

NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION

LOS ANGELES COUNTY SUPERIOR COURT

To: All persons employed by Smart & Final Stores LLC in a non-exempt position in California who did not sign an arbitration agreement from December 14, 2014 until October 12, 2021.

You are receiving this Notice because a proposed settlement has been reached in the following cases pending in the Superior Court of California, County of Los Angeles: (1) *Edwin Ralda individually and on behalf of all similarly situated and/or aggrieved employees of Defendants in the State of California v. Smart & Final Stores LLC; and Does 1 through 50*, Case No. 18STCV08098; and (2) *Christina Seehof, individually, and on behalf of other members of the general public similarly situated v. Smart & Final Stores, Inc. and Does 1 through 100*, Case No. 19STCV27880 (collectively, the “Lawsuit”). You may be entitled to benefits as a member of the Settlement Class if the Court approves the Settlement described in this Notice. Your options with respect to the Settlement are explained in further detail below.

Usted está recibiendo este Aviso del Acuerdo Propuesto de Demanda Colectiva porque usted puede tener derecho a los beneficios como parte de un acuerdo de la clase, y este Aviso explica sus derechos y opciones legales con respecto al Acuerdo. Si necesita revisar este Aviso en español, una versión traducida en español también está incluido y está disponible en línea en: www.cptgroupcaseinfo.com/SmartFinalRaldaSettlement

THIS NOTICE AFFECTS YOUR LEGAL RIGHTS.
PLEASE READ IT CAREFULLY.

This is not a solicitation from a lawyer. A Court has authorized this Notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT ARE:	
Do Nothing	If you want to participate and receive your share of the money from the settlement, you do <u>not</u> need to do anything. If you do nothing, you will be mailed a settlement payment and you will be releasing certain claims.
Object	If you want to object to the settlement, you must submit in writing the reason(s) why you think the settlement should not be approved, and/or appear at the final approval hearing.
Exclude Yourself	If you exclude yourself (or “opt-out”) from the class settlement, you will not receive any share of the money from the class settlement.

YOUR RIGHTS AND OPTIONS AND THE DEADLINES TO EXERCISE THEM ARE EXPLAINED IN THIS NOTICE

WHAT IS THIS NOTICE ABOUT?

A proposed settlement (the “Settlement”) has been reached jointly between Plaintiffs Edwin Ralda and Christina Seehof (“Plaintiffs”) and Defendant Smart & Final Stores LLC (“Defendant” or “Smart & Final”) in a proposed class action pending in the Los Angeles County Superior Court, brought on behalf of “all persons employed in a non-exempt store position in California during the Settlement Period” beginning December 14, 2014 through October 12, 2021 (the “Settlement Class”).

On November 8, 2021, the Court preliminarily approved the proposed joint Settlement and certified the Settlement Class for purposes of Settlement only. You have received this Notice because Smart & Final’s records indicate that you are a member of the Settlement Class. This Notice is designed to inform you of how you can participate in the Settlement, request to be excluded from the Settlement (the “Class Settlement”), or object to the Class Settlement. **Unless you submit a request to be excluded from the Class Settlement, the Class Settlement, if finally approved by the Court, will be binding on you.**

WHAT ARE THESE LAWSUITS ABOUT?

On December 12, 2018, Mr. Ralda, a former Smart & Final employee, filed a wage and hour class action on behalf of current and former Smart & Final non-exempt managerial employees who worked in California (the “*Ralda* Action”). On August 13, 2019, Ms. Seehof, another former Smart & Final employee, filed a different, wage and hour putative class action against Smart & Final on behalf of current and former Smart & Final employees who worked at Smart & Final in California (the “*Seehof* Action”). Mr. Ralda and Ms. Seehof also filed a representative claims under PAGA based on the same allegations, but the PAGA claims were later dismissed.

Mr. Ralda and Ms. Seehof allege that Smart & Final failed to compensate employees for all time worked, including minimum wages and overtime, compensation for missed meal and rest periods, that Smart & Final failed to reimburse business expenses incurred by employees, failed to provide employees with accurate wage statements, failed to pay separated employees all compensation due in a timely manner, and engaged in unfair competition. The Lawsuit seeks compensatory damages, liquidated damages, penalties, interest, and attorneys’ fees and costs, restitution, and injunctive relief. Smart & Final denies all allegations in their entirety, vigorously maintains that Smart & Final pays its employees properly under the law, and asserted numerous affirmative defenses to the *Ralda* and *Seehof* allegations.

The parties have conducted a significant investigation of the facts and law during the prosecution of the Lawsuit, including the exchange of information and documents through informal and formal discovery. The parties have held numerous meetings and informal conferences wherein they exchanged information and theories of the respective cases. The parties participated in a mediation and subsequent settlement discussions and reached a Settlement. The Settlement resolves all claims in the Lawsuit.

This Settlement represents a compromise and settlement of highly disputed claims. Nothing in this Notice is intended or will be construed as an admission by Smart & Final that Plaintiffs’ claims in the Lawsuit have merit or that Smart & Final has any liability to Plaintiffs or the Settlement Class on those claims.

The Parties and their counsel have concluded that the Settlement is fair, reasonable and adequate, considering the costs, interruptions, risks and uncertainties to each side of continued litigation and Plaintiffs and their counsel believe the Settlement is in the best interests of Settlement Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

You are included in the Settlement Class if you fall within the following definition:

All persons employed by Smart & Final in a non-exempt store position in California from December 14, 2014 through October 12, 2021 who did not sign an arbitration agreement.

WHO IS CLASS COUNSEL?

Graham Hollis and David X. Lin of Graham Hollis APC are counsel for Plaintiff Edwin Ralda, and Matthew Bainer is counsel for Plaintiff Christina Seehof (together, "Class Counsel").

SUMMARY OF THE SETTLEMENT

WHAT ARE THE BENEFITS OF THE SETTLEMENT?

1. Smart & Final will pay a Gross Settlement Amount of \$2,000,000 to settle the Lawsuit. The Gross Settlement Amount will fund all payments to be made under the Settlement, including payments to the Settlement Class Members, and all court-approved deductions including settlement administration costs, attorney's fees, costs, and the Named Plaintiff Enhancement Payments, as described below. Employer's portion of payroll taxes are not part of the Gross Settlement Amount.

Following the court-approved deductions from the Gross Settlement Amount, the remaining amount will be the Class Payout Fund, which will be distributed to Settlement Class Members who do not timely request to be excluded from the Settlement. Class Member Payments will be made on a pro-rata basis, based on the number of workweeks each Settlement Class Member worked from December 14, 2014 through October 12, 2021 ("Settlement Period").

2. A Settlement Class Member is not required to submit a claim form in order to be eligible for and to receive a Class Member Payment.
3. Excluded from becoming Settlement Class Members are those who submit valid and timely requests for exclusion pursuant to the terms and procedures of this Notice.
4. **Court-Approved Deductions.** Should the Court approve the Settlement, the following court-approved deductions shall be made from the Gross Settlement Amount:
 - a. **Class Counsel's Fees Award and Costs Award.** Class Counsel have represented and continue to represent the Settlement Class on a contingency-fee basis. That means that attorneys' fees are paid only if money is recovered for the Settlement Class. It is common to award attorneys' fees as a percentage of the settlement amount negotiated by the attorneys for the Settlement Class. As part of the final approval hearing, Class Counsel will request up to \$666,666.67, which represents one third of the Gross Settlement Amount, for their attorneys' fees in connection with their work in this case, and up to \$27,000.00 for reimbursement of their reasonable litigation costs and expenses that were advanced by Class Counsel in connection with the Lawsuit.
 - b. **Named Plaintiff Enhancement Payments.** In addition to their Class Member Payments as Settlement Class Members, the named Plaintiffs will seek approval from the Court for payments of \$7,500 each (for a total of \$15,000) in consideration for their service in initiating and pursuing the Lawsuit, and undertaking the risk of liability for attorneys' fees and expenses in the event they were unsuccessful in

the prosecution of the Lawsuit. These payments, if approved by the Court, will be paid in addition to each Plaintiff's Class Member Payment, and will be made out of the Gross Settlement Amount.

- c. **Settlement Administration Costs.** If approved by the Court, the reasonable costs of administering the Settlement, including the Settlement Administrator's fees and expenses, which are estimated to be approximately \$29,000, will be paid out of the Gross Settlement Amount.

How much is my Settlement Payment?

Your total estimated workweeks is <<workweeks>>. Your anticipated approximate Settlement Payment is <<estAmount>>. The exact amount of the Settlement Payment could vary, depending upon various factors, including (1) whether any Class Members dispute the number of workweeks credited to them; and (2) whether any additions or deletions are made to the number of Class Members. 20% of your Settlement Payment will be allocated as W-2 wages; 80% will be allocated as penalties and interest.

You are entitled to dispute the number of workweeks that is reported in this Notice. To submit a valid dispute, you must send a dated and signed letter stating you dispute the number of workweeks along with any supporting documentation, to the Claims Administrator so that it is **postmarked no later than January 8, 2022 (30 days after this Notice was originally sent to you)**. Any dispute that is postmarked later than January 8, 2022, will be late and invalid and will result in the Class Member being bound by the number of workweeks reported in this Notice.

WHAT HAPPENS IF THE COURT APPROVES THE SETTLEMENT?

If the Court approves the proposed Settlement, it will enter a judgment as to all Settlement Class Members who do not timely request exclusion from the Settlement. This means that Settlement Class Members, including the Named Plaintiffs Ralda and Seehof, who do not exclude themselves, will be barred from bringing their own lawsuits for recovery against Smart & Final for any and all "Released Claims," which are defined as:

- Any and all claims alleged in the Lawsuit, all claims arising from or related to the facts, theories, or claims alleged in the Lawsuit, and any claims which could have been asserted in the Lawsuit arising from the alleged facts, claims, theories, and/or primary rights alleged to have been invaded to the fullest extent permitted by law, that arose during the Settlement Period, including, but not limited to, all claims arising from, or arising in connection with, the facts, theories, primary rights, or claims alleged in the Lawsuit, or that could have been alleged based upon the facts, theories, or claims alleged in the Lawsuit or the primary rights at issue. The Class Released Claims include, but are not limited to, all claims for unpaid wages, including, but not limited to, failure to pay minimum wages; failure to pay straight time compensation, overtime compensation, double-time compensation, reporting time compensation, and/or interest, including claims for failure to include premium pay and non-discretionary bonuses in the regular rate of pay; failure to pay for any off-the-clock work, including without limitation time spent opening and closing stores, transferring inventory between stores, during conference calls or other work-related phone calls, for failure to pay workers for the time spent donning and doffing work uniforms and entering or leaving Defendant's premises, including but not limited to undergoing security checks, or any other off-the-clock work; missed, late, short, interrupted or on-duty meal and/or rest periods, including any claim for any failure to pay premiums including without limitation for missed, late, short, interrupted or on-duty meal or rest periods, or failure to pay such premiums at the regular rate of compensation; reimbursement for business expenses or any other claim that Defendant allowed or required employees to bear any of the costs associated with the operation of Defendant's business, including without limitation the use of personal cell phones, home office/computers and mileage; inaccurate or otherwise improper wage statements and/or failure to keep or maintain accurate records; unlawful deductions; unlawful payment instruments; paid sick leave, including that sick leave was calculated at an incorrect rate of pay; any

claim for unfair business practices arising out of or related to any or all of the aforementioned claims; any claim for penalties arising out of or related to any or all of the aforementioned claims, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, liquidated damages, and waiting-time penalties; interest; and attorneys' fees and costs. The Class Released Claims include all such claims arising from, or arising in connection with, the facts or claims alleged in the Lawsuit, or that could have been alleged based upon the facts or claims alleged in the Lawsuit or the primary rights implicated, under the California Labor Code (including claims under Labor Code §§ 201, 202, 203, 204, 206.5, 210, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 227.3, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802); and claims under the Wage Orders of the California Industrial Welfare Commission, including IWC Wage Order No. 7-2001; California Code of Civil Procedure § 1021.5; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; and California Business & Professions Code §§ 17200 et seq.

The release of claims set forth in the Settlement excludes the release of claims not permitted by law.

WHAT HAPPENS IF THE COURT DOES NOT APPROVE THE SETTLEMENT?

If the Court does not approve the proposed Settlement, the Lawsuit will proceed as if no settlement had been attempted and there can be no assurance that the Settlement Class Members will recover more than is provided for in this Settlement or anything at all.

WHEN IS THE FINAL SETTLEMENT APPROVAL HEARING?

A hearing will be held before the Honorable Carolyn Kuhl of the Los Angeles County Superior Court on April 19, 2022 at 10:30 a.m. , in Department 12, 312 North Spring Street, Los Angeles, California 90012. The purpose of the hearing is for the Court to determine final approval of the Settlement along with the amount properly payable for (i) the Fees Award and Costs Award, (ii) Named Plaintiff Enhancement Payments, (iii) the Settlement Administration Costs, and (iv) Class Member Payments. **The time and date of this hearing may be changed without further notice. Settlement Class Members are advised to check the Settlement website or the Court's website to confirm that the date and/or time of the hearing has not been changed. Please also check the Court's website for updates on its social distancing and masking policies, and potential options to make remote appearances.**

Will my decision about whether to participate in the Settlement affect my employment with Smart & Final?

No. Smart & Final is prohibited by law from retaliating against any employee for participating in this Settlement.

Should I get my own lawyer in this case?

The Court has approved the law firms of Graham Hollis APC and The Bainer Law Firm, as Class Counsel. Class Counsel represents you and all Class Members in the Class Action. You also have the right to hire an attorney (at your own cost) to represent you, or to enter an appearance and represent yourself.

WHAT ARE MY OPTIONS REGARDING THE SETTLEMENT?

If you are receiving this Notice, you have the following options:

- **Participate Fully in the Settlement:** To receive a monetary payment from this settlement, Settlement Class Members are not required to do anything. If any payments remain uncashed 180 days after mailing, the

Settlement Administrator will distribute the remaining funds to Legal Aid at Work, a nonprofit organization that provides legal services to the indigent in California.

- **Request to be Excluded:** Settlement Class Members who wish to exclude themselves from the Settlement Class must submit a signed, written statement requesting exclusion from the Settlement Class on or before January 8, 2022 (“Objection/Exclusion Deadline Date”), or if a notice is returned and re-mailed, on or before January 24, 2022 (“Re-Mailed Objection/Exclusion Deadline Date”). The opt-out request must state in substance:

“I have read the Class Notice and I wish to opt out of the Settlement Class in *Edwin Ralda and Christina Seehof v. Smart & Final Stores LLC*. I understand that by requesting to be excluded from the Settlement Class, I will not receive a Class Member Payment.”

Such written request for exclusion must contain the name, address, telephone number and last four digits of the Social Security number of the individual requesting exclusion and the years of his or her employment by Smart & Final; must be returned by mail to the Settlement Administrator at the following address: Ralda, et al. v. Smart & Final Stores, LLC, c/o CPT Group, Inc., 50 Corporate Park, Irvine, CA 92606; must be signed by the individual requesting exclusion; and must be postmarked on or before the Objection/Exclusion Deadline Date (or Re-Mailed Objection/Exclusion Deadline Date, if applicable). **The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted.** Any person who opts-out of the Settlement Class will not be entitled to any recovery under the Class Settlement and will not be bound by the Class Settlement or have any right to object, appeal or comment thereon. Absent good cause found by the Court, individuals who fail to submit a valid and timely request for exclusion on or before the Objection/Exclusion Deadline Date (or Re-Mailed Objection/Exclusion Deadline Date, if applicable) shall be Settlement Class Members and shall be bound by all terms of the Settlement and any Final Judgment entered in the Lawsuit if the Settlement is approved by the Court.

- **Object.** You can ask the Court to deny approval of the Settlement by filing an objection. **You cannot ask the Court to order a different settlement; the Court can only approve or reject the Settlement.** If the Court denies approval, no settlement payments will be sent out and the Lawsuit will continue. If that is what you want to happen, you must object.

All objections, requests to appear or other documents from Settlement Class Members should be sent to the Settlement Administrator, who then packages the documents for counsel and the court.

All written objections must be submitted no later than the Objection/Exclusion Deadline Date of January 8, 2022, or Re-Mailed Objection/Exclusion Deadline Date, if applicable, of January 24, 2022. Whether or not a Class Member submits a written objection, s/he may appear at the final approval hearing to voice his/her objection. Class Members may appear in person or remotely. For more information on the Court’s updated COVID procedures and how to appear, please visit www.lacourt.org. Where the Settlement Class Member opts to appear through his or her own attorney, he or she is responsible for hiring and paying that attorney.

The Parties will be permitted to respond in writing to such objections prior to the Final Approval hearing. Absent good cause found by the Court, Settlement Class Members who fail to file and serve timely written objections in the manner specified above shall remain Settlement Class Members and shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement.

COUNSEL FOR THE PARTIES MAY BE CONTACTED AT THE ADDRESSES BELOW:

DEFENSE COUNSEL

SHEPPARD MULLIN RICHTER
& HAMPTON
Paul Cowie
Brooke Purcell
Amanda Beckwith
pcowie@sheppardmullin.com
bpurcell@sheppardmullin.com
abeckwith@sheppardmullin.com
Four Embarcadero Center, 17th
Floor,
San Francisco, CA 94111-4109
Tel: 415-774-3113

RALDA CLASS COUNSEL

GRAHAM HOLLIS APC
Graham Hollis
David X. Lin
dlin@grahamhollis.com
3555 Fifth Avenue Suite 200
San Diego, California 92103
Telephone: 619.692.0800

SEEHOF CLASS COUNSEL

THE BAINER LAW FIRM
Matthew Bainer
mbainer@bainerlawfirm.com
1901 Harrison Street, Suite 1100
Oakland, California 94612
Telephone: 510.922.1802
Facsimile: 510.844.7701

ARE THERE MORE DETAILS AVAILABLE?

This notice summarizes the proposed Settlement Agreement. For the precise terms and conditions of the settlement, please see the Settlement Agreement, which is available at www.cptgroupcaseinfo.com/SmartFinalRaldaSettlement. You may obtain a copy of the Settlement Agreement by contacting Class Counsel at the addresses above. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

For any additional inquiries concerning this case, you may also contact the Claims Administrator, the CPT Group, Inc. at:

Ralda, et al. v. Smart & Final Stores, LLC
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Phone: 1 (888) 464-0244
www.cptgroupcaseinfo.com/SmartFinalRaldaSettlement

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.