

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

**SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF TULARE
CASE NO. VCU293519**

A court authorized this notice. This is not a solicitation from a lawyer.

ATTENTION: IF YOU HAVE BEEN EMPLOYED BY PACIFIC DISTRIBUTING, INC., AS A NON-EXEMPT HOURLY PAID EMPLOYEE IN CALIFORNIA AT ANY TIME DURING THE PERIOD BEGINNING SEPTEMBER 27, 2018 THROUGH SEPTEMBER 6, 2024 YOU ARE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.

Pacific Distributing, Inc.'s records show that, between September 27, 2018 through September 6, 2024, you worked <<MERGED_ClassWW>> as a non-exempt employee. Based on these records, your estimated minimum settlement payment is \$<<MERGED_ClassAward>>.

TO UNDERSTAND YOUR RIGHTS, READ THIS NOTICE CAREFULLY.

- A proposed class action settlement (the “Settlement”) has been reached between Plaintiffs Kevin Becerra, Rigoberto Benavidez, Rafi Campbell, and Manuel Vargas Hernandez (“Plaintiffs”), on behalf of themselves and the below-defined Settlement Class, and Defendant Pacific Distributing, Inc. (“Defendant”).
- The Settlement resolves a class and representative action lawsuit about Plaintiffs’ allegations that Defendant and is liable for back wages and other relief, including civil penalties under the Private Attorneys General Act (“PAGA”) (collectively, the “Action”). Defendant denies all liability to Settlement Class Members, asserts that it properly and timely compensated employees for all wages owed, including minimum wages, overtime wages, and final wages; properly and timely provided accurate itemized wage statements; properly and timely provided meal and rest periods; properly reimbursed employees, fully complied with all applicable wage and hour laws; has not engaged in any unfair business practices; and has entered into the Settlement solely for purposes of resolving this dispute.
- The Settlement provides for settlement payments based on the number of weeks you worked while employed by Defendant, in a non-exempt position, between September 27, 2018 through September 6, 2024.

Your estimated minimum settlement payment and covered weeks worked during the relevant period are stated above and described further below.

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	You will automatically receive a settlement payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in this Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendant involving the same or similar legal claims as the ones in this Action, based on the facts alleged in this Action. You will be mailed a settlement check at the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).
EXCLUDE YOURSELF FROM THE CLASS	Submit a request for exclusion post marked no later than May 27, 2025. This is the only way for you to be part of any other lawsuit against Defendant involving the same or similar legal claims as the ones in this Action. If you submit a Request for Exclusion, you will <u>not</u> receive a class settlement payment and you will <u>not</u> be bound by the terms of the Settlement. If you request to be excluded from the Settlement, you will still receive a PAGA individual payment if you worked during the PAGA Period (November 20, 2021 through September 6, 2024) also referred to as the “PAGA Period,” and shall be bound by the PAGA release.
OBJECT	If you wish to object to the Settlement, you must submit a written Objection and any supporting papers to the Settlement Administrator. The Objection must be postmarked no later than May 27, 2025. You may also attend the Final Approval Hearing, with or without an attorney, to voice your objections (whether you had previously mailed a written objection or not).
GO TO THE HEARING	You may also attend the Final Approval Hearing, with or without an attorney, to voice your objections, if any (whether you had previously mailed a written objection or not). You can still submit a claim form. If the Court approves the Settlement, you will be bound by it.

- These rights and options, and how to exercise them, are explained in more detail in this notice.
- The Court handling this Action still has to decide whether to grant final approval of the Settlement. Settlement payments will only be issued if the Court grants final approval of the Settlement.
- Additional information regarding the Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this notice.

BASIC INFORMATION

1. Why Did I Get This Notice?

Defendant's records show that you are, or have been, employed by it as a non-exempt employee at some point in California during the period from September 27, 2018 through September 6, 2024. This notice explains the Action, the Settlement, and your legal rights.

The lawsuit is known as *Becerra et al. v. Pacific Distributing, Inc.*, and is pending in the Superior Court of California for the County of Tulare, Case No. VCU293519.

2. What is the Action About?

The Action generally involves claims under California's wage and hour laws. Plaintiffs are former non-exempt employees of Defendant. Plaintiffs allege that Defendant did not compensate its employees for all hours worked, did not provide them with meal and rest breaks, did not provide accurate itemized wage statements, failed to pay wages upon ending employment, and failed to indemnify for expenditures. As a result, Plaintiffs allege that they and Settlement Class Members (defined in response to Question 4 below) are entitled to recover unpaid wages, including overtime wages, interest, reimbursement of business expenditures, and penalties. Defendant denies that it engaged in any wrongful conduct or that it violated the law in any way, and it believes that Plaintiffs and the Settlement Class were properly compensated and provided meal and rest breaks, reimbursement for necessary business expenditures, and accurate itemized wage statements.

3. Why is This A Class Action?

Class action lawsuits are generally used where a large number of individuals are believed to be affected. In a class action, one or more persons, called the "Plaintiff," sue on behalf of people who have similar alleged claims. All of these people are a "class" or "class members." Once the class is certified, the Court resolves the issues for all class members, except for those who exclude themselves from the class. Class certification does not mean that there was any wrongdoing on the part of Defendant. On **September 6, 2024**, the Honorable David Mathias issued an order conditionally certifying the Settlement Class for settlement purposes only.

4. Who Is In The Settlement Class?

"Settlement Class Members" or "Settlement Class" or "Class Member(s)" mean all non-exempt employees, currently and formerly employed by Defendant in the State of California at any time during the period from September 27, 2018 through September 6, 2024.

5. Why Is There A Settlement?

After conducting thorough investigation, including review of policies, payroll records, time records and personnel files, both sides have agreed to the Settlement as described in this notice to avoid the cost and risk of further litigation. The Settlement does not mean that any law was broken or that Defendant engaged in any wrongdoing. Defendant denies all of the claims asserted in the Action and denies that it has violated any laws. A settlement permits the Parties to avoid the cost, delay, and uncertainty of trial, and permits eligible Class Members to receive some compensation sooner, rather than engaging in years of further litigation – including motions for summary judgment, trial, and an appeal – with the possibility of no recovery at all. The Parties disagree on both liability and damages, and do not agree on the average amount of damages, if any, that would be recoverable if the Plaintiffs were to prevail at trial on each claim. Nonetheless, Defendant has concluded that further defense of this Action would be protracted and expensive, and that it is desirable that this Action be fully and finally settled upon the terms and conditions approved by the Court in order to limit further expense and avoid the burden of protracted litigation. Defendant entered into a proposed Settlement without in any way admitting to or acknowledging any fault, liability or wrongdoing of any kind. There has been no adverse determination by any court against Defendant or anyone else on the merits of the claims asserted in the Complaint.

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What Does The Settlement Provide?

Under the terms of the Settlement, Defendant agrees to pay a Gross Settlement Amount of Four-Hundred and Twenty-Five Thousand Dollars (\$425,000). Defendant will fund the Gross Settlement Amount no later than twenty-one (21) days after the Final Approval Date. Individual Settlement Payments will be mailed by regular First-Class U.S. Mail to Settlement Class Members' last known address no later than five (5) business days after Defendant funds the Gross Settlement Amount.

Deducted from this Gross Settlement Amount will be sums approved by the Court for attorneys' fees of \$127,912.50, based on the Court's preliminary approval of the settlement, but in any event not to exceed 33 1/3% of the Gross Settlement Amount (or \$141,666.67); attorneys' actual costs, not to exceed \$30,000; Class Representative Enhancement Awards to each Plaintiff for their service as Plaintiff and class representative, not to exceed \$5,000; a payment of \$20,000, to the State of California Labor and Workforce Development Agency ("LWDA") for alleged civil penalties; and the fees and expenses of the Settlement Administrator, ILYM Group, not to exceed \$8,000, which will result in a net amount payable by Defendant for distribution to Settlement Class Members who do not opt out ("The Net Settlement Amount"). The remaining \$5,000 Dollars of the PAGA Allocation, will be paid to Class Members who worked during the PAGA Period based on the number of pay periods worked by the Class Member during the PAGA Period of November 20, 2021 through September 6, 2024.

Individual Class Settlement Payment Formula: The Net Settlement Amount will be distributed to Settlement Class Members who do not opt out of the Settlement ("Participating Class Members"), as follows: Compensable weeks will be all weeks in which Participating Class Members worked for Defendant in California between September 27, 2018 through September 6, 2024 ("Class Period"). The Settlement Administrator shall divide the Net Settlement Amount by the total number of workweeks all Participating Class Members worked during the Class Period in California for Defendant in order to determine the amount to which each Participating Class Member is entitled for each workweek he or she was employed by Defendant (the "Weekly Amount") during the Class Period. Workweeks are determined by the Settlement Administrator calculating the number of days each Participating Class Member worked at Defendant and was employed during the Class Period and divided by seven (7). The Settlement Administrator will multiply the Weekly Amount by the total number of workweeks that each Participating Class Member worked during the Class Period for Defendant to arrive at the gross Individual Settlement Payment for each Participating Class Member. The Settlement Administrator will then deduct all Employee Taxes attributable to wages to arrive at the net Individual Settlement Payment for each Participating Class Member.

No benefit, including but not limited to pension benefits, shall increase or accrue as a result of any payment made as a result of the Settlement.

The Parties recognize that the settlement amounts to be paid to the Participating Class Members are for wages, interest, and penalties. The Parties agree that 33% of the Participating Class Member payments shall be reported as wages on IRS Form W-2 and its state and local equivalents, and 67% shall be reported as interest and penalties on IRS Form 1099 and its state and local equivalents. **The Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to any settlement amounts to be paid to the Participating Class Members. Each Participating Class Member will assume any employee tax obligations or consequences that may arise from any settlement amount paid to him or her and should consult with a tax expert if he or she has questions.** Each Participating Class Member's pro rata gross distribution amount will be reduced by the amount of any required employee-related tax deductions.

Individual Class Settlement Payment to Participating Class Members: Each Participating Class Member shall be eligible to receive an Individual Settlement Payment, which is a share of the Net Settlement Amount, based on the number of weeks worked by the Participating Class Member for Defendant during the Class Period, as a proportion of all weeks worked by all Participating Class Members for Defendant during the Class Period.

Individual PAGA Settlement Payment Formula: The Settlement Administrator shall divide the PAGA Allocation to be distributed to Class Members that worked during the PAGA Period regardless of whether they opt-out of the Individual Class Settlement Payment. Twenty-five percent (25%) of the PAGA Allocation, or Five Thousand Dollars (\$5,000), shall be distributed to Class Members by the total number of pay periods they worked during the PAGA Period. Each Class Member's Individual PAGA Payment will be calculated based on the total number of pay periods he or she worked during the PAGA Period (November 20, 2021 through September 6, 2024). To establish the pay period value, the Settlement Administrator will first determine the total number of pay periods worked by Class Members during the PAGA Period. The PAGA Allocation will then be divided by the total number of pay periods worked by Class Members during the PAGA Period to determine the pay period value. The product of each calculation represents the gross Individual PAGA Settlement Payment for the respective Class Member.

DEFENDANT'S RECORDS INDICATE YOU WORKED APPROXIMATELY <<MERGED_ClassWW>> WORKWEEKS DURING THE SETTLEMENT CLASS PERIOD.

DEFENDANTS' RECORDS INDICATE YOU WORKED APPROXIMATELY <<MERGED_PAGAPP>> PAY PERIODS DURING THE PAGA PERIOD.

BASED ON YOUR TOTAL WORKWEEKS DURING THE CLASS PERIOD AND PAY PERIODS WORKED DURING THE PAGA PERIOD, YOUR ESTIMATED INDIVIDUAL SETTLEMENT PAYMENT IS \$<<MERGED_EstimatedAward>>, TO BE ISSUED LESS APPLICABLE TAXES.

To the extent any Participating Class Member disputes any aspect of his or her payment, that Participating Class Member must complete a workweek dispute report form and produce supporting evidence to the Settlement Administrator and it must be postmarked no later than May 27, 2025. Late workweek dispute forms will not be considered. Defendant's records will be presumed determinative.

Once the Settlement becomes final (as described in response to Question 17 below), the process of funding the Gross Settlement Amount (as described above) will begin. The Individual Settlement Payments to Participating Class Members will be made within five (5) business days after Defendant fully funds the Settlement. Defendant shall fund the Gross Settlement Amount by no later than Twenty-One (21) days after the Final Approval Date. Additionally, any settlement checks that are not cashed within one hundred eighty (180) days after mailing shall thereafter be paid to the California State Controller in the name of the Class Member who did not cash his or her check.

7. What Am I Giving Up In Exchange For Settlement Benefits?

In exchange for the consideration provided, Plaintiffs and each member of the Settlement Class who does not submit a valid Request for Exclusion (defined in response to Question 10 below) will release Pacific Distributing, Inc., and each of its parent companies, subsidiaries, related companies, affiliates, dbas, current and former management companies, shareholders, members, officers, directors, employees, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns, or any related entity that was the "employer" of Class Members (collectively, the "Released Parties") from any and all claims during the Class Period which were or could have been raised based on the facts, conduct, and/or omissions alleged in the Action, including all wage and hour claims, demands, rights, liabilities, and causes of action for unpaid wages, including minimum wage payments, regular wages, overtime wages; failure to pay wages during employment; failure to pay all wages due upon separation of employment; failure to maintain and provide accurate records; meal and rest break violations; meal and rest break premiums; wage statement violations, failure to reimburse for necessary business expenditures, violation of the Private Attorney General Act (California Labor Code section 2698, et seq.), civil and statutory penalties, interest, liquidated damages, attorney's fees and costs, claims under California Labor Code sections 201-204, 226, 226.7, 512, 1194, 1194.2, 1197, 1198, 2699, 2802 and applicable Industrial Welfare Commission Wage Order, and claims under California Business & Professions Code sections 17200-17204.

HOW TO GET A SETTLEMENT PAYMENT

8. How Do I Get A Settlement Payment?

If you do not exclude yourself from the Settlement, you will automatically receive a class settlement payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in this Action if the Settlement receives final approval by the Court; and you will give up your rights to be part of any other lawsuit against the Released Parties involving the same or similar legal claims as the ones in this case, based on the facts alleged in the Action. You will be mailed a settlement check at the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator). If you worked during the PAGA Period, you will also receive a PAGA Payment and will be bound by the release of PAGA claims.

9. When Will I Get My Check?

Checks will be mailed to Participating Class Members after the Gross Settlement Amount is fully funded (as described in response to Question 6 above). If the judge approves the Settlement after a hearing on **June 12, 2025** (see "The Court's Final Approval Hearing" section below), there may be appeals. If there are any appeals, resolving them could take some time, so please be patient. Please also be advised that you will have only 180 days from the date that your settlement check is issued to cash it. If you do not cash your settlement check within 180 days of the date of its issuance, your Individual Settlement Payment will be voided. **Assuming there are no appeals, it is estimated that you will receive your settlement check within approximately 30 days after the Court grants final approval of the Settlement** (see "The Court's Final Approval Hearing" section below).

EXCLUDING YOURSELF FROM THE SETTLEMENT

10. How Do I Ask The Court to Exclude Me From the Settlement Class?

If you do not wish to participate in the Settlement (“opt out”), you must complete and send a timely Request for Exclusion form. The Request for Exclusion must be signed, dated, and mailed by First Class U.S. Mail, or the equivalent, postmarked no later than May 27, 2025 to:

ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781
Telephone: (888) 250-6810
Fax: (888) 845-6185
Email: claims@ilymgroup.com

Requests for Exclusion that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. Settlement Class Members who fail to submit a valid and timely Request for Exclusion on or before the above-specified deadline shall be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement is approved by the Court. Finally, this request for exclusion will not apply to your Individual PAGA Settlement Payment if you worked during the PAGA Period. You will receive your Individual PAGA Settlement Payment regardless of your request for exclusion and you will be bound by the PAGA release if the Settlement is approved.

11. If I Exclude Myself, Can I Get Anything From the Class Settlement?

No. If you exclude yourself now, you will not get anything from the settlement. If you ask to be excluded within the time allowed for a Request for Exclusion, you will not get an Individual Class Settlement Payment and you will not be bound by the Settlement. However, as stated in section 10, even if you submit a request for exclusion from the Class Action Settlement, it will not apply to your Individual PAGA Settlement Payment if you worked during the PAGA period and you will receive your Individual PAGA Settlement Payment regardless of your request for exclusion and you will be bound by the PAGA release if the Settlement is approved.

12. If I Don’t Exclude Myself, Can I Sue Later?

No, not for the Released Claims. Unless you exclude yourself, you give up the right to sue the Released Parties for the claims that were or could have been brought based on the facts as alleged in this Action. You must exclude yourself from the Class Action Settlement within the time indicated in the response to Question 10 above if you wish to start or continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

13. Do I Have a Lawyer In This Case?

The Court has appointed the following attorney and law firm to serve as Class Counsel for the Settlement Class:

Justin F. Marquez
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 784-3830
Facsimile: (213) 381-9989

14. How Will The Costs of the Lawsuit and The Settlement Be Paid?

Subject to court approval, Defendant agrees to pay, as part of the Gross Settlement Amount, up to One-Hundred Forty-One Thousand and Six-Hundred and Sixty-Six Dollars and Sixty-Seven Cents (\$141,666.67) in attorneys’ fees, and up to Thirty Thousand Dollars (\$30,000) in actual costs, to Class Counsel. The Court may award less than these amounts. If lesser amounts are awarded, the difference will be returned to the Net Settlement Amount for distribution to Participating Class Members. All attorneys’ fees and costs will be paid from the Class Settlement Amount.

In addition, and subject to Court approval, Defendant agrees to pay Plaintiffs, as part of the Gross Settlement Amount, a total of up to Five Thousand Dollars (\$5,000), as Class Representative Service Awards for their participation in this lawsuit and for taking on the risk of litigation. Defendant also agrees to pay, as part of the Gross Settlement Amount, the LWDA PAGA Allocation of Fifteen Thousand Dollars (\$15,000). Defendant also agrees to pay, as part of the Gross Settlement Amount, the Settlement Administrator’s costs and fees associated with administering the Settlement, not to exceed Eight Thousand Dollars (\$8,000). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be included in the Net Settlement Amount for distribution to Participating Class Members.

OBJECTING TO THE SETTLEMENT

15. How Do I Object to the Settlement?

Any Settlement Class Member may object to the proposed Settlement for any reason by completing a written objection. The written objection must be mailed to the Settlement Administrator at the following address by regular U.S. Mail, or the equivalent, postmarked no later than May 27, 2025:

ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781
Telephone: (888) 250-6810
Fax: (888) 845-6185
Email: claims@ilymgroup.com

A written objection must be signed by the Settlement Class Member and must state: (1) the full name of the Settlement Class Member; (2) the dates of employment of the Settlement Class Member; (3) the last four digits of the Settlement Class Member's Social Security number and/or the entire Employee ID number; (4) the basis for the objection; and, (5) whether the Settlement Class Member intends to appear at the Final Approval Hearing. If a Settlement Class Member wishes to appear at the Court's Final Approval Hearing (see response to Question 17 below) and orally present his or his objection to the Court, they may do so whether or not they submitted a written objection to the Settlement Administrator. They may also hire counsel to represent them at the final approval hearing. Any Settlement Class Member who submits an objection or appears at the Final Approval Hearing to submit a verbal objection remains eligible to receive monetary compensation from the Settlement. Settlement Class Members who submit Requests for Exclusion may not object to the proposed Settlement.

16. What's The Difference Between Objecting and Asking to be Excluded?

Objecting is simply telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement. Whether you have filed an objection on time or not, you may attend and you may ask to speak, but you don't have to.

Any attorney who will represent you must file a notice of appearance with the Court and serve the notice of appearance on Class Counsel and counsel for Defendant on or before May 27, 2025. You will be solely responsible for the fees and costs of your own attorney.

17. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a Final Approval Hearing on June 12, 2025 at 8:30 a.m. in Department 1 at the Superior Court of California for the County of Tulare, located at 221 S. Mooney Blvd., Visalia, CA 93291. The hearing may be moved to a different date and/or time without additional notice. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will only listen to people who ask to speak at the hearing. The Court will also decide how much should be paid for Class Counsel's fees and costs, the Settlement Administrator's costs, the PAGA Allocation, and Plaintiff's Class Representative Service Award. After the hearing, the Court will decide whether to approve the Settlement. If the Court grants final approval of the Settlement, the date which the Court grants final approval of the Settlement will be the Final Approval Date. We do not know how long these decisions will take.

18. Do I Have to Come to the Hearing?

No. Class Counsel will answer any questions the judge may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it, however, you are welcome to do so. As long as you mailed your written objection on time, the Court will consider it. You may also pay another lawyer to attend and represent you, but it is not required.

19. May I Speak At The Hearing?

If a Settlement Class Member wishes to appear at the Final Approval Hearing and orally present his or his objection to the Court, they may do so regardless of whether or not they submitted a written objection.

IF YOU DO NOTHING

20. What Happens If I Do Nothing At All?

If you do nothing, you will automatically receive a payment from this Settlement (assuming the Settlement is approved and not successfully appealed) as described above and you will be bound by the release of the claims described above and in the Settlement. If the Court grants final approval to the Settlement, notice of the final approval shall be posted on the Settlement Administrator's website at www.phoenixclassaction.com.

GETTING MORE INFORMATION

21. How Do I Get More Information?

This notice summarizes the Settlement. More details are in the Settlement. You may contact Class Counsel or the Settlement Administrator for more information. This notice summarizes the Settlement. More details are in the Settlement. You may contact Class Counsel by phone at (213) 784-3830, or visit the Settlement Administrator website at <https://ilymgroup.com/PacificDistributing> for more information. You may also view the entire case file at the Clerk's Office of the Superior Court of California for the County of Tulare, located at 221 S. Mooney Blvd., Visalia, CA 93291 or on the Court's online docket for this case by using the URL for the Court: <https://online.tulare.courts.ca.gov/?q=Home> and inserting the Case Number (VCU293519).