

PLEASE READ THIS NOTICE CAREFULLY. YOU MAY BE ENTITLED TO MONEY FROM A CLASS ACTION SETTLEMENT.

SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

If you worked in California for Q&B Foods in a non-exempt, hourly-paid position at any time between October 26, 2016 and May 15, 2022, a class action settlement may affect your rights.

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

Plaintiff Usa Corrales-Rojas, a former non-exempt employee of Q&B Foods, Inc. (“Q&B”) and ESG Employer Resources, Inc. (“ESG”) (collectively “Defendants”) sued Defendants alleging that Defendants violated various provisions of the California Labor Code and the California Business and Professions Code. The Honorable Elihu M. Berle, Judge of the Los Angeles County Superior Court, presides over this case. The lawsuit is known as *Usa Corrales-Rojas v. Q & B Foods, Inc. and ESG Employer Resources, Inc.*, Los Angeles Superior Court, Case No. 20STCV40885.

The purpose of this Notice is to inform you of a proposed settlement (the “Settlement”) of the case. The Settlement is on behalf of any California non-exempt, hourly-paid position for Q&B employees and all positions occupied by non-exempt, hourly-paid temporary workers assigned to work at Q&B by any staffing agency at any time during the Class Period. The Class Period is the period between October 26, 2016, and May 15, 2022.

Because the Defendants’ records show that you qualify as a Class Member, you will receive money from the Settlement if the Court grants final approval of the Settlement, unless you decide to “opt out” of the Settlement.

Your legal rights may be affected whether you act or do not act. Read this Notice carefully. If you have questions, you can contact the lawyers for the Plaintiffs (listed at the end of this Notice).

Notwithstanding the terms of this settlement, Q&B and ESG both continue to deny any wrongdoing.

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT: | |
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| DO NOTHING | You WILL be mailed a Settlement payment in the approximate amount stated on Attachment A to this Notice unless the Court decides not to grant “final approval” of the Settlement. By receiving a payment, you will be bound by the terms of the Settlement. |
| OBJECT | If you want to object to the Settlement for any reason, you must send the Settlement Administrator your objection in writing. Your objection must be post marked by May 15, 2023. If you wish to present your objection at the Final Fairness and Approval Hearing, you may also appear in person at your own expense or through the Court’s LA Court Connect website listed below. If you submit an objection, you will still be deemed a Class Member, covered by the Settlement’s terms, and you will receive money from the Settlement. |
| ASK TO BE EXCLUDED | If you do not wish to participate in the Settlement, you must send a letter requesting exclusion. You will get no payment in the Settlement. You will keep the right to sue the Defendants on your own about the claims resolved by this Settlement. Your request for exclusion must be post marked by May 15, 2023 However, because this settlement resolves claims and actions brought pursuant to the Labor Code Private Attorneys General Act of 2004 (“PAGA”), no Class Member who worked at any time during the period from between September 16, 2019, and May 15, 2023 (“Alleged Aggrieved Employees”) has the right to exclude himself or herself from the PAGA portion of the settlement. Alleged Aggrieved Employees will be bound by the terms of the Settlement and the release of the PAGA claims summarized herein, upon its approval by the Court, regardless of whether he or she cashes any payment received as a result of this Settlement. |

This Notice explains your rights and options in detail. **To ask to be excluded (opt out) or to object to the settlement, you must follow the steps described in this Notice no later than May 15, 2023.**

YOUR ESTIMATED SETTLEMENT AMOUNT: Enclosed with this Notice is an individualized Statement of Weeks Worked Form (“Attachment A”), which will state your estimated settlement amount. The amount is calculated based on the number of weeks you worked in California at Q&B as a non-exempt, hourly employee at any time between October 26, 2016 and May 22, 2022. **If there are errors on the form, you can follow the steps on the form to submit corrections. Any corrections must be submitted no later than May 15, 2023.**

MORE DETAILED INFORMATION

I. WHAT IS THIS CASE ABOUT?

The purpose of this Notice is to inform you that your rights may be affected by the proceedings in a class and collective action lawsuit pending before Judge Elihu M. Berle of the Superior Court of California for the County of Los Angeles (the “Court”) entitled *Usa Corrales-Rojas, on behalf of himself and all others similarly situated, v. Q & B Foods, Inc., a California corporation. and ESG Employer Resources, Inc., an Indiana corporation; and DOES 1 through 100 inclusive*, Los Angeles Superior Court, Case No 20STCV40885 (“Litigation”). This Notice is given by Order of the Court.

Usa Corrales-Rojas (“Class Representative” and “Plaintiff”) brings this Litigation on behalf of all California Settlement Class Members (all individuals employed: (1) in California, (2) provided services to Q&B, (3) in a non-exempt-hourly job position; and (4) at any time between October 26, 2016 and May 15, 2023 (“Class Period”).

The Litigation also alleges violations of California laws with respect to the Class Members only, which are that Defendants (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods; (4) failed to provide rest periods; (5) owe waiting time penalties; (6) provided non-complaint wage statement; (7) failed to indemnify class members for certain business expenses (8) violated the unfair competition laws (Business & Professions Code §§17200, et seq.); (9) owe civil penalties under Labor Code section 210 for failure to timely pay wages; (10) owed civil penalties under Labor Code section 226.3 for failure to provide compliant pay stubs; (11) owed civil penalties under Labor Code section 558 for failure to provide meal breaks or pay overtime; (12) owed a penalty under Labor Code section 1174.5 for failure to maintain accurate and complete records; (13) owed a penalty under Labor Code section 1197.1 for failure to pay minimum wages; and (14) violated the Private Attorneys Act (“PAGA”) and owe civil penalties under Labor Code section 2699.

Defendants do not admit engaging in any unlawful conduct as alleged in this Litigation and continue to deny the claims and charges of wrongdoing and liability.

II. WHAT ARE THE TERMS OF THE SETTLEMENT?

Defendants deny that they owe money related to any of the allegations listed above. Defendants are settling the matter as a compromise and to avoid incurring unnecessary legal expense defending the matter. Defendants reserve the right to object to any claim if for any reason the Settlement fails.

The Settlement applies to all Class Members who do not timely submit a correctly completed Opt Out Letter. The determination of how much each Class Member will receive as part of this Settlement depends on the number of weeks worked within the Class Period during which he or she worked in a Covered Job Position (“Qualifying Work Weeks”).

The parties reached a Settlement in which Defendants’ total maximum liability, will not exceed One Million, One Hundred and Fifty Thousand Dollars and Zero Cents (\$1,150,000.00), or as may be escalated if the Qualifying Work Weeks exceed 46,653 and Defendant Q&B decides not to shorten the class period so as not to exceed 46,653 Qualifying Work Weeks (“Gross Settlement Amount”), plus the employer’s share of tax liabilities. All amounts to be paid by Defendants from the Gross Settlement Amount shall be paid to a qualified settlement fund (“Qualified Settlement Fund”), which shall be administered by Phoenix Settlement Administrators, the Settlement Administrator.

Class Members will participate in the Settlement if they do not Opt Out. Class Members will not pay any out-of-pocket costs.

There was a hearing on January 31, 2023, in the Superior Court of California for the County of Los Angeles. The Court conditionally granted preliminary approval of the class action settlement against Defendants and directed that you receive this Notice.

A. Additional Payments from the Maximum Settlement Amount

All payments to the Class Members shall be made from the Qualified Settlement Fund, minus the payments below, which are subject to final approval from the Court.

1. Fee and Cost Award for Class Counsel

Class Counsel filed the Litigation on behalf of Plaintiff and all other similarly situated individuals. Class Counsel conducted informal discovery and negotiated the settlement of this matter. Class Counsel will request attorneys’ fees in an amount of up to \$402,500.00 which represents 35% of the Gross Settlement Amount. Class Counsel will also request reimbursement of litigation costs and expenses in the amount of up to \$12,950.00. If approved by the Court, this amount will be paid from the Qualified Settlement Fund. These attorneys’ fees and costs shall compensate Class Counsel for the work they have performed and will perform, and the expenses they have incurred and will incur, through any approved distribution of the Qualified Settlement Fund. Class Members will be personally responsible for any of Class Counsel’s attorneys’ fees and costs.

2. Service Award to the Class Representative

Class Counsel will also seek an enhanced recovery of no more than \$5,000.00 for Usa Corrales-Rojas (“Service Award”) for serving as representative Plaintiff on behalf of the Settlement Class. This will be in addition to whatever payment they are otherwise entitled to as a Class Member. If approved by the Court, this amount will be paid from the Settlement Fund.

3. Settlement Administration Costs

Settlement Administration Costs, estimated at \$12,950.00, will be paid to the Settlement Administrator, Phoenix Settlement Administrators, for its services, including but not limited to distributing Class Notices to Class Members, processing Opt-Out Letters, calculating Settlement payments, and distributing Settlement payments to the Participating Claimants.

4. Payroll Taxes - Employer and Employee Tax Obligations

Once the amount of payment for each Participating Class Member is determined, the Settlement Administrator will calculate the total amount of employee withholding taxes for the portion of the Settlement payment designated as wages as required by law. This total amount will be deducted from the Qualified Settlement Fund. Defendants will separately pay the employer withholding taxes on the Settlement payment designated as wages.

5. PAGA Penalties

Defendants shall pay \$50,000.00 for settlement of claims brought under the Private Attorneys’ General Act (“PAGA”) from the Qualified Settlement Fund. The PAGA payment shall be allocated as follows: \$37,500.00 (75%) to the California Labor & Workforce Development Agency (“LWDA”), and \$12,500.00 (25%) to PAGA Members (regardless whether they opt out of the class settlement).

B. Release of Claims

The proposed settlement is intended to settle all claims and causes of action of any nature and description whatsoever, whether known or unknown, that are or which could have been asserted at any time in the Litigation based on the facts alleged in the First Amended Complaint.

The Released Claims for Class Members (*i.e.* Released Class Claims) who do not timely request exclusion and opt out of this Settlement includes all claims, actions, or causes of action during the Class Period, alleged in the First Amended Complaint, or that could have been alleged or raised in the First Amended Complaint based upon or arising out of the facts alleged therein, as well as any claims for interest or attorney’s fees and costs thereon, including, without limitation: failure to pay wages, including overtime wages and minimum wages, including any claim for unpaid wages, unpaid penalties, failure to pay overtime or other hours worked, “off-the-clock” claims, “rounding” claims, and failure to pay overtime wages due based on the correct regular rate of pay, failure to provide compliant meal or rest periods, along with failure to make penalty payments or premium pay in lieu of providing meal or rest periods; failure to reimburse reasonable business expenses, failure to pay wages timely during employment, failure to pay due wages upon termination of employment, failure to provide accurate wage statements, failure to maintain adequate payroll records; and any other corresponding claims under the Fair Labor Standards Act (“FLSA”); and Labor Code sections 200, 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1194.2, 1197, and 2802; applicable portions of the Code of Regulations, Title 8, section 11040, applicable portions of the applicable California Wage Order, or federal law; and any claim under Business and Professions Code section 17200 *et seq.* predicated on the above claims which were alleged or could have been alleged based upon the facts pled in the First Amended Complaint at any time during the Class Period.

By signing the settlement check that will be mailed to you by the Settlement Administrator, Class Members shall be deemed to have opted-in for purposes of the Fair Labor Standards Act claims referred to in the Released Class Claims and release all Fair Labor Standards Act claims.

All Alleged Aggrieved Employees, regardless of whether they submit Opt Out Letters, and the State of California (to the extent permitted by law) shall have fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties of and from any and all claims, actions or causes of action under PAGA arising at any time during the PAGA Period that were alleged in the Lawsuit and the PAGA Notice, or that could have been alleged or raised in the Lawsuit based upon or arising out of the facts alleged therein and in the PAGA Notice, as well as any claims for attorney’s fees and costs thereon. The claims released include any claim for civil penalties under PAGA for alleged unpaid wages, failure to pay overtime or other hours worked, “off-the-clock” claims, “rounding” claims, failure to pay overtime wages due based on the correct regular rate of pay, failure to provide compliant meal or rest periods, failure to make penalty payments or premium pay in lieu of providing meal or rest periods, failure to provide pay minimum wages, failure to reimburse reasonable business expenses, failure to pay wages timely during employment and upon termination of employment, failure to provide accurate wage statements, failure to maintain adequate payroll records, and for civil penalties under Labor Code sections 210, 226.3, 558, 1174.5, 1197.1 and 2699, any alleged violation of California Labor Code sections alleged to have been violated in the First Amended Complaint, which includes, without limitation, Labor Code sections 200, 201, 202, 203, 204, 226, 226.7, 227.3, 246, 404, 432, 510, 512, 1174, 1194, 1194.2, 1197, 1197.5, 1198, 1198.5, 2800, and 2802, 2810.3 and/or 2810.5 (“Released PAGA Claims”)

“Released Parties” means Defendants Q & B Foods, Inc., ESG Employer Resources, Inc. and their respective present and former parents, owners, subsidiaries, and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, attorneys and agents and any other successors, assigns or legal representatives. Released Parties shall also include any and all other temporary agencies (namely, Aerotek, Inc., SkillSet Group, LLC, Randstad, and Express Services, Inc.) solely in relation to their placement of temporary workers at Q&B during the respective Class or PAGA Period and their respective present and former parents, owners, subsidiaries, and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, attorneys and agents and any other successors, assigns or legal representatives regarding such Q&B placements.

III. IF I CHOOSE TO PARTICIPATE, HOW IS MY SHARE OF THE SETTLEMENT CALCULATED?

The Class Members who do not submit a correctly completed Opt Out Letter shall receive an amount based on the number of Qualifying Work Weeks, which is the number of weeks worked in California for Q&B, as either a Q&B employee or through a third party agency in a non-exempt position during the Class Period.

To determine the value for each Qualifying Work Week, the Settlement Administrator will divide the Qualified Settlement Fund (after all applicable deductions for fees, costs and awards) by the total number of Qualifying Work Weeks worked by all Participating Class Members. That dollar amount equals the weekly recovery value (“Weekly Recovery”) for each Qualifying Work Week. Next, for each Class Member, the Settlement Administrator shall compute the Class Member’s Individual Payment Amount by multiplying the Class Member’s total Qualifying Work Weeks by the Weekly Recovery.

Your estimated Individual Class Member payment is included on Attachment A.

IV. TAXABLE PORTION OF SETTLEMENT PAYMENTS

For purposes of tax payment obligations, 25% of each Individual Payment Amount to each Participating Class Member shall be treated as wages (subject to all required withholdings), and 75% shall be treated as interest, penalties, liquidated damages, and other non-wage recovery. The allocations for interest, penalties, liquidated damages, and other non-wage recovery shall not be subject to withholdings or deductions and shall be reported as non-wage income.

An IRS Tax Form W-2 will be issued to each Participating Class Member with regard to the portion of the Settlement payments attributable to wages and any required IRS Tax Form 1099 will be issued with regard to the remaining portion of the Settlement payments. California Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payments that they receive under the Settlement.

V. EFFECT OF ENDORSING AND CASHING THE SETTLEMENT CHECK

By signing the settlement check that will be mailed to you by the Settlement Administrator, as a Participating Class Member, you shall be deemed to have opted-in to the Settlement Class for purposes of the Fair Labor Standards Act claims referred to in the Released Claims.

VI. WHAT ARE MY RIGHTS AND OPTIONS AS A SETTLEMENT CLASS MEMBER?

You have three options under this Settlement, discussed below: (A) opt out from the Settlement, (B) object to the Settlement, or (C) do nothing.

A. If You Want To Request Exclusion From The Settlement

If you do not wish to participate in the Settlement, you must send an Opt Out Letter bearing a postmark no later than May 15, 2023. The Opt Out Letter must be sent to P.O. Box 7208, Orange, CA 92863. The Opt Out Letter must: (1) state your name, (2) state that you do not wish to participate in the Settlement, and (3) that you request exclusion from the Settlement. Opt Out Letters must be made individually and cannot be made on behalf of a group of employees or on behalf of other Class Members. If you choose to opt out of the Settlement, you will not receive any money from the Settlement. Any such person, at his/her own expense, may pursue any claims he/she may have against Defendants. However, there are deadlines to pursuing such claims known as statutes of limitation. Please consult an attorney of your choice to ensure you are not forever barred from pursuing any individual claims you might have if you decide to opt out of the Settlement.

The judgment will bind all Class Members who do not properly submit and complete an Opt Out Letter.

B. If You Want To Object To The Settlement

You may object, personally or through an attorney at your own expense, to the proposed Settlement by submitting in writing your objection to the Settlement Administrator no later than May 15, 2023. You may appear, but are not required to appear, at Final Fairness and Approval Hearing where your objection will be heard and considered by the Court.

If you do not comply with this procedure, you may not be entitled to be heard at the Final Fairness and Approval Hearing or to otherwise contest the approval of the Settlement, or to appeal from any related orders or judgments of the Court. If you submit a valid and timely Opt Out Letter, you cannot object to the Settlement.

Class Members are hereby notified that even if they object, they will still be deemed as California Settlement Class Members and will receive money from the Settlement if approved by the Court. You will be covered by the Settlement unless you opt out.

C. If You Choose To Do Nothing

If you do nothing, and the Court approves the Settlement, you will be bound by the terms of the Settlement and the release and you will receive money under the Settlement in the form of a check mailed by the Settlement Administrator.

D. What If The Statement Of Weeks Worked Is Incorrect?

If the weeks worked information or contact information on the Statement of Weeks Worked Form is incorrect, you should correct this information by completing and signing the enclosed Statement of Weeks Worked Form under penalty of perjury and mail it to the Settlement Administrator, with any supporting documents, no later than May 15, 2023. If the information is correct, you do not need to do anything with the form. If you lose, misplace, or need another Statement of Weeks Worked Form, you should contact the Settlement Administrator.

VII. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will conduct a Final Fairness and Approval Hearing on June 15, 2023, at 10:00 a.m., in Department 6 of the Superior Court of California, County of Los Angeles located at 312 N. Spring Street, Los Angeles, California 90012. At that hearing, the Court will determine whether the Settlement should be finally approved. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs, and the Service Award to be paid to the Class Representatives, and other payments discussed above. The Final Fairness and Approval Hearing may be continued without further notice.

You are not required to attend the hearing, but if you wish to attend, you may attend the hearing by audio or video (remotely), which can be set up through LA Court Connect (www.lacourt.org/lacc/). A prescheduled appointment is currently necessary to review any documents in the clerk's office.

VIII. WHAT IF I NEED MORE INFORMATION?

The foregoing is only a summary of the Litigation and the proposed Settlement and does not purport to be comprehensive. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online on the Los Angeles County Superior Court's website at <https://www.lacourt.org/documentimages/civilImages/SearchByCaseNumber.aspx>. After arriving at the website, enter 20STCV40885 as the case number and click "SEARCH." Images of every document filed in the case may be viewed for a minimal charge.

In addition, you can find a copy of this Notice, the Complaint, the Settlement Agreement, the Motion for Preliminary Approval, the Order Granting Preliminary Approval, and when available, the Motion for Final Approval, the Motion for Service Awards and Attorneys' Fees and Costs, and, the Order Granting Final Approval at the following website, <https://www.phoenixclassaction.com/corrales-rojas-v-q-b-foods/>.

If you have any questions, you can call the Settlement Administrator at 1-800-523-5773, toll free. You may also contact Class Counsel to ask about the Class Action Settlement. Class Counsel's contact information is as follows:

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PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH INQUIRIES ABOUT THE SETTLEMENT.