims alleged in the Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

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1. What Is This Case About?

On November 24, 2021, Plaintiff Anthony Penca, a former employee of Sierra Nevada Brewing Co. (“Defendant”) initiated a class action lawsuit against Defendant in the Superior Court of California, County of Butte (the “Class Action”). A class action is a procedure by which an employee may resolve the claims of other absent employees on a representative basis. Plaintiff’s lawsuit alleged the following causes of action: (1) violation of Labor Code sections 510 and 1198 (unpaid overtime); (2) violation of Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (3) violation of Labor

Code section 226.7 (unpaid rest period premiums); (4) violation of Labor Code sections 1194 and 1197 (unpaid minimum wages); (5) violation of Labor Code sections 201 and 202 (final wages not timely paid); (6) violation of Labor Code section 226(a) (noncompliant wage statements); (7) violation of Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (8) violation of Business & Professions Code section 17200, *et seq.*

On October 26, 2022, Plaintiffs Anthony Penca and Christopher Davidson (collectively, “Plaintiffs”), former employees of Sierra Nevada Brewing Co. (“Defendant”), gave notice to the California Labor and Workforce Development Agency (“LWDA”) that they believed Defendant was violating the California Labor Code with respect to all of Defendant’s hourly employees in California (employed directly or through a staffing agency). Specifically, Plaintiffs alleged that Defendant was violating Labor Code provisions related to properly paying employees for all hours worked; properly paying minimum and overtime wages; properly compensating employees for missed, interrupted, short, and late meal and rest breaks; paying employees all earned and unpaid wages in a timely manner upon employees’ discharge or termination; paying employees all wages due to them in a timely manner; providing employees with complete and accurate wage statements; keeping complete and accurate payroll records showing the hours worked daily by and the wages paid to employees; and reimbursing employees for all necessary business-related costs and expenses. The relevant Labor Code sections are sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802.

On December 5, 2022, Plaintiffs filed a First Amended Complaint including the PAGA cause of action in the lawsuit and adding Christopher Davidson as a named Plaintiff. A PAGA claim is a type of representative claim authorized by the Labor Code Private Attorneys General Act of 2004 (PAGA), which allows aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and the State of California for violations of the California Labor Code. An aggrieved employee is any person who was employed by the alleged Labor Code violator and against whom one or more of the alleged Labor Code violations was committed. An employee who files a PAGA lawsuit is acting as an agent of California’s labor law enforcement agencies, who have the power to initiate an enforcement action directly. Penalties awarded in a PAGA action are measured by the number of Labor Code violations committed by the employer, and a portion of these penalties must be paid to the State of California. Plaintiffs’ PAGA lawsuit sought civil penalties based on the same Labor Code violations for which Plaintiffs asserted class claims in the Class Action and which Plaintiffs described in their letter to the LWDA, explained in the first paragraph above.

Class actions and PAGA claims are different in that an employee filing a class action is resolving the claims of absent employees while an employee filing a PAGA claim is acting as an agent of the State of California to obtain penalties for absent employees for Labor Code violations committed against those employees, as explained in the paragraph above. In addition, members of a class action have the right to opt out of, or exclude themselves from, the class action, but aggrieved employees do not have the right to opt out of a PAGA claim. Class members who opt out will not be bound by the terms of any judgment issued by the Court in the class action. Class members who do not opt out will be bound by the terms of any judgment issued and will be precluded from bringing any claims that were or that could have been brought against the employer in the lawsuit in which the individual was a class member. Unlike class members, aggrieved employees retain the right to pursue or recover other remedies available under state or federal law.

On February 7, 2022, Defendant filed an Answer to the Class Action. Defendant denies each and every allegation and claim asserted against it and asserted more than two dozen affirmative defenses. Defendant alleged and continues to allege that it has no liability to any of the Plaintiffs or Class Members. Defendant contends that Plaintiffs and the Class Members were properly compensated for all hours worked and were paid all wages owed under applicable law; that Plaintiffs and the Class Members were provided with meal and rest periods in compliance with California law or otherwise provided with meal or rest premium payments; that Plaintiffs and Class Members received itemized wage statements satisfying statutory requirements; Defendant reimbursed Plaintiffs and Class Members for all necessary business related expenses; that Plaintiffs and Class Members were timely paid all wages due, including at the time of separation, and that Defendant otherwise complied with all applicable laws and regulations. Defendant, therefore, alleged and continues to allege that it is not liable for any of the damages or penalties claimed or that could be claimed in the Class Action. Defendant further argued that Plaintiffs would be unable to secure a court order certifying this matter as a class action.

Notwithstanding, in lieu of the costs and uncertainty related to protracted litigation and its impact on Defendant’s operations and existing employees, Defendant agreed to attempt to resolve the matter.

Plaintiffs and Defendant (collectively, the “Parties”) attended a mediation with mediator Lynn Frank on October 1, 2022, to attempt to resolve the claims Plaintiffs made against Defendant in the Class Action without forcing Plaintiff to file a motion seeking to certify the case as a class action and without going to trial. The Parties were unable to agree to a settlement of the claims alleged in the Class Action at mediation but weeks later, with the mediator’s assistance, the Parties agreed to the proposed Settlement – some of the terms of which are described in this Notice – which resolves the claims alleged in the Class Action and the PAGA claim.

The Court has not made any determination as to whether the claims advanced by Plaintiffs have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or Defendant; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all Parties avoid the risks and cost of a trial.

2. *Why Have I Received This Notice?*

Defendant’s personnel records indicate that you may be a Class Member. You are a Class Member if you are currently or were formerly employed by Defendant as an hourly-paid, non-exempt employee (whether hired directly or through staffing agency People 2.0 Global LLC dba Allevity Recruiting & Staffing fka Anderson and Associates) within the State of California at any time during the period from October 17, 2017, through January 31, 2023 (“Class Period”). In addition, you are an Eligible Aggrieved Employee if you are currently or were formerly employed by Defendant as an hourly-paid, non-exempt employee (whether hired directly or through staffing agency People 2.0 Global LLC dba Allevity Recruiting & Staffing fka Anderson and Associates) within the State of California at any time during the period from October 26, 2021, through January 31, 2023 (“PAGA Timeframe”).

A Preliminary Approval Hearing regarding the proposed Settlement – the terms of which the Parties agreed to pursuant to the mediation on October 1, 2022 – was held on February 1, 2023, in the Superior Court of California, County of Butte. At the Preliminary Approval Hearing, the Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice. The purpose of this Notice is to inform you of the proposed Settlement and advise you of your rights with respect to the proposed Settlement.

The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the Final Approval Hearing.

The Court will hold a Final Approval Hearing concerning the proposed Settlement on July 12, 2023, at 9:00 a.m. before the Honorable Tamara L. Mosbarger at the Superior Court of California, County of Butte, located at 1775 Concord Avenue, Chico, California 95928, Department 1 (North Butte County Courthouse).

3. *What Are My Options?*

As a Class Member and/or Eligible Aggrieved Employee, you have options with respect to your involvement in the proposed Settlement. Each option has its consequences, which you should understand before making your decision. The table below summarizes your rights with respect to each option and the steps you must take to select each option. These options are also explained in more detail later in this Notice.

Important Note: Defendant will not retaliate against you in any way for either participating or not participating in this Settlement.

OPTIONS	CLASS MEMBERS	ELIGIBLE AGGRIEVED EMPLOYEES
DO NOTHING	If you do nothing and the Court grants final approval of the Settlement, you will become part of the Action, and the Settlement Administrator will mail you a check for your Individual Settlement Share, which will be based on the total number of workweeks you worked for Defendant as a California-based hourly-paid non-exempt employee (whether hired directly or through staffing agency People 2.0 Global LLC dba Allevity Recruiting & Staffing fka Anderson and Associates) within the State of California during the Class Period, at your address of record. You will give up your right to pursue the Released Claims as defined in Section No. 9 below, meaning you will be unable to sue the Released Parties, including Defendant, for the Released Claims.	If you do nothing and the Court grants final approval of the Settlement, you will become part of the Action, and the Settlement Administrator will mail you a check for your portion of the PAGA Payment, which will be based on the total number of pay periods you worked for Defendant as an hourly-paid non-exempt employee (whether hired directly or through staffing agency People 2.0 Global LLC dba Allevity Recruiting & Staffing fka Anderson and Associates) within the State of California during the PAGA Timeframe, at your address of record. You will give up your right to pursue the PAGA Released Claims as defined in Section No. 9 below, meaning you will be unable to sue the Released Parties, including Defendant, for the PAGA Released Claims.
UPDATE MAILING ADDRESS	You must keep the Settlement Administrator informed of any change of address. The purpose of doing so is to ensure the Settlement Administrator can contact you for, among other things, the proper mailing of your Individual Settlement Share check. You can contact the Settlement Administrator by calling the Settlement Administrator at 1-888-690-2423	You must keep the Settlement Administrator informed of any change of address. The purpose of doing so is to ensure the Settlement Administrator can contact you for, among other things, the proper mailing of a check for your portion of the PAGA Payment. You can contact the Settlement Administrator by calling the Settlement Administrator at 1-888-690-2423
DISPUTE WORKWEEKS AND/OR PAY PERIODS	If you believe the number of workweeks with which you have been credited, and thereby the amount of your Individual Settlement Share, as provided in this Notice, is inaccurate, you may dispute this information. The procedure for disputing this information is described in Section No. 6 below.	If you believe the number of pay periods with which you have been credited, and thereby the amount of your portion of the PAGA Payment, as provided in this Notice, is inaccurate, you may dispute this information. The procedure for disputing this information is described in Section No. 6 below.
OBJECT	You may object to the class portion of the proposed Settlement. If you would like to object, you may not opt out of the class portion of this Settlement. The procedure for objecting to the proposed Settlement is described in Section No. 7 below. If you object and the Court approves the proposed Settlement, the Settlement Administrator will mail you your Individual Settlement Share check, and you will give up your right to sue the Released Parties, including Defendant, for the Released Claims as defined in Section No. 9 below.	You do not have the right to object to the PAGA portion of the proposed Settlement. If the Court approves the proposed Settlement, the Settlement Administrator will mail you a check for your portion of the PAGA Payment, and you will give up your right to sue the Released Parties, including Defendant, for the PAGA Released Claims as defined in Section No. 9 below.

REQUEST EXCLUSION	If you do not want to participate in the class portion of the proposed Settlement, you may request exclusion from, or opt out of, the class portion of the proposed Settlement. If the Court grants final approval of the Settlement, the Settlement Administrator will not mail you an Individual Settlement Share, and you will not give up the right to sue the Released Parties, including Defendant, for any of the Released Claims as defined in Section No. 9 below. The procedure for requesting exclusion from the class portion of the proposed Settlement is described in Section No. 7 below.	You do not have the right to request exclusion from, or opt out of, the PAGA portion of the proposed Settlement. If the Court grants final approval of the Settlement, the Settlement Administrator will mail you a check for your portion of the PAGA Payment, and you will give up the right to sue the Released Parties, including Defendant, for the PAGA Released Claims as defined in Section No. 9 below. Eligible Aggrieved Employees who opt out of the class portion of the proposed Settlement will still be mailed checks for their portions of the PAGA Payment and will give up the right to sue the Released Parties for the PAGA Released Claims.
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4. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiffs and the Class	Attorneys for Defendant
<p>JUSTICE LAW CORPORATION Douglas Han Shunt Tatavos-Gharajeh 751 N. Fair Oaks Avenue, Suite 101 Pasadena, California 91103 Telephone: (818) 230-7502 Facsimile: (818) 230-7259</p>	<p>MCDERMOTT WILL & EMERY LLP Yesenia Gallegos Brian Casillas Ariel Beverly 2049 Century Park East, Suite 3200 Los Angeles, California 90067 Telephone: (310) 227-4110 Facsimile: (310) 227-4730</p>

The Court has decided that Justice Law Corporation is qualified to represent Plaintiffs, on an individual basis, and you and all other Class Members, on a class-wide basis, simultaneously. Class Counsel is working on behalf of Plaintiffs and the Class at large. If you want your own attorney, you may hire one at your own cost.

5. *How Does This Settlement Work?*

In this Action, Plaintiffs sued on behalf of themselves and all other similarly situated employees who were employed by Defendant as an hourly-paid non-exempt employees (whether hired directly or through staffing agency People 2.0 Global LLC dba Allevity Recruiting & Staffing fka Anderson and Associates) within the State of California at any time during the Class Period. Plaintiffs and these other current and former employees comprise a “Class” and are “Class Members.” Those Class Members employed by Defendant as hourly-paid non-exempt employees (whether hired directly or through staffing agency People 2.0 Global LLC dba Allevity Recruiting & Staffing fka Anderson and Associates) within the State of California at any time during the PAGA Timeframe are also “Eligible Aggrieved Employees.” The proposed Settlement of this Action is a class and representative action settlement, meaning the Settlement resolves the Released Claims of all Class Members, except for those Class Members who exclude themselves from the Class by requesting to be excluded in the manner set forth in Section No. 8 below, as well as the PAGA Released Claims of all Eligible Aggrieved Employees. The Released Claims and the PAGA Released Claims are defined in Section No. 9 below. In return for giving up the right to sue the Released Parties for the Released Claims, the Class Members who do not decide to exclude themselves from the class portion of the proposed Settlement will be mailed checks for their Individual Settlement Shares. Similarly, in return for

giving up the right to sue the Released Parties for the PAGA Released Claims, the Eligible Aggrieved Employees will be mailed checks for their portions of the PAGA Payment.

Because the proposed Settlement is a class and representative action settlement, it differs from a class-only settlement in several ways. Unlike a class-only settlement, the proposed Settlement includes Eligible Aggrieved Employees, a PAGA Payment, and PAGA Released Claims.

Under the terms of the proposed Settlement, the total maximum amount that Defendant will be required to pay is three million fifty thousand dollars (\$3,050,000) (“Gross Settlement Amount”). Defendant has already paid three hundred thirty-seven thousand five hundred eighty-four dollars (\$337,584) and will therefore be required to pay an additional two million seven hundred twelve thousand four hundred and sixteen dollars (\$2,712,416) to fully fund the Gross Settlement Amount. Under the terms of the proposed Settlement, one hundred thousand dollars (\$100,000) from the Gross Settlement Amount will be set aside as the “PAGA Payment.” The PAGA Payment is the total amount of civil penalties collected on behalf of the State of California. Seventy five thousand dollars (\$75,000) from the PAGA Payment, or seventy-five percent (75%) of the PAGA Payment, will be sent to the State of California. Eligible Aggrieved Employees will share the remaining twenty five thousand dollars (\$25,000), or twenty-five percent (25%) of the PAGA Payment, based on the number of pay periods they worked during the PAGA Timeframe.

Because these penalties (the \$100,000 PAGA Payment) can only be sought by or on behalf of the State of California, Eligible Aggrieved Employees cannot exclude themselves from the PAGA portion of the Settlement. Therefore, if the Court approves the proposed Settlement, all Eligible Aggrieved Employees will give up the right to sue the Released Parties for the PAGA Released Claims, described in greater detail in Section No. 9 below. However, all Eligible Aggrieved Employees are also Class Members and may therefore exclude themselves from the class portion of the proposed Settlement and retain the right to sue the Released Parties for the Released Claims, described in greater detail in Section No. 9 below.

Because Plaintiffs are acting on behalf of the State of California with respect to the representative (PAGA), portion of the proposed Settlement, Plaintiffs must also keep the LWDA informed of any legal action taken with respect to the Action and the proposed Settlement. For example, Plaintiffs are required to file with the LWDA a copy of the proposed Settlement Agreement as well as any revised versions of the Settlement Agreement and the papers Plaintiffs have filed and will file with the Court to obtain both preliminary and final approval of the Settlement. This is not required for class-only settlements.

6. *How Do I Dispute the Information Included in This Notice?*

Section No. 10 below states the number of workweeks with which you have been credited – meaning the number of workweeks you worked during the Class Period, based on Defendant’s records – and the estimated amount of your Individual Settlement Share, based on this number of workweeks. If you are also an Eligible Aggrieved Employee, Section No. 10 below also states the number of pay periods with which you have been credited – meaning the number of pay periods you worked during the PAGA Timeframe, based on Defendant’s records – and the estimated amount of your portion of the PAGA Payment. If you believe the number of workweeks and/or pay periods with which you have been credited, and therefore the estimated amount of your Individual Settlement Share and/or portion of the PAGA Payment, is inaccurate, you may dispute this information.

If you choose to dispute the information included in this Notice, you must do so in writing. You must also produce and submit evidence to the Settlement Administrator showing that the disputed information is inaccurate. You are permitted to submit copies of such evidence – original versions are not required. If the Settlement Administrator does not receive evidence from you rebutting the disputed information, the number of workweeks and/or pay periods contained in Defendant’s records will be presumed correct, and your challenge will be rejected by the Settlement Administrator. However, if you do submit evidence rebutting the disputed information, the Parties will evaluate this evidence and make the final decision as to the number of workweeks and/or pay periods with which you will be credited.

Your dispute should be signed and dated and must be mailed, along with your supporting evidence, by first-class U.S. mail, **postmarked no later than May 15, 2023**, to: *Penca v. Sierra Nevada Brewing Co.*, c/o CPT Group, Inc., 50 Corporate Park, Irvine, California 92606. You are encouraged to keep copies of any and all evidence you submit to the Settlement Administrator.

7. How Do I Object To The Settlement?

If you are a Class Member who does not opt out of the class portion of the Settlement, you may object to the class portion of the Settlement, personally or through an attorney, by sending a timely written objection to the Settlement Administrator. Objections should be signed and dated and must be mailed by first-class U.S. mail, **postmarked no later than May 15, 2023**, to: *Penca v. Sierra Nevada Brewing Co.*, c/o CPT Group, Inc., 50 Corporate Park, Irvine, California 92606.

Objections should: (a) state the objecting Class Member's full name, address, and telephone number, and the name and address of counsel, if any; (b) describe, in clear and concise terms, the reasons for objecting and the legal and factual arguments supporting the objection; (c) identify any evidence supporting the factual basis for the objection; (d) be signed by the objecting Class Member, his or her lawful representative, or his or her attorney, if any; and (e) state whether the objecting Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing. Though you are encouraged to include all the foregoing information in your objection, the inclusion of all such information is not a condition for the submission of a valid objection. Your objection will be valid if it is postmarked on or before May 15, 2023, and provides enough information to allow the Settlement Administrator to identify you and understand that you object to the proposed Settlement or some term(s) of the Settlement.

Class Members may appear at the Final Approval Hearing, either in person or through their own counsel, and orally object to the Settlement. Class Members' timely and valid objections to the Settlement will still be considered even if the objector does not appear at the Final Approval Hearing.

Class Members who fail to object in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objections to the Settlement. Again, to be valid and effective, any written objections must be mailed to the Settlement Administrator postmarked on or before May 15, 2023.

If the Court approves the Settlement, the objecting Class Member will be mailed an Individual Settlement Share, and, if the Class Member is also an Eligible Aggrieved Employee, his or her portion of the PAGA Payment, and the Class Member will be bound by the terms of the Settlement, meaning the Class Member will be unable to sue for the claims resolved in the Settlement (i.e., the Released Claims, and the PAGA Released Claims if the Class Member is also an Eligible Aggrieved Employee).

8. How Do I Opt Out Or Exclude Myself From This Settlement?

If you do not wish to participate in the class portion of the Settlement, you may be excluded from the class portion of the Settlement (i.e., "opt out") by sending a timely opt out form to the Settlement Administrator. A form ("ELECTION NOT TO PARTICIPATE IN ('OPT OUT' FORM) CLASS ACTION SETTLEMENT") ("Exclusion Form") has been provided to you along with this Notice, which can be used for this purpose; alternatively, you can submit your own written document that includes this same information. If you opt out of the Settlement, you will not be releasing the claims set forth in Section No. 9. The Exclusion Form should be signed and dated and must be mailed by first-class U.S. Mail, **postmarked no later than May 15, 2023**, to: *Penca v. Sierra Nevada Brewing Co.*, c/o CPT Group, Inc., 50 Corporate Park, Irvine, California 92606. You cannot exclude yourself by phone.

The Exclusion Form should: (a) include the Class Member's name, address, and the last four digits of his or her Social Security number; (b) be addressed to the Settlement Administrator; (c) be signed by the Class Member or his or her lawful representative; and (d) be postmarked no later than May 15, 2023. The Court will exclude any Class Member who submits a timely Exclusion Form in this manner. Though you are encouraged to include all the foregoing information in your request for exclusion, the inclusion of all such information is not a condition for the submission of a valid request for exclusion. A request for exclusion will be deemed valid if it is postmarked no later than May 15, 2023, and provides sufficient information to allow the Settlement Administrator to identify the Class Member and understand the Class Member's request. However, Exclusion Forms that are not timely submitted will be deemed null, void, and ineffective.

Class Members may only opt out of the class portion of the Settlement. Class Members, who are also Eligible Aggrieved Employees, cannot opt out of the PAGA portion of the Settlement. Therefore, a Class Member who submits a valid and timely Exclusion Form will not release the Released Claims, as described in Section No. 9 below. However, if such a Class Member is also an Eligible Aggrieved Employee, the Class Member will still release the PAGA Released Claims, as described in Section No. 9 below.

Any Class Member who fails to submit a valid Exclusion Form on or before May 15, 2023, shall be bound by all terms of the Settlement, release, and any Judgment entered in the Action if the Settlement receives final approval from the Court.

You are responsible for ensuring that the Settlement Administrator receives any request for exclusion you submit.

9. How Does This Settlement Affect My Rights? What Are the Released Claims and PAGA Released Claims?

If the Court approves the proposed Settlement, the Court will enter a Final Judgment. All Class Members who do not opt out of the class portion of the Settlement (“Participating Class Members”) and all Eligible Aggrieved Employees will be bound by the Court’s Final Judgment and will fully release and discharge Defendant Sierra Nevada Brewing Co. and its affiliated companies (including People 2.0 Global LLC dba Allevity Recruiting & Staffing fka Anderson and Associates (“Allevity”)) and their respective parent companies, subsidiaries, affiliates, shareholders, members, owners, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors and assigns (“Released Parties”). All Participating Class Members will release the Released Parties from the Released Claims, and all Eligible Aggrieved Employees will release the Released Parties from the PAGA Released Claims upon final approval of the Settlement by the Court. The Released Claims and the PAGA Released Claims are defined below.

A. Released Claims

Upon Defendant’s funding of the entire Gross Settlement Amount according to the terms of the Settlement Agreement, in exchange for the consideration provided by the Settlement Agreement, Plaintiffs and the Participating Class Members shall release the Released Parties from all claims made or which could have been made based on the facts pled in the Action, from October 17, 2017, through January 31, 2023 including the claims (1) Failure to Pay Overtime Wages (Labor Code §§ 510 and 1198); (2) Failure to Provide Timely Off-Duty Meal Periods or Compensation in Lieu Thereof (Labor Code §§ 226.7 and 512(a)); (3) Failure to Provide Timely, Off-Duty Rest Periods or Compensation in Lieu Thereof (Labor Code § 226.7); (4) Failure to Pay Minimum Wages (Labor Code §§ 1194 and 1197); (5) Failure to Timely Pay All Wages Due at Separation (Labor Code §§ 201 and 202); (6) Failure to Provide Accurate Itemized Wage Statements (Labor Code § 226(a)); (7) Failure to properly calculate and pay sick leave by using the regular rate of pay or otherwise (Labor Code section 246); (8) Failure to Reimburse for Reasonable Business Expenses (Labor Code §§ 2800 and 2802); (9) Violation of Unfair Competition Law (Business & Professions Code § 17200, et seq.); and (10) Violation of Labor Code §§ 2698 et seq.

The Released Claims expressly exclude the PAGA Released Claims, defined below, and Participating Class Members will not release the PAGA Released Claims unless such Participating Class Members are also Eligible Aggrieved Employees. Participating Class Members who are also Eligible Aggrieved Employees shall release the PAGA Released Claims, in addition to releasing the Released Claims, upon Defendant’s funding of the entire Gross Settlement Amount according to the terms of the Settlement Agreement, as described below.

B. PAGA Released Claims

Upon Defendant’s funding of the entire Gross Settlement Amount according to the terms of the Settlement Agreement, in exchange for the consideration provided by the Settlement Agreement, Plaintiffs, the LWDA, and any other representative, proxy, or agent thereof, including, but not limited to, the Eligible Aggrieved Employees, shall release the Released Parties from all claims made or which could have been made for civil penalties under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code section 2698, *et seq.*, based on the facts pled in Plaintiff’s letter to the LWDA dated October 26, 2022, and the Action, from October 26, 2021, through January 31, 2023 including the claims: (1) Failure to Pay Overtime Wages (Labor Code §§ 510 and 1198); (2) Failure to Provide Timely Off-Duty Meal Periods or

Compensation in Lieu Thereof (Labor Code §§ 226.7 and 512(a)); (3) Failure to Provide Timely, Off-Duty Rest Periods or Compensation in Lieu Thereof (Labor Code § 226.7); (4) Failure to Pay Minimum Wages (Labor Code §§ 1194 and 1197); (5) Failure to Timely Pay All Wages Due at Separation (Labor Code §§ 201 and 202); (6) Failure to Provide Accurate Itemized Wage Statements (Labor Code § 226(a)); (7) Failure to properly calculate and pay sick leave by using the regular rate of pay or otherwise (Labor Code section 246); (8) Failure to Reimburse for Reasonable Business Expenses (Labor Code §§ 2800 and 2802); (9) Violation of Unfair Competition Law (Business & Professions Code § 17200, *et seq.*); and (10) Violation of Labor Code §§ 2698 *et seq.*

As explained earlier in this Notice, Eligible Aggrieved Employees do not have the right to opt out of the PAGA portion of the proposed Settlement. Thus, upon final approval of the Settlement by the Court, the Eligible Aggrieved Employees will give up the right to sue the Released Parties for the PAGA Released Claims, as described in the paragraph above.

10. How Much Can I Expect to Receive From This Settlement?

As stated in Section No. 5 above, the total maximum amount that Defendant will be required to pay under the Settlement Agreement is \$3,050,000 (“Gross Settlement Amount”).

The Gross Settlement Amount will be used to pay the following amounts, subject to Court approval: (1) a \$10,000 Class Representative Enhancement Payment to each Plaintiff Anthony Penca and Christopher Davidson; (2) up to \$20,000 in Administration Costs to the Settlement Administrator; (3) the \$100,000 PAGA Payment, seventy-five percent (75%) of which (\$75,000) shall be paid to the LWDA, and twenty-five percent (25%) of which (\$25,000) shall be distributed to Eligible Aggrieved Employees, on a pro-rata basis; (4) a \$1,159,000 Attorney Fee Award to Class Counsel (38% of the Gross Settlement Amount); and (5) a \$25,000 Cost Award to Class Counsel. The amount that remains after all payments are made is the Net Settlement Amount, which is currently estimated to be \$1,726,000. Defendant will receive a credit of \$337,584, which will result in the amount of at least \$1,388,416 being distributed.

Ninety percent (90%) of the Net Settlement Amount shall be designated to pay Class Members directly hired by Defendant and ten percent (10%) of the Net Settlement Amount shall be designated to pay the Class Members hired or working for Defendant through a staffing agency (“Temp” employees).

A. How Will My Individual Settlement Share Be Calculated?

The Net Settlement Amount will be paid to the Participating Class Members in the form of Individual Settlement Shares. If the Court approves any of the above-referenced payments in smaller amounts, the Net Settlement Amount will be larger. The Settlement Administrator will mail each Participating Class Member an Individual Settlement Share from the Net Settlement Amount that is equal to: (i) the number of workweeks the Participating Class Member worked during the Class Period, based on the Class Data provided by Defendant, (ii) divided by the total number of workweeks worked by any and all Participating Class Members collectively during the Class Period, based on the same Class Data, (iii) which is then multiplied by the Net Settlement Amount. One day worked in a given week will be credited as one workweek for purposes of this calculation. Therefore, the value of each Participating Class Member’s Individual Settlement Share ties directly to the number of workweeks the Participating Class Member worked during the Class Period.

Although your exact share of the Net Settlement Amount cannot be precisely calculated until after the time during which Class Members may submit disputes regarding, objections to, or requests for exclusion from the Settlement concludes, based upon the calculation above, your approximate Individual Settlement Share from the Net Settlement Amount, is \$<<CombinedEstSettAmt>>, less taxes. This is based on Defendant’s records, which show you worked <<DHWorkweeks>> workweeks during the Class Period as a directly-hired employee and worked <<TempWorkweeks>> workweeks during the Class Period as a Temp employee. Defendant’s records show that you received \$<<PriorSettAmt>> in settlement during the course of this case. This amount will be credited (if any) against your Individual Settlement Share. The amount of your Individual Settlement Share will change if Class Members opt out of the class portion of the proposed Settlement, if workweek estimates change, and/or if the Court does not approve all the above-referenced payments from the Gross Settlement Amount in full.

Twenty percent (20%) of your Individual Settlement Share will be treated as unpaid wages. The wages portion of your Individual Settlement Share will be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and will be reported on an IRS Form W-2. Eighty percent (80%) of your Individual Settlement Share will be treated as penalties and interest. The penalties and interest portions of your Individual Settlement Share will be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and will be paid pursuant to an IRS Form 1099.

The Settlement Administrator will mail your Individual Settlement Share check to the address the Settlement Administrator has on record for you. Therefore, it is important that you keep the Settlement Administrator informed of any change of address.

B. How Will My Portion of the PAGA Payment Be Calculated?

The Settlement Administrator will mail each Eligible Aggrieved Employee a check for the Eligible Aggrieved Employee's portion of the PAGA Payment, which will be equal to: (i) the number of pay periods the Eligible Aggrieved Employee worked during the PAGA Timeframe, based on the Class Data provided by Defendant, (ii) divided by the total number of pay periods worked by any and all Eligible Aggrieved Employees collectively during the PAGA Timeframe, based on the same Class Data, (iii) which is then multiplied by the \$25,000 of the PAGA Payment allocated to the Eligible Aggrieved Employees.

Based upon the calculation above, your approximate portion of the PAGA Payment is \$<<EstPAGASettAmt>>. This is based on Defendant's records, which show you worked <<PAGAPeriods>> pay periods during the PAGA Timeframe. One hundred percent (100%) of this payment will be considered penalties, and you will be issued an IRS Form 1099 if your payment exceeds \$600. You are responsible for paying any federal, state, or local taxes owed as a result of this payment. The Settlement Administrator will mail a check for your portion of the PAGA Payment to the address the Settlement Administrator has on record for you. Therefore, it is important that you keep the Settlement Administrator informed of any change of address.

If you are not an Eligible Aggrieved Employee, this subsection B does not apply to you.

C. When Will My Payment From the Settlement Be Mailed?

Within thirty (30) calendar days of the Effective Final Settlement Date, Defendant shall deposit the \$2,712,416 needed to fund the Gross Settlement Amount of \$3,050,000 into a Qualified Settlement Fund. Within ten (10) calendar days of the Effective Final Settlement Date, Defendant shall provide any tax information that the Settlement Administrator may need to calculate each Participating Class Member's Individual Settlement Share. The Effective Final Settlement Date will be the later of the following: (i) if no objections to the Settlement have been filed, or timely objections have been filed and then withdrawn, then the date the Court enters judgment granting final approval; (ii) if an objection to the Settlement has been filed, then the date on which time expires to file an appeal of the Court's grant of final approval; or (iii) if an objection was filed and a notice of appeal of the Court's grant of final approval was timely filed, then the date the appeal is finally resolved, with the grant of final approval unaffected.

Within fourteen (14) calendar days after the funding of the Settlement, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, the Attorney Fee Award, the Cost Award, the Class Representative Enhancement Payments, the PAGA Payment – including the payment to the LWDA and individual Eligible Aggrieved Employees' payments, and the Administration Costs. The Settlement Administrator will also forward a check for seventy-five percent (75%) of the PAGA Payment, or \$75,000, to the LWDA for settlement of the PAGA claim.

It is strongly recommended that upon receipt of your Individual Settlement Share check and, if you are an Eligible Aggrieved Employee, your check for your portion of the PAGA Payment, you cash your check(s) immediately or before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are initially mailed,

cancel the checks and pay the amount of the Individual Settlement Share(s) and/or portion(s) of the PAGA Payment to Community Legal Information Center in Chico, California.

11. *How Will the Attorneys for the Class and the Class Representative Be Paid?*

The attorneys for Plaintiffs and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiffs and the Class shall be paid an amount not to exceed thirty-eight percent (38%) of the Gross Settlement Amount (or \$1,159,000) for attorneys' fees and up to \$25,000 for litigation costs.

Defendant has paid all its own attorneys' fees and costs.

As set forth in Section No. 10 above, Plaintiffs will also be paid Class Representative Enhancement Payments, subject to Court approval.

12. *Final Approval Hearing*

The Court will hold a Final Fairness Hearing concerning the proposed Settlement on July 12, 2023, at 9:00 a.m. before the Honorable Tamara L. Mosbarger at the Superior Court of California, County of Butte, located at 1775 Concord Avenue, Chico, California 95928, Department 1 (North Butte County Courthouse). You are not required to appear at this hearing. Any changes to the time, date, or location of the hearing will be available on this website: <http://www.cptgroupcaseinfo.com/sierranevadabrewingsettlement>. This website will also include, among other things, the complaint Plaintiff Anthony Penca filed on November 24, 2021, generic copies of this Notice and the Exclusion Form, all papers filed in connection with the preliminary approval motion (including all orders filed by the Court), all papers filed in connection with the Final Approval Hearing (including the fee motion and the final approval motion), and, if the Settlement is approved, the Final Judgment.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at the telephone number listed below, toll free. Please refer to the "The Sierra Nevada Brewing Co. class action and PAGA settlement."

This Notice does not contain all the terms of the proposed Settlement or all the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Superior Court of California, County of Butte, located at 1775 Concord Avenue, Chico, California 95928, Department 1 (North Butte County Courthouse), between 8:00 a.m. and 5:00 p.m.

You may also contact Class Counsel with any questions you may have regarding the Action, the proposed Settlement of the Action, or this Notice or any other documents or information you have received pertaining to the Action and the Settlement. You may contact Class Counsel directly by visiting Justice Law Corporation at 751 North Fair Oaks Avenue, Suite 101, Pasadena, California 91103 during regular business hours, from 9:00 a.m. to 6:00 p.m., or by calling (818) 230-7502. Class Counsel's contact information is also included above in Section No. 4 of this Notice. Class Counsel will provide you with an electronic copy of the Settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.