

NOTICE OF SETTLEMENT OF CLASS ACTION AND SETTLEMENT HEARING

Martha Cervantes as Successor in Interest for Juan Centeno, Javier Vasquez, And Luis Gonzalez V. Ronco Plastics Inc.

Superior Court of the State California, County of Orange
Case No. 30-2022-01241548-CU-WT-CXC

To: all individuals who are or were employed by Defendant Ronco Plastics Inc. in California as a non-exempt employee or in any similar capacity, from January 22, 2018 until July 1, 2022 (the “Class Period”) (the “Class”):

[Name of Class Member],

THIS NOTICE is of proposed settlement of a class action relating to the above Class. According to Defendant’s records, you have been identified as a member of the Class, and therefore are receiving this notice. Also, according to Defendant’s records, **your estimated minimum share of the settlement is \$[ESTIMATED TOTAL SET AMT], less taxes and withholdings.** See the explanation in Section V of this Notice. The actual amount you may receive may be different and will depend on a number of factors.

Your options are explained in this Notice. To exclude yourself from, or object to, the settlement you must take action by certain deadlines. If you want to participate in the settlement as proposed, you don’t need to do anything to obtain your share of the settlement. Defendant will not retaliate against you for any actions you take with respect to the settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT (SEE SECTION VIII FOR MORE DETAILS)	
DO NOTHING	Receive a settlement payment and give up your right to sue on the Released Claims described in Section IV. This settlement does not require a claims process to receive a payment. Therefore, there is <u>no</u> claim form for you to complete should you wish to receive payment.
EXCLUDE YOURSELF	You may “opt-out” of any connection with this case, including any right to a settlement payment, except for the PAGA portion of the settlement. You must submit your opt-out notice, as described below, on or before July 31, 2023. All persons who validly and timely opt-out of the settlement will not receive any settlement payment, except for their portion of the PAGA Award, and will preserve Released Claims described in Section IV subject to applicable statute of limitations, except for the PAGA claim.
OBJECT	Write to the Court and Settlement Administrator about why you do not like the settlement by submitting an objection to the settlement on or before July 31, 2023. You may also submit objections to the settlement by fax, email, or other forms of electronic transmission by July 31, 2023.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.

I. Why should I read this Notice?

The Parties have proposed to settle this class action lawsuit. You are a member of the Class. If the Court approves the proposed Settlement Agreement, your legal rights may be affected. This Notice, which has been approved by the Court, is only a summary. A more detailed Settlement Agreement contains the complete terms of the settlement, and is on file with the Court, where it is available for your review. See Section X for further information.

II. What is this lawsuit about?

A lawsuit entitled Martha Cervantes as Successor in Interest for Juan Centeno, Javier Vasquez, And Luis Gonzalez V. Ronco Plastics Inc. is now pending in the Superior Court of the State California, County of Orange, Case No. 30-2022-01241548-CU-WT-CXC (“Lawsuit”). Plaintiffs Martha Cervantes as Successor in Interest for Juan Centeno, Javier Vasquez, And Luis Gonzalez (“Plaintiffs” or “Class Representatives”) have alleged claims against Ronco Plastics Inc. (“Defendant”) primarily under the California Labor Code. Plaintiffs’ Complaint alleges the following causes of action: (1) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Orders; (2) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; (3) failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; (4) failure to provide timely wages in violation of Labor Code 204; (5) failure to pay overtime in violation of Labor Code 510; (6) failure to maintain accurate payroll records; (7) violation of California Business Code; and (8) penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698-2699.6).

Ronco Plastics Inc. contends that it has complied with all laws and denies the allegations Plaintiffs assert in this Lawsuit. The Court has not formed any opinions concerning the merits of the Lawsuit, and the Court has not ruled for or against Plaintiffs as to the merits of any of their individual or class or PAGA enforcement claims. The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable and that any final determination of those issues will be made at the final fairness hearing. You will not be retaliated against by Ronco Plastics Inc. for electing to participate or not participate in the settlement.

III. Who is covered by the class action lawsuit and the proposed settlement?

A. The Class. On April 21, 2023, the Court granted preliminary approval of the settlement and authorized this notice. The Court defined the “Class” as all individuals who are or were employed by Defendant Ronco Plastics Inc. as an exempt employee during the Class Period.

B. The Effect of Membership in the Class. If you come within the definition of the Class, you are a Settlement Class Member unless you exclude yourself from (“opt out of”) the Class by following the procedures for exclusion that are set forth in this Notice. Settlement Class Members are eligible to receive the benefits created by the proposed settlement including a settlement payment based on their pro-rata share of the Net Settlement Amount and will be bound by the Settlement Agreement if it is approved by the Court. Persons who exclude themselves from the Class will not be bound by the Settlement Agreement, except for the PAGA claim, and will not share in the settlement proceeds, except for their share of the PAGA Award, but may pursue their own timely individual claims against Ronco Plastics Inc., subject to applicable statute of limitations.

IV. What are the terms of the settlement?

The proposed Settlement Agreement was negotiated with Defendant by the attorneys for the Class (“Class Counsel”). Class Counsel believes that this settlement is in the best interest of the members of the Settlement Class. As part of the proposed Settlement Agreement, Defendant and Class Counsel have agreed to the following:

Monetary Amounts Under the Settlement

- Defendant shall provide the members of the Settlement Class, on a non-claims-made basis, monetary compensation in the maximum total amount of \$125,000.00 (the “Gross Settlement Amount” or “GSA”). Amounts awarded by the Court at the Final Approval Hearing for attorneys’ fees (Class Counsel are requesting up to \$41,666.66), litigation costs (Class Counsel are requesting an amount not to exceed \$9,000.00), Enhancement Payment to Plaintiffs (up to \$3,500.00 to each Plaintiff and a total of \$10,500.00), settlement administration fees and costs (up to \$5,000.00), and penalties to the Labor & Workforce Development Agency (\$6,000.00, \$4,500.00 of which will be paid to LWDA and \$1,500.00 to the aggrieved employees) will be paid from the GSA. The remainder of this money will be divided among Defendant’s current and former employees who are class members, based on how long they worked for the Defendant during the Class Period.
- You will not receive any payment until September 2023 at the earliest, so please be patient.
- The amount you will receive will consist of (1) PAGA penalties, if any, and (2) non-PAGA payment. Regarding payment amounts paid to Class Members, Plaintiff and Defendant have agreed that 34% will be allocated as wages and 66% as penalties and interest. Please be advised that you are responsible for all taxes owed with respect to all payments received, regardless of the foregoing allocation, and you are required to indemnify and hold Defendant harmless for any taxes, penalties and interest owed on the payments you receive. You should consult with an accountant or other tax professional with any questions. Neither the Parties, their lawyers nor the Court is providing you with tax advice.
- You must cash your settlement check by the expiration date stated on the check. Your failure to cash the check by the expiration date will result in you not receiving the amount represented by the check because the check will become null and void (but you will still be bound by the settlement and releases).

Release

- Upon the Court’s final approval of the Settlement Agreement, a judgment will be entered fully and finally settling the action as to Plaintiffs and all Settlement Class Members.
- Upon the Effective Final Settlement Date and payment by Defendant to the Settlement Administrator of the full Gross Settlement Amount and Employers’ Taxes necessary to effectuate the Settlement, Plaintiffs and all Participating Class Members waive, release, discharge, all claims against the Released Parties asserted in the Action or any and all claims that could be asserted against the Released Parties based on the factual allegations in the Action as follows: The “Released Claims” are those claims alleged in the operative Complaint, or that reasonably could have been alleged based on the facts and claims asserted in the Complaint, and arising during the Class Release Period, specifically including, claims under Labor Code sections 226, 226.7, 203, 204, 210, 510, 512, 1194, 1197, 1198 and Sections 3, 11 and 12 of the applicable IWC Wage Order, as well as any civil penalty claims predicated on the claims alleged in Plaintiffs’ Complaint and arising during the Class Period. The Release Period shall be the Class Period.
- For Aggrieved Employees, and, to the extent permitted by law, the State of California, the release includes for the duration of the PAGA Period, all claims for civil penalties for the Class Released Claims as well as those asserted in the PAGA Notice and alleged in the Operative Complaint, for PAGA civil penalties pursuant to Labor Code sections 2699 based on the Labor Code. The release also includes a release from the State of California (to the extent Plaintiffs are permitted to provide such a release for the State of California for the PAGA period) of all PAGA claims alleged in the Operative Complaint which occurred during the PAGA Period.”

- **If you do NOT exclude yourself from the Class by following the procedures set forth in this Notice, and the Court approves the proposed Settlement Agreement, you will be deemed to have entered into the release of Released Claims in the Settlement Agreement.**

V. What is my share of the settlement?

Your individual share of the settlement will be calculated based on the number of eligible pay periods you worked for Defendant during the Class and PAGA Periods. The PAGA Period is defined as the period from October 26, 2020 to July 1, 2022. According to Defendant's records:

Your eligible pay periods for the Non-PAGA Payment are [TOTAL WEEKS]. The estimate for your Non-PAGA Payment is [EST CLASS AMT].

Your PAGA eligible pay periods are [PAGA PAY PERIODS]. Your estimated PAGA Payment (in addition to the non-PAGA Payment) is [PAGA AMOUNT].

The records of the Settlement Administrator will be presumed correct. But, if you believe that you worked more pay periods during the pertinent time period, you may notify the Settlement Administrator of the specifics of your disagreement and provide any evidence that you believe supports you. You must also provide your full name, address, and last four digits of your social security number. You must also sign the document and submit it to the Settlement Administrator no later than July 31, 2023 by mail, email, or fax as follows: Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863, Telephone: (800) 523-5773.

The Settlement Administrator will evaluate any information and evidence you timely submit, and may decide to use dates or data different from Defendant's records. The Settlement Administrator will jointly work with Plaintiffs and Defendant to resolve the dispute in good faith. However, the court ultimately will decide any unresolved issues.

VI. How do I receive a payment?

Any Class Member who wishes to be considered for any payment under this settlement does not need to do anything. If you do not elect to exclude yourself from the Settlement Agreement and are deemed an eligible Class member, you will receive a payment should the settlement become final. If you are a member of the Class and you move or change your address, and you want to receive your settlement benefits at your new address, you must send a notice of your change of address to Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863, Telephone: (800) 523-5773 Facsimile: (949) 209-2503.

VII. Who represents the Class?

The Court has designated Plaintiffs Martha Cervantes as Successor in Interest for Juan Centeno, Javier Vasquez, And Luis Gonzalez to serve as Class Representative in this lawsuit. The attorneys and law firms that serve as Class Counsel are Farrah Mirabel of Law Offices of Farrah Mirabel, P.C. and Amir Seyedfarshi of Employment Rights Law Group, APC. Class Counsel can be reached as follows:

Farrah Mirabel, fmesq@fmirabel.com, Law Offices of Farrah Mirabel, 1070 Stradella Road, Los Angeles, California 90077, (714) 747-4447
Amir Seyedfarshi, amir@employmentrightslawgroup.com, Employment Rights Law Group, APC, 6380 Wilshire Blvd., Suite 1602, Los Angeles, California 90048, (424) 777-0964

VIII. What are the reasons for the settlement?

Class Counsel agreed to enter into the proposed Settlement Agreement after weighing the risks and benefits to the Class of settlement compared with those of continuing the litigation. The factors that Class Counsel considered included the uncertainty and delay associated with continued litigation, a trial and appeals, and the uncertainty of particular legal issues that have yet to be determined. Class Counsel balanced these and other substantial risks in determining that the proposed Settlement Agreement is fair, reasonable, and adequate in light of all circumstances and in the best interests of Class Members.

Defendant agreed to the proposed Settlement Agreement to avoid the expense and distraction associated with lengthy litigation, and to allow it to focus on continuing to provide quality service to its students.

IX. What are my rights and options?

A. First, you may remain a member of the Class, represented by Class Counsel, and take no further action. If you take no further action as a Class Member, you will be represented by Class Counsel but will have the right to receive your share of the settlement proceeds. If the Settlement Agreement is approved by the Court, you will be bound by the terms of the Settlement Agreement which will result in a release of the Released Claims. As a member of the Class, you will not be charged for the services of Class Counsel.

B. Second, you may remain a member of the Class but elect to hire your own attorney to represent you. If you do not wish to be represented by Class Counsel, you may hire your own attorney. Even though your own attorney represents you, you will continue to be a Class Member. You will be responsible for any attorneys' fees and costs charged by your attorney.

C. Third, you may exclude yourself from the Class. If you are a member of the Class but do not want to remain in the Class, you may exclude

yourself (“opt out”). If you exclude yourself from the Class, you will lose any right to participate in the settlement including any right to receive a settlement payment. You will also lose the right to have objections you might have to the Settlement Agreement considered by the Court before it rules on the Settlement Agreement. You will be free to pursue any claims you may have against Defendant on your own behalf subject to applicable statute of limitations, but Class Counsel will not represent you. If you **do not** wish to take part in the settlement, you may exclude yourself (i.e., opt-out) by sending to the Settlement Administrator a “Request for Exclusion from the Class Action Settlement” letter/card, attached to this form postmarked no later than July 31, 2023, with your name, address, telephone number, and signature. Exclusion requests made be made by mail, email, fax, or other forms of electronic transmission. The Request for Exclusion should state:

Send the Request for Exclusion directly to the Settlement Administrator at the following address **by no later than July 31, 2023**:

Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863, Telephone: (800) 523-5773, <https://www.phoenixclassaction.com/centeno-v-ronco-plastics>

If you do not comply with these procedures and the deadline for exclusions, you will lose any opportunity to exclude yourself from the Class, and your rights will be determined in this lawsuit by the Settlement Agreement if it is approved by the Court.

D. Fourth, you may remain a member of the Class, and on your own behalf, or through your own attorney, object to the certification of the Class, to the Settlement Agreement, to the Application for Attorneys’ Fees and Costs, and/or to the Application for Service Award.

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason may object to the proposed Settlement, the Class Counsels’ attorney’s fees and costs, and/or the Class Representative Enhance Payment, either in writing or in person. Objections that are in writing and must state (1) the case name (e.g. *Martha Cervantes et al. v. Ronco Plastics, Inc., et al.*) and case number 30-2022-01241548-CU-WT-CXC; (2) the objecting person’s or his/her attorneys’ full name, address, and telephone number; (3) the words “Notice of Objection” or “Formal Objection;” (4) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (5) list identifying witness(es) the objector may call to testify at the Final Approval Hearing; (6) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval Hearing; (7) state whether the objection applies only to the objector, to a specific subset of the Class, or to the entire Class; and (8) state whether the objector or his/her attorneys will attend the Final Approval Hearing.

All written objections must be mailed to the Settlement Administrator at Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863, Telephone: (800) 523-5773, no later than July 31, 2023.

Alternatively, Class Members may appear at the Final Approval Hearing on August 24, 2023 at 10:00 a.m. to make an oral objection without submitting a written objection.

To object to the Settlement, you must not opt out, and if the Court approves the Settlement despite your objection, you will be bound by the terms of the Settlement in the same way as Class Members who do not object and you will still be mailed a check for your Individual Settlement Payment. Any Class Member who does not object in the manner provided in this Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

X. When is the court hearing and what is it for?

On August 24, 2023, the Court will hold a public hearing in Department CX105 of the Superior Court for the State of California, County of Orange, Court Civil Complex Center, 751 W. Santa Ana Blvd., Santa Ana, CA 92701, for the purposes of determining whether the proposed Settlement Agreement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel’s applications for attorneys’ fees and costs, whether to approve the payments to the LWDA, and whether to approve Plaintiffs’ requests for a service award. This hearing may be continued or rescheduled by the Court without further notice. If you are interested in participating in the Final Approval Hearing, you should confirm the date and location by contacting Class Counsel. Class Members who support the proposed Settlement Agreement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement Agreement are not required to attend the Final Approval Hearing.

XI. Where can I get more information?

If you have questions about this Notice or the Settlement Agreement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you should contact the Settlement Administrator (contact information listed in Section V), for more information or to request that a copy of this Notice be sent to you in the mail. If you wish to communicate directly with Class Counsel, you may contact them – contact information noted above in Section VI. You may also seek advice and guidance from your own private attorney at your own expense, if you so desire.

This Notice is only a summary. The pleadings and other records in this litigation may also be examined at the Office of the Clerk of the Orange County Superior Court, 700 Civic Center Drive West, Santa Ana, CA 92701. You must make an appointment to view documents at the Office of the Clerk. Additional information is also available through the Court’s online system at <https://www.occourts.org/online-services/case-access/> by searching using the case number. A copy of the Final Judgment will be posted on the Settlement Administrator’s website. Documents about the case, including the Settlement Agreement, can be obtained from Class Counsel.

PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR DEFENDANT FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.

REQUEST FOR EXCLUSION FORM

**Martha Cervantes as Successor in Interest for Juan Centeno, Javier Vasquez, And Luis Gonzalez V. Ronco
Plastics Inc.**

Superior Court of the State California, County of Orange
Case No. 30-2022-01241548-CU-WT-CXC

YOU DO NOT HAVE TO COMPLETE THIS FORM TO PARTICIPATE IN THE SETTLEMENT.

ONLY RETURN THIS FORM IF YOU WANT TO OPT OUT AND EXCLUDE YOURSELF FROM THE SETTLEMENT.

If you wish to be Opt Out and be excluded from the above-captioned lawsuit pending against Defendant Ronco Plastics Inc. you must mail this “Request for Exclusion Form” to the Claims Administrator, at the address below, requesting to be excluded from the Settlement. To be considered valid, your Request for Exclusion Form must be signed by you and contain your name and address. To be considered timely, your Request for Exclusion Form must be postmarked no later than **July 31, 2023**. Late Request for Exclusion will not be considered.

If you file a timely and valid “Request for Exclusion Form”, you will no longer be a member of the Class, and you will not be eligible to receive money under the Settlement or object to the terms of the Settlement. However, you will not be bound by the terms of the Settlement, and may pursue any claims you may have, at your own expense, against Defendant(s).

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE MARTHA CERVANTES AS SUCCESSOR IN INTEREST FOR JUAN CENTENO, JAVIER VASQUEZ, AND LUIS GONZALEZ V. RONCO PLASTICS INC. OF CALIFORNIA LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT HAVE. I UNDERSTAND THAT EVEN IF I EXCLUDE MYSELF FROM THE CLASS SETTLEMENT, IF I WORKED FOR RONCO PLASTICS INC. BETWEEN OCTOBER 26, 2020 to JULY 1, 2022 (PAGA PERIOD), I WILL BE PART OF THE PAGA SETTLEMENT AND WILL RECEIVE A PRO RATA PORTION OF THE PAGA PAYMENT, AND WILL BE BOUND BY THE RELEASE OF CLAIMS FOR CIVIL PENALTIES UNDER THE PAGA.”

Dated: _____

(signature)

(typed or print name)

(address)

(telephone number)

(last four digits of social security number)

If you exclude yourself, mail the completed form by July 31, 2023 to:

RONCO PLASTICS, INC.
c/o Phoenix Settlement Administrators, Inc.
P.O. Box 7208, Orange, CA 92863