

NOTICE OF CLASS ACTION AND PRIVATE ATTORNEY GENERAL ACT SETTLEMENT

Leydi Morales v. Mastroianni Family Enterprises, LTD

Orange County Superior Court Case No. 30-2022-01286355-CU-OE-CJC

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU WORKED FOR MASTROIANNI FAMILY ENTERPRISES, LTD AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA AT ANY TIME BETWEEN October 14, 2018, AND October 23, 2023, THIS CLASS ACTION AND PRIVATE ATTORNEY GENERAL ACT (“PAGA”) SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in a class action and PAGA lawsuit entitled *Morales v. Mastroianni Family Enterprises, Ltd*, Orange County Superior Court Case No. 30-2022-01286355-CU-OE-CJC (the “Action”). The purpose of this Notice of Class Action and PAGA Settlement (“Notice”) is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement. The proposed Settlement will resolve all claims in the Action.

A hearing concerning the Settlement (the “Settlement Hearing”) will be held before the Hon. Melissa R. McCormick on March 13, 2025, at 2:00 p.m. in Department CX104 of the Orange County Superior Court, located at 751 W. Santa Ana Blvd., Santa Ana, CA 92701, to determine whether the Settlement is fair, adequate, and reasonable.

THE CLASS ACTION:

AS A CLASS MEMBER, YOU ARE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE, THE AMENDED SETTLEMENT AGREEMENT, AND AMENDMENT TO THE AMENDED SETTLEMENT AGREEMENT FILED WITH THE COURT, UNLESS YOU TIMELY REQUEST EXCLUSION FROM THE SETTLEMENT.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be considered part of the Class and will receive an Individual Settlement Payment. You will also give up the right to pursue a separate legal action against Mastroianni Family Enterprises, LTD. (“Defendant”) and affiliated persons and entities, as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	You have the option to pursue separate legal action against Defendant about the claims in this lawsuit. If you choose to do so, you must exclude yourself, in writing, from the Settlement. As a result, you will not receive any benefits under the Settlement.
OBJECT	To object to the Settlement, you must submit a written statement stating you object to the settlement or state your objection in person at the Settlement Hearing. This option is available only if you do not exclude yourself from the Settlement.

Who is affected by this proposed Class Action Settlement?

The Court has certified, for settlement purposes only, the following class (the “Class”):

All persons employed by Defendant as non-exempt employees in California at any time during the period from October 14, 2018, to October 23, 2023, (the “Class Period”).

THE PAGA ACTION:

IF YOU ARE AN AGGRIEVED EMPLOYEE, YOU ARE ELIGIBLE TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT OF THE PAGA ACTION SETTLEMENT AND WILL BE BOUND BY THE RELEASE OF CLAIMS DESCRIBED IN THIS NOTICE, THE AMENDED SETTLEMENT AGREEMENT, AND AMENDMENT TO AMENDED SETTLEMENT AGREEMENT FILED WITH THE COURT, REGARDLESS OF WHETHER YOU CASH YOUR CHECK OR NOT. YOU CANNOT OPT OUT OF THE PAGA ACTION SETTLEMENT.

Who is affected by this proposed PAGA Action Settlement?

Aggrieved Employees are defined as:

All persons employed by Defendant as non-exempt employees in California at any time during the period from October 14, 2021, to October 23, 2023 (the “PAGA Period”).

If you were employed by Defendant during the PAGA Period, you are an Aggrieved Employee.

What is this case about?

In the Action, plaintiff Leydi Morales (“Plaintiff”) alleges on behalf of herself and the Settlement Class Members the following claims against Defendant: (1) failure to provide meal periods; (2) failure to authorize and permit rest periods; (3) failure to pay minimum wages; (4) failure to pay overtime wages; (5) failure to pay all wages due to discharged and quitting employees; (6) failure to maintain required records; (7) failure to furnish accurate itemized statements; (8) failure to indemnify employees for necessary expenditures incurred in discharge of duties; (9) unfair and unlawful business practices; and (10) penalties under the Labor Code Private Attorneys General Act (“PAGA”), as a representative action. Plaintiff seeks unpaid wages, statutory penalties, restitution, interest, attorneys’ fees, and costs. Plaintiff also seeks civil penalties under PAGA for the forgoing claims on behalf of the State of California and all Aggrieved Employees.

Defendant denies all liability and is confident it has strong legal and factual defenses to these claims.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff also believes the Settlement is in the best interests of all Settlement Class Members and Aggrieved Employees.

The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Tae Kim
CollinsKim, LLP
8383 Wilshire Blvd., Suite 800
Beverly Hills, CA 90211
213-314-0238

Defense Counsel

Michael J. Rossiter
Nancy Rader Whitehead
Scott & Whitehead
2601 Main Street, Suite 510
Irvine, CA 92614-4220
(949) 222-0166

Arby Aiwazian
Tara Zabehi
Margaux Gundzik
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, CA 91203
(818) 265-1020

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$1,295,000.00 (the “Gross Settlement Amount”) for: (a) Individual Settlement Payments to Settlement Class Members who do not request to be excluded from the Settlement (“Participating Class Members”); (b) the Court-approved Class Representative Enhancement Award to Plaintiff; (c) the Court-approved attorneys’ fees and costs to Class Counsel; (d) the costs of administering the Settlement; and (e) the payment to be paid to the California Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees for the PAGA claims (“PAGA Payment”).

Class Counsel Attorneys’ Fees and Costs, Class Representative Enhancement Award, Settlement Administration Costs and PAGA Payment. Class Counsel will ask the Court to award attorneys’ fees up to \$453,250.00 (not to exceed thirty five percent of the Gross Settlement Amount) and reimbursement of actual and reasonable costs incurred in the Action in an amount not to exceed \$22,700.00. In addition, Class Counsel will ask the Court to authorize a Class Representative Enhancement Award payment in an amount not to exceed \$7,500.00 to Plaintiff for her effort in prosecuting the Action on behalf of the Class and Aggrieved Employees. The cost of administering the Settlement will not exceed \$12,750. In addition, \$75,000.00 will be allocated to penalties under PAGA, of which 75%, or \$56,250.00, will be paid to the LWDA, and the remaining 25%, or \$18,750.00, will be distributed to Aggrieved Employees. Any amounts not requested or awarded by the Court or not incurred will be included in the Net Settlement Amount and will be distributed to Participating Class Members, as set forth above.

Individual Settlement Payments for the Class Action. After deduction from the Gross Settlement Amount for Class Counsel’s attorneys’ fees and costs, the Class Representative Service Award to Plaintiff, the PAGA Payment, and the costs of administering the Settlement, there will be a Net Settlement Amount. From the Net Settlement Amount, each Participating Class Member will receive an Individual Settlement Payment. The Net Settlement Amount shall be divided pro rata among all Participating Class Members based on the total number of weeks worked during the Class Period.

Individual PAGA Payments. In addition, all Aggrieved Employees shall receive a pro rata share of the portion of the PAGA Payment allocated to Aggrieved Employees based on the number of pay periods worked during PAGA Period.

If an Individual Settlement Payment check and/or Individual PAGA Payment check remains uncashed after 180 days from issuance, the Settlement Administrator will pay over the amount represented by the check to the State Controller’s Office Unclaimed Property Fund, with the identity of the Class Members or Aggrieved Employees to whom the funds belong. The Class Member and Aggrieved Employee will remain bound by the terms of the Settlement and all Court orders.

For tax reporting purposes, the Individual Settlement Payments to Participating Class Members will be allocated 15% as wages and 45% as statutory penalties, and 40% to interest. The wage portion of the Individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable payroll taxes from the wage portion of the Individual Settlement Payments. The Individual PAGA Payment will be allocated as civil penalties and not subject to tax withholding.

The Parties and their attorneys do not make any representations concerning the tax consequences of this Settlement or your participation in it and are unable to offer tax advice. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement.

How much will my payment be?

Defendant's records reflect that you worked <<Workweeks>> weeks during the Class Period. Based on this information, your estimated Individual Settlement Payment will be <<estAmount>>.

Defendant's records reflect that you worked <<PAGAPeriods>> pay periods during the PAGA Period. Based on this information, your estimated Individual PAGA Payment will be <<PAGAAmount>>.

If you wish to challenge the weeks worked, or the pay periods worked above, then you must submit a written, signed challenge along with supporting documents, to the Settlement Administrator provided in this Notice by January 6, 2025. The Settlement Administrator, in consultation with counsel for both parties, will determine whether an adjustment is warranted. The Court may review any dispute decision made by the Settlement Administrator.

What claims are being released by the proposed Settlement?

Release by Participating Class Members. Upon Defendant providing the Gross Settlement Amount to the Settlement Administrator, Plaintiff and all Participating Class Members shall be deemed to have fully, finally, and forever released the Released Parties from any and all claims, causes of action, rights, liabilities, penalties, demands, damages, debts, accounts, duties, Costs (other than those Costs required to be paid pursuant to this Settlement Agreement), against the Released Parties that are pled in the Operative Complaint and that arise from the facts alleged in Plaintiffs' Operative Complaint during the Class Period. Specifically, this includes Defendant's alleged violation of the California Labor Code for, *inter alia*, failure to pay overtime and minimum wages, provide meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses, as well as all claims for failure to pay minimum wage, failure to pay overtime wages, failure to provide meal and rest periods, failure to issue accurate itemized wage statements, and Defendant's alleged unfair business practices in violation of California Business and Professions Code sections 17200, *et seq.* stemming from the foregoing alleged California Labor Code violations.

Release by Aggrieved Employees. Upon Defendant providing the Gross Settlement Amount to the Settlement Administrator, all Aggrieved Employees shall be deemed to have released the Released Parties from civil penalties available under PAGA for (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide compliant meal periods and pay required meal period penalties; (d) failure to provide compliant rest periods and pay required rest period penalties; (e) failure to reimburse business expenses; (f) failure to timely pay wages each period and upon separation of employment; and (g) failure to provide accurate itemized wage statements based on the facts alleged in the Complaint and in Plaintiff's LWDA notice letter referenced therein.. The PAGA Released Claims do not release any Aggrieved Employee's claims for wages or statutory penalties and arising at any time during the PAGA Period.

The "Released Parties" means Defendant Mastroianni Family Enterprises, LTD.

What are my options in this matter?

For the Class Action, you have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an Individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

OPTION A. Remain in the Settlement Class. If you wish to remain in the Class and be eligible to receive an Individual Settlement Payment, **you do not need to take any action.** By remaining in the Class, you consent to the release of claims as described above. If you remain in the Class, you will be represented at no cost by Class Counsel.

Object to the Settlement: If you believe the proposed Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you must appear at the Settlement Hearing to explain your objection or submit a written brief or statement of objection ("Notice of Objection") to the Settlement Administrator. You may use the attached form. Otherwise, the Notice of Objection must: (1) state your full name; (2) be signed by you; and (3) be postmarked on or before January 6, 2025, and returned to the Settlement Administrator at the following address:

Morales v. Mastroianni Family Enterprises, LTD
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Toll Free: 1- 888-663-3692
Website: www.mastroiannissettlement.com

You can also hire an attorney at your own expense to represent you in your objection. You may appear at the final approval hearing to object to the settlement, even if you have not submitted a written objection form. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of claims as set forth above, unless the Settlement is not finally approved by the Court.**

OPTION B. Request Exclusion from the Settlement. If you do not want to be part of the Settlement, you must submit a written request to be excluded from the Settlement (“Request for Exclusion”). In order to be valid, you may use the attached form or by sending a written exclusion request in a form similar to the attached Request for Exclusion Form, which must include (1) your full name, address, and telephone number and the last four digits of your Social Security Number (for identification purposes only); (2) contain a clear statement that you are requesting to opt out of, or be excluded from, the Settlement in *Morales v. Mastroianni Family Enterprises, LTD*; (3) be signed by you; and (4) be postmarked on or before January 6, 2025 and returned to the Settlement Administrator at the following address:

Morales v. Mastroianni Family Enterprises, LTD
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Toll Free: 1- 888-663-3692
Website: www.mastroiannissettlement.com

If you do not submit a valid Request for Exclusion, you will be deemed a Participating Class Member and you will be bound by the release of claims as described above and all other terms of the Settlement. If you submit a valid Request for Exclusion, you will have no further role in the Action, and you will not be entitled to any benefit as a result of the Action and Settlement and will not be entitled to or permitted to object to the Settlement. An Aggrieved Employee cannot request exclusion from the Settlement with respect to the PAGA Action.

What is the next step in the approval of the Settlement?

The Court will hold a hearing regarding the fairness, reasonableness, and adequacy of the proposed Settlement, on March 13, 2025, at 2:00 p.m. in Department CX104 of the Orange County Superior Court. The Settlement Hearing may be continued without further notice to Class Members. You are not required to attend the Settlement Hearing to receive an Individual Settlement Payment.

If the Court grants final approval of the Settlement, notice of final judgment will be posted on the Settlement Administrator’s website (www.mastroiannissettlement.com) within seven (7) calendar days after entry of the Final Order and Judgment and will be available for at least 180 days.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More information can be found at www.mastroianissettlement.com. More details are in the Amended Settlement Agreement and the Amendment to the Settlement Agreement, which can be found on the settlement website. You may also request a copy of the Amended Settlement Agreement and Amendment to Amended Settlement Agreement from Class Counsel, at the address and telephone number listed above. Additional documents including the complaint, the PAGA notice letter, and settlement documents will also be available on the settlement website. If you have further questions regarding the Settlement, you may also contact the Settlement Administrator at 1-888-663-3692 or visit the Court’s website at www.occourts.org and entering the Case Number located on the first page of this notice.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS SETTLEMENT.

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QUESTIONS? CALL 1- 888-663-3692