

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

Martin Jauregui vs. LPF RE Manager, LLC, Case No. 19STCV36107

As a current or former non-exempt hourly employee of LPF RE Manager, LLC (herein referred to as “LPF”) who worked for LPF in California, you may be entitled to receive money from a class action settlement.

ILYM ID: <<ILYM ID>>

<<Name>>

<<Address1>>

<<Address2>>

<<City>>, <<State>> <<Zip Code>>

Please provide current address (if different) here:

*The Los Angeles County Superior Court has authorized this Class Notice.
This is not a solicitation from a lawyer.*

YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A CLASS ACTION SETTLEMENT IF YOU ARE A CURRENT OR FORMER NON-EXEMPT EMPLOYEE OF LPF RE MANAGER, LLC, WHO WORKED FOR LPF RE MANAGER, LLC IN CALIFORNIA FROM October 9, 2015 THROUGH AUGUST 30, 2020.

- A proposed settlement of \$325,000.00 (the “Gross Settlement Amount”) will be used to pay claims to: current and former non-exempt employees of LPF, who worked for LPF in California from October 9, 2015 through August 30, 2020 (such periods of time, the “Class Period” and such employees, the “Class Members”).
- The settlement resolves a lawsuit entitled *Martin Jauregui vs. LPF RE Manager, LLC, Case No. 19STCV36107* (the “Lawsuit”) over whether LPF properly paid employees for all hours worked, provided employees meal and rest periods, provided employees with complete and accurate wage statements, and other legal consequences that would follow from not doing so. This settlement avoids the costs and risks from continuing the Lawsuit, pays money to persons like you, and releases LPF and all potential joint employers.
- The Court has not made a determination of the validity of the claims in the Lawsuit. LPF denies any and all liability arising from any of the claims and contends that at all relevant times it properly compensated all employees and fully complied with all applicable laws.
- Class Members will receive a payment based on the number of workweeks worked, rounded up to the nearest full workweek, during the Class Period.
- **PLEASE READ THIS CLASS NOTICE CAREFULLY. YOUR LEGAL RIGHTS ARE AFFECTED BY IT.**

HOW MUCH WILL I GET?

You worked a total number of <<Work Weeks>> during the Class Period.

It is expected that you will receive approximately <<EstISP>>

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING	Receive a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT	Receive no payment and retain your legal rights to pursue claims that would otherwise be released by the settlement of the Lawsuit. You may opt out by following the procedures set forth below.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, ILYM Group, Inc., about why you do not like the settlement and they will forward your concerns to counsel which will then be provided to the Court. More information on this process is set forth below.
OBJECT TO THE WORKWEEK CALCULATION	If you feel that you worked a different amount of workweeks than identified above, you may object to that calculation by following the procedures set forth below.
ATTEND A HEARING	You have the right to attend a fairness hearing that will be conducted by the Court, but you are not required to attend. If you timely file and serve a written objection, and if you also want to speak about your objection at the hearing, you should send a letter to the Settlement Administrator, ILYM Group, Inc. providing notice of your intention to appear and speak at the hearing and follow the further instructions set forth below for objecting and appearing remotely at the hearing under the Court's social distancing protocols.

IMPORTANT INFORMATION ABOUT THE PROPOSED SETTLEMENT

1. Why did I get this Class Notice?

You were sent this Class Notice because you have a right to know about the proposed settlement in the Lawsuit and about all of your options before the Court rules on whether to finally approve the settlement. If the Court approves the settlement, and after any objections and appeals are resolved and after Defendant pays the final installment to fully fund the Settlement, the "Settlement Administrator" appointed by the Court (ILYM Group) will make the payments that the settlement allows. This Class Notice explains the Lawsuit, the proposed settlement, your legal rights, and what benefits are available and how to receive them.

The Court in charge of this case is the Los Angeles County Superior Court. The assigned judge is Hon. Yvette M. Palazuelos in Department 9 of the Spring Street Courthouse, but all appearances are made remotely as addressed below. The person who initiated this action (Martin Jauregui) is called "Plaintiff" and the organizations he sued are called "Defendants."

2. What is the Lawsuit about?

Martin Jauregui, the Representative Plaintiff, has alleged multiple violations of the California Labor Code and the California Business and Professions Code, including class-wide causes of action for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest-Break Liability Under Labor Code § 226.7; (5) Wage Statement Liability under Labor Code § 226; (6) Violation of Labor Code § 221; (7) Violation of Labor Code § 204; (8) Violation of Labor Code § 203; (9) Violation of Business & Professions Code § 17200, *et seq.*; and (10) Penalties Pursuant to Labor Code § 2698, *et seq.*

3. Why is there a settlement?

The parties disagree on the probable outcome of the case with respect to liability, damages, and how much money could be recovered if the Representative Plaintiff won at trial. LPF believes that the Representative Plaintiff would

not prevail if this case went to trial. The Court has not decided in favor of the Representative Plaintiff or LPF. There has been no trial in this case. Instead, both sides recognize the risks, expenses, and disruption associated with continued litigation and they have therefore chosen to resolve their differences by entering into a settlement. By doing so, the parties can avoid the cost of a trial, yet Class Members are still entitled to receive payments if they comply with the instructions in this Class Notice. The parties entered into this settlement after arms-length negotiations while using the services of an experienced and neutral mediator. The Representative Plaintiff and Class Counsel believe that the proposed settlement is fair and reasonable and is in the best interest of the Class Members.

4. What is a class action settlement?

The Court must approve the terms of the proposed settlement as fair and reasonable. Once approved, the settlement will affect all Class Members, except those who have properly opted out. This Class Notice explains your legal rights, the terms of the settlement, what you must do to participate, and the amount of money you may receive. Please read this entire Class Notice carefully. For the purposes of this Settlement, the Court has approved a Class (or Class Members) defined as all current and former non-exempt, hourly employees who worked for Defendant in California at any time during the Class Period of October 9, 2015 through August 20, 2020. Also, the PAGA Employees are defined as the aggrieved non-exempt employees employed by Defendant who worked at least one pay period during the PAGA Period, which is October 9, 2018 through August 30, 2020. To review a copy of the parties' Settlement Agreement in this action, along with other important case documents, you may refer to the case web-site hosted through the Administrator at www.ilym.com/LPFManager.

5. What should I do?

You can do nothing, and if you are entitled to a payment you will be paid. Be mindful, however, that if this Class Notice reaches you and the address where you now live is different, you need to contact the Settlement Administrator and provide updated information so that any future correspondence or the settlement check itself reaches you and is not returned as an address unknown.

6. How much will my payment be?

After all fees, costs, and allocations are taken as set forth under the parties' Joint Stipulation of Class Action and PAGA Settlement Agreement (which is available for review at the case web-site www.ilym.com/LPFManager), and the remainder will be used to pay Class Members a pro-rata payment based on the number of workweeks each Class Member worked during the Class Period. More specifically, the Maximum Settlement Amount ("MSA") to be paid by Defendant pursuant to this Settlement Agreement will be \$325,000.00. From that MSA, the following allocations will be deducted to arrive at a Net Settlement Amount ("NSA"): (1) Class Representative Service Award to Plaintiff (\$7,500.00); (2) Class Counsel Award of Attorneys' Fees (up to \$108,322.50) and reasonable litigation costs (up to \$12,000.00); the 75% portion (\$7,500.00) of the PAGA Payment allocated to the LWDA; and Settlement Administration Costs to ILYM Group, Inc. (\$12,000.00). Defendant's share of payroll taxes will be paid by Defendant separate and apart from the MSA.

The first page of this Notice lists your workweeks on record with Defendants and the estimated Individual Settlement Payment (ISP) you will receive under this Settlement. The Settlement Administrator will calculate the ISP as a payment ratio of qualified workweeks worked by the Settlement Class Members as compared to those worked by all Class Members. This payment ratio is then multiplied by the NSA to determine the estimated ISP for each individual.

If you are a PAGA Employee, a similar process will be followed to distribute the \$2,500.00 portion of the PAGA Payment, with PAGA Employees employed between October 9, 2018 and August 20, 2020, based on their number of pay periods. The majority of the PAGA Employees are also Class Members, but there is a percentage of Settlement Class Members who are not PAGA Employees.

For the Class Members who are also PAGA Employees, their Individual Settlement Payment will be added together with their pro rata share of the NSF and their pro rata share of the \$2,500 portion of the PAGA Payment allocated to the PAGA Employees. Even if a Settlement Class member determines to opt out of the Settlement, they will receive

their pro rata portion of the \$2,500 employee component of the PAGA Payment, as aggrieved employees cannot opt-out of the PAGA penalty claim. *See, e.g., Robinson v So. County Oil* (2020) 53Cal.App.476). Those Settlement Class Members who are also PAGA Employees will receive a single check for the combined non-wage portion of NSF and the PAGA Released Claims.

If you do not dispute your workweek calculation, and do not opt out of the settlement, you will be bound by the settlement and receive a settlement payment. As explained below, the effective date of your releases will coincide with the last installment payment to fully fund the Settlement. **In other words, you do not need to take any action to receive a settlement payment.**

7. When would I get my payment?

The motion will be heard on a date that will be set by the Court, and the Administrator will then post a notice on the case web-site with the date, time, and location of the hearing. The Court will hold a hearing to decide whether to grant final approval of the proposed settlement. If the Court approves the settlement and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. If there is no objection, the effective date of the Settlement will be the date of entry of the Court's Order granting final approval. However, upon the effective date, Defendant has the option to pay into the Qualified Settlement Fund ("QSF") so that it is fully funded within one year from 30 days after the Effective Date of the Settlement.

The released claims addressed below will have a Release Effective Date when the Effective Date of the Settlement has passed and Defendant has made the final installment payment to fully fund the QSF with the MSA. After the Effective Date of the Settlement occurs, and after Defendant has made the final installment payment to the Qualified Settlement Fund to fully fund it with the Maximum Settlement Amount, then within 25 calendar days of that final funding date, the Administrator will mail ISPs by regular, First Class, U.S. Mail to each Settlement Class Member. PAGA Employees cannot exclude themselves from the PAGA Released Claims and will instead automatically receive their pro-rata share of 25% of the PAGA Payment. Therefore, even if you elect to opt-out of the Settlement, you will still receive your ISP payment for your pro rata share of the \$2,500.00 portion of the PAGA Payment allocated to the PAGA Employees.

Please ensure your address is accurate with the Administrator throughout the process. Any checks issued to Settlement Class Members will remain valid and negotiable for 180 days after the date they are issued. In the event an ISP check has not been cashed within 180 days, all such checks will be voided by the Administrator and funds associated with such voided checks, plus any accrued interest that has not otherwise been distributed, will be paid out in accordance with Code of Civil Procedure section 384 to the designated and approved cy pres recipient – the California Rural Legal Assistance Foundation.

To check on the progress of the settlement, call the Settlement Administrator at 1-888-250-6810, or contact Class Counsel (see below for Class Counsel's contact information.). You may also refer to the case web-site at www.ilym.com/LPFManager for copies of the Settlement Agreement and other relevant case document. *Please be patient.*

8. What am I releasing?

As further detailed in the Settlement Agreement, Class Members who do not opt-out of the Settlement will become Settlement Class Members. Their "Released Claims" are defined under the Settlement as all claims and causes of action raised or that reasonably could have been raised in the operative complaint (the FAC) based upon the facts, legal theories, and causes of action alleged in the Lawsuit for the time period from October 9, 2015 through August 30, 2020, and including all of the following claims for relief: failure to pay wages due; failure to pay minimum wages; failure to pay overtime wages; failure to provide compliant meal breaks and related premium payments; failure to provide compliant rest breaks and related premium payments; failure to provide compliant wage statements; failure to provide timely wages; failure to comply with Section 221 of the California Labor Code; failure to pay final wages; unfair business practices in violation of California Business and Professions Code § 17200 *et seq.*; any other claims or

penalties under the wage and hour laws pleaded in the FAC; and all damages, penalties, interest, fees, and other amounts recoverable under the claims, causes of action or legal theories of relief described above as may be available under California and federal law to the extent permissible.

The period of the Released Claims shall extend to the limits of the Class Period, but they are ineffective after the close of the Class Period in August of 2020. The “Release Effective Date” is the date when the releases provided by the Settlement Class of the above described Released Claims become effective, and more particularly upon both the Effective Date of the Settlement and the Defendant paying the final installment payment to fully fund the QSF with the Maximum Settlement Amount.

Additionally, the PAGA Employees employed during the PAGA Period of October 9, 2018 through August 30, 2020 will release the PAGA Released Claims, which are defined as all claims under the Private Attorneys General Act of 2004, Labor Code §§ 2698 *et seq.* (“PAGA”) that reasonably could have been premised on the facts, claims, and legal theories described above or in the FAC or in the PAGA Notice Letter Plaintiff provided to the LWDA and served on Defendants. The Released Parties will be entitled to a release from the State of California and the Aggrieved Employees only as to all PAGA Released Claims based on the alleged facts and legal claims in the operative complaints. Class Members who are also PAGA Employees are not able to request exclusion from the PAGA Payment and they will release the PAGA Released Claims whether they opt-out of the Settlement or not. Upon the Effective Date, and following the final payment to fully fund the Qualified Settlement Fund, the effective date of the PAGA Released Claims will occur when the Administrator receives the final installment payment from Defendant to fully fund the Qualified Settlement Fund.

Further details of the claims and the releases under the Settlement, including the Released Parties, are provided in the parties’ Settlement Agreement, a copy of which is available at the case web-site at www.ilym.com/LPFManager.

9. How can I opt out of this settlement?

You can opt out of this settlement and retain your rights. To do so, you must submit a written, signed request to opt out of the settlement. You will have 45 days from the date of mailing of this Class Notice to do so. Your Opt-Out request must be mailed to the Settlement Administrator, ILYM Group, Inc., P.O. Box 2031 Tustin, CA 92781 and be postmarked no later than **August 5, 2022** or it will not be considered and you will be bound by the settlement. The Request for Exclusion should identify and address this action by name (i.e. *Jauregui v LPF RE Manager, LLC*, LASC Case No. 19STCV36107) and (1) should contain the name, address, and telephone number of the person requesting exclusion, as well as a clear statement by the Class Member electing to be excluded; (2) should be signed by the Class Member; and (3) must be postmarked by the Response Deadline of **August 5, 2022**. Any Class Member who requests to be excluded from the Settlement Agreement will not be entitled to any recovery under the Settlement Agreement and will not be bound by its terms or have any right to object, appeal or comment on it. Class Members who are also PAGA Employees are not able to request exclusion from the PAGA Payment and they will release the Released PAGA Claim whether they opt-out of the Settlement or not.

10. Do I have a lawyer in this case?

The Court has appointed David Yeremian of DAVID YEREMIAN & ASSOCIATES, INC., 535 N. Brand Blvd., Suite 705, Glendale, California 91203, telephone 818.230.8380 to represent you and other Class Members in the Lawsuit. These lawyers are called Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

11. How will the lawyers be paid?

Class Counsel will ask the Court to award attorneys’ fees up to one-third of the Maximum Settlement Amount as discussed in this Class Notice and as detailed in the Settlement (i.e. up to \$108,322.50, which is one-third of the MSA), and will also request reimbursement of reasonable litigation costs up to \$12,000.00 as documented by Counsel and approved by the Court. The Court may choose to award less than the amount requested by Class Counsel, and any amounts not awarded will be returned to the NSA to be distributed to the Settlement Class Members.

12. How do I tell the Court that I do not like the settlement?

Class Members who wish to object to the Settlement Agreement should mail to the Settlement Administrator a written statement of objection (“Notice of Objection”) to ILYM Group, Inc., P.O. Box 2031 Tustin, CA 92781 and be postmarked no later than the Response Deadline of **August 5, 2022**, which is 45 days after mailing of the Class Notice. You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies the settlement, no settlement payments will be sent out and the Lawsuit will continue. If that is what you want to happen, you must object.

Settlement Class Members who submit a timely Notice of Objection will have a right to appear at the Final Approval/Settlement Agreement Fairness Hearing in order to have their objections heard by the Court. The Notice of Objection should be signed by the Settlement Class Member and state the case name and number (*Martin Jauregui vs. LPF RE Manager, LLC*, Case No. 19STCV36107), the name and address of the person, the last four digits of his or her Social Security number and/or Employee ID number, the basis for the objection, and if the Settlement Class Member intends to appear at the Final Approval/Settlement Agreement Fairness Hearing. Class members may also object by appearing at the final approval hearing and presenting their objections. You may appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. Procedures for appearing remotely are provided below.

13. How do I dispute my workweek calculation?

To dispute the number of workweeks with which you have been credited, you must submit evidence to the Settlement Administrator showing that the workweek information is inaccurate. Such evidence must be mailed to the Settlement Administrator at ILYM Group, Inc., P.O. Box 2031 Tustin, CA and postmarked on or before the response deadline of [ENTER DATE]. The Settlement Administrator shall decide the dispute. LPF’s records will be presumed correct, but the Settlement Administrator will evaluate the evidence submitted and consult with counsel for the parties as necessary to arrive at a final decision on the merits of the dispute.

14. When and where will the Court decide whether to approve the settlement?

The motion will be heard on a date that will be set by the Court, and the Administrator will then post a notice on the case web-site with the date, time, and location of the hearing. The Court will hold a fairness hearing at the Los Angeles County Superior Court, Department 9, 312 North Spring St., Los Angeles, California 90012. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections and they have been properly lodged, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Class Counsel and whether to approve all allocations from the MSA as requested. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take. However, please keep in mind that Defendant will also then begin making installment payments beginning 30 days after the effective date of the Settlement for up to a period of one year in order to fully fund the Settlement.

15. Do I have to come to the hearing?

No. Class Counsel will answer any questions that the Court may have, or you may contact the Settlement Administrator or refer to the case web-site at www.ilym.com/LPFManager. However, you are welcome to appear at the hearing remotely. If you sent an objection, you do not have to appear in Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not required. However, please be aware that due to the COVID-19 pandemic, hearings are currently being conducted remotely with the assistance of a third-party service provider, LACourtConnect. Class members who wish to appear at the final fairness hearing can access the site for making reservations at <https://my.lacourt.org/laccwelcome>. They may also contact class counsel to assist in arranging a telephonic appearance through LACourtConnect, at least three days before the hearing if possible. Any LACourtConnect fees for an appearance by an objecting class member will be paid by class counsel to be reimbursed as requested costs.

16. May I speak at the hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you may, but are not required to, send a letter stating that it is your “Notice of Intention to Appear” in the settlement. Be sure to include your name, address, and telephone number. Your Notice of Intention to Appear should be postmarked no later than **August 5, 2022**, and be sent to the Settlement Administrator, ILYM Group, Inc., at the address listed above. Plaintiff’s counsel will then contact the Class member to schedule a remote telephonic appearance through the LACourtConnect system, and will pay to set up the remote appearance as an allocated litigation expense.

17. What happens if I do nothing at all?

You will participate in the settlement and receive payment. You will be bound by the releases as set forth herein.

GETTING MORE INFORMATION

This Class Notice summarizes the proposed settlement. You may call or contact Class Counsel or the Settlement Administrator if you would like more information about the case. You may call 1-888-250-6810 or write the Settlement Administrator, ILYM Group, Inc., located at P.O. Box 2031 Tustin, CA

You can also access the on-line listing for this action by visiting the Los Angeles County Superior Court Case Access Portal at <http://www.lacourt.org/casesummary/ui/index.aspx?> and entering the case number (19STCV36107). Finally, the Settlement Administrator has also setup a website which has links to this Class Notice (in both English and Spanish versions) and other documents related to the proposed settlement, including the Settlement agreement. The website is www.ilym.com/LPFManager. In the event the Court changes the location or hearing date on the motion for final approval, notice will be posted on the case web-site. Also, when final judgement is entered by the Court, a copy of that Judgment and the Order granting final approval will be posted on the case web-site.

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