

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

Crystal Eadie v. Clearman's North Woods Inn, Inc., et al.,
Superior Court of the State of California, Los Angeles County
Case No. 25STCV01887

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

YOU ARE ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice of Class Action Settlement because Clearman's North Woods Inn, Inc., Clearman's North Woods Inn of Covina, Clearman's North Woods Inn of Lamirada, Inc., Clearman's Golden Cock Inn, Inc., and Clearman's Steak 'N Stein Inn, Inc.,'s records show you are what is called a "Class Member," and are entitled to a payment from this class action settlement ("Settlement"). Class Members are all current and former employees of Defendants who worked at least one 3.5-hour shift as a non-exempt employee for Defendants in the State of California from January 23, 2021, through April 9, 2026.

On April 9, 2026, the Honorable Carolyn B. Kuhl of the Superior Court of California for the County of Los Angeles granted preliminary approval of this Class Action Settlement and ordered that all Class Members be notified of the Settlement.

Unless you choose not to participate in the Settlement (in other words, should you choose to "opt out") by following the procedures described below, you will be considered a Participating Class Member. If the Court grants final approval of the Settlement, you will be mailed a check for your share of the Settlement fund, which is estimated to be <<\$1,250,000.00>>.

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

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

You can view the proposed Final Approval Order, Final Judgment, and payment schedule at <https://ilymgroup.com/ClearmanNorthWood>.

What Is This Case About?

Crystal Eadie was an employee of Defendants. She is the "Plaintiff" in this case and is suing Clearman's North Woods Inn, Inc., Clearman's North Woods Inn of Covina, Clearman's North Woods Inn of LaMirada, Inc., Clearman's Golden Cock Inn, Inc., and Clearman's Steak 'N Stein Inn, Inc., ("Defendants") on behalf of herself and all Class Members. Plaintiff sued Defendants, alleging (1) failure to pay reporting time wages; (2) failure to provide compliant meal periods; (3) failure to provide compliant rest periods; (4) failure to reimburse necessary business expenses; (5) failure to maintain and provide complete and accurate wage statements; (6) failure to pay wages when due; and (7) Violation of California Business & Professions Code §§ 17200, et seq.; and (8) Private Attorneys General Act ("PAGA") penalties.

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

Defendants deny all material allegations set forth in the Action and have asserted numerous affirmative and other defenses in response to the Class, PAGA, and individual claims. Defendants contend that they have fully complied with the California Labor Code, the California Business & Professions Code, the applicable IWC Wage Orders, and all other applicable California and Federal law.

Plaintiff entered into settlement discussions with Defendants in an attempt to resolve the disputed claims in this case. On November 18, 2025, the Parties negotiated a settlement on behalf of themselves and the Class Members with the assistance of a third-party mediator. The Parties' agreement has been documented in a Joint Stipulation of Settlement and Release of Class and PAGA Action ("Joint Stipulation").

The Court has preliminarily approved the Joint Stipulation. The Court will decide whether to give final approval to the Settlement at the Final Fairness and Approval Hearing. The Final Fairness and Approval Hearing ("Hearing") on the adequacy, reasonableness, and

Questions? Contact the Settlement Administrator toll free at (888) 250-6810

fairness of the Settlement will be held at 10:30 a.m. on August 19, 2026, in Department 12 of the Superior Court of California for the County of Los Angeles, 312 North Spring Street, Los Angeles, CA 90012. You are not required to attend the Hearing.

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

Elliot J. Siegel
Melissa R. Rinehart
KING & SIEGEL LLP
(213) 465-4802
724 S. Spring Street, Ste. 201
Los Angeles, California 90014

Summary of the Settlement Terms

Plaintiff and Defendants have agreed to settle this case on behalf of themselves and the Class Members for \$1,250,000.00 (“Maximum Settlement Amount”).

The Maximum Settlement Amount includes: (1) Individual Class Settlement Payments to Participating Class Members; (2) a \$5,000 service payment to the Representative Plaintiff for her time and effort in pursuing this case and in exchange for a general release of claims against Defendants, subject to Court approval; (3) Settlement Administration Costs not to exceed \$20,000; (4) \$81,250 to the California Labor & Workforce Development Agency, representing the State of California’s portion of civil penalties under PAGA (or 65% of the \$125,000 allocated to PAGA penalties); (5) an aggregate of \$43,750 to alleged PAGA Aggrieved Employees (or 35% of the \$125,000 allocated to PAGA penalties); and (6) subject to Court approval of an application for fees and costs, an award of up to \$416,666.67 in attorneys’ fees and up to \$25,000 in litigation costs and expenses to Class Counsel.

After deducting the service payments to Plaintiff, the Settlement Administration Costs, the portion of the PAGA payment to be paid to the California Labor and Workforce Development Agency, payments to PAGA Aggrieved Employees, and attorneys’ fees and costs/expenses, a total of approximately \$653,333.33 will be available to Class Members who do not opt out of the Settlement (“Net Settlement Amount”). Employer-side payroll taxes will be paid by Defendants *outside* of the Maximum Settlement Amount.

Plan of Distribution to Class Members and PAGA Aggrieved Employees

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of weeks a Participating Class Member worked during the Class Period (“Workweeks”). Individual PAGA Payments will be separately calculated and apportioned from the portion of the PAGA amount intended for PAGA Aggrieved Employees.

Specific calculations of Individual Settlement Payments will be made as follows:

- a. The Settlement Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendants’ possession, custody or control.¹ Workweeks are determined by identifying each week an employee actually worked based on Defendants’ timekeeping and/or payroll data. A Class Member who worked only one day during the Class Period will be credited with having worked one Workweek for purposes of the Settlement. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down.
- b. Using the Class Data, the Settlement Administrator will calculate the total Workweeks for all Settlement Class Members by adding the number of Workweeks worked by each Settlement Class Member during the Class Period. The respective Workweeks for each Settlement Class Member will be divided by the total Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member.
- c. Each Settlement Class Member’s Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member’s estimated Individual Settlement Payments.
- d. Using the Class Data, the Settlement Administrator will calculate the total number of pay periods in the PAGA Period and will divide each Aggrieved Employee’s individual number of eligible pay periods in the PAGA Period to determine their pro rata portion of the portion of the PAGA Payment allocated to each Aggrieved Employees. Partial

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

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pay periods will not be counted, meaning incomplete pay periods will be rounded down; however, an Aggrieved Employee who worked only one day during the PAGA Period will be credited with having worked one pay period for purposes of the Settlement.

If you believe the information provided above as to the number of your Individual Workweeks is incorrect and you wish to dispute it, please submit the Challenge Form attached to your Share Form to the Settlement Administrator at *Crystal Eadie v. Clearman's North Woods Inn, Inc., et al.* Settlement Administrator, c/o ILYM Group, Inc. no later than June 8, 2026.

If you dispute the information stated above, the information provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation (“Disputes”), must be postmarked no later than June 8, 2026.

DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

Class Member Tax Matters

IRS Forms W-2 and 1099-MISC will be distributed to participating Class Members and Aggrieved Employees, and the appropriate taxing authorities reflecting the payments Class Members and Aggrieved Employees receive under the Settlement. Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, 15% of each Individual Settlement Payment will be allocated to alleged unpaid wages, 85% will be allocated as alleged unpaid civil penalties and interest. All Individual PAGA Payments will be allocated as penalties and will be reported on an IRS Form-1099 by the Settlement Administrator. Again, please consult with a tax advisor regarding the significance of how each Individual Settlement Payment is allocated between wages, penalties, and interest. This notice is not intended to provide legal or tax advice. To the extent this notice or any of its attachments is interpreted to contain or constitute advice regarding any tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

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

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

Per the Court’s preliminary approval Order, the Released Claims are defined as: “all claims that were alleged or could reasonably have been alleged based on the facts set forth in the currently operative Class Complaint, including but not limited to all of the following claims for relief: (1) failure to pay reporting time wages; (2) failure to provide compliant meal periods; (3) failure to provide compliant rest periods; (4) failure to reimburse necessary business expenses; (5) failure to maintain and provide complete and accurate wage statements; (6) failure to pay wages when due; and (7) Violation of California Business & Professions Code §§ 17200, et seq. It is the intent of the Parties that the judgment entered by the Court upon Final Approval of the Settlement shall have res judicata and/or collateral estoppel effect and be final and binding upon Plaintiff and all Participating Class Members regarding all of the Released Claims. The Release will only take effect upon the latter of the Effective Date and full funding of the MSA by Defendants.”

The Released PAGA Claims are defined as “the release of claims for civil penalties under PAGA asserted in the Complaint or LWDA letter, or that could have reasonably been alleged based on the factual allegations contained in the PAGA Notice. The Released PAGA Claims shall be released through the PAGA Release Period. No Aggrieved Employee may opt out of the PAGA Release and will be bound by this Release regardless of whether they cash their Individual PAGA Payment. The Release will only take effect upon the latter of the Effective Date and full funding of the MSA by Defendants.”

Released Parties shall mean each Defendant, each Defendant’s parent(s) or subsidiary(ies), and each of their officers, directors, and owners, as applicable.

The “Release Period” is the period from January 23, 2021, through April 9, 2026. The “PAGA Release Period” is the period from January 23, 2024, through April 9, 2026.

Option 2 – Opt-Out of the Settlement

Questions? Contact the Settlement Administrator toll free at (888) 250-6810

You will be treated as a participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator, in writing, not later than June 8, 2026, that you wish to opt-out.

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written “Request for Exclusion from The Class Action Settlement” letter or card to the Settlement Administrator postmarked no later than June 8, 2026. Your written request should clearly state your intent to opt out or be excluded. For instance, you could write:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *CLEARMAN’S NORTH WOODS INN, INC., ET AL.* LAWSUIT.”

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

Eadie v. Clearman’s North Woods Inn of Covina, et al.,
ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781
Telephone: (888) 250-6810
Fax: (888) 845-6185
Email: info@ilymgroup.com

The written request to be excluded from the Settlement must be postmarked to the Settlement Administrator not later than June 8, 2026. If you submit a request for exclusion which is not postmarked by June 8, 2026, your request for exclusion will be rejected, and you will be included in the Settlement Class. Requests for Exclusion may not be submitted by email.

If you choose **Option 2**, you will no longer be a Class Member. Therefore, you (1) will **not** receive any payment from the Settlement, with the exception of your pro-rata portion of the Aggrieved Employees’ portion of the civil penalties allocated to PAGA²; (2) will not be deemed to have released any claims due to this Settlement with the exception of the PAGA cause of action, and (3) will be barred from filing an objection to the Settlement.

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

Option 3 – File an Objection to the Settlement

If you wish to object to the Settlement, you can mail a written objection to the Settlement Administrator. Your objection should provide: your full name, address and telephone number, the last four digits of your Social Security Number, the dates you were employed by Clearman’s North Woods Inn of Covina in California, and your objections to the Settlement, including each specific reason in support of each objection and any legal support for each objection together with any evidence in support of your objection. Your objection should be mailed to the Settlement Administrator on or before June 8, 2026. All objections or other correspondence should state the name and number of the case, which is *Crystal Eadie v. Clearman’s North Woods Inn, Inc., et al.* Settlement Administrator Los Angeles County Case Number No. 25STCV01887.

You may also appear at the Final Fairness and Approval Hearing set for August 19, 2026, at 10:30 a.m. in Department 12 of the Superior Court of California for the County of Los Angeles located at 312 North Spring Street, Los Angeles, CA 90012, and discuss your objections with the Court and the Parties at your own expense.

You may appear at the Hearing regardless of whether you submitted a written objection. You may also retain an attorney to represent you at the Hearing at your own expense.

If you choose **Option 3**, you will still be entitled to the money from the Settlement. You will remain a member of the Settlement Class, and if the Court overrules your objections and approves the Settlement, you will receive your Individual Settlement Payment and will be bound by the terms of the Settlement in the same way as Class Members who do not object, including being deemed to have released the Released Claims. You cannot both object to the settlement and exclude yourself. You must choose one option only.

Additional Information

² By law, Aggrieved Employees cannot opt out of the Settlement with respect to the PAGA claims and will release their claims for civil penalties under PAGA as set forth in the Settlement regardless of whether they cash their Individual PAGA Payment.

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

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

You can view the final approval order and final judgment and payment schedule at <https://ilymgroup.com/ClearmanNorthWood>.

PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THIS NOTICE.

Questions? Contact the Settlement Administrator toll free at (888) 250-6810