

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN BERNARDINO**

AMY WOODS, JOSHUA FROST, JORDAN KNOWLES, on behalf of themselves and all others similarly situated, and on behalf of the general public,

Plaintiffs,

v.

F&B INNOVATIONS, LLC, a California limited liability company, and DOES 1 through 10, inclusive,

Defendants.

CASE NO. CIVDS1717765

*Assigned to the Honorable Wilfred J. Schneider, Jr., Dept. S32*

**CLASS ACTION**

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT AND FINAL HEARING**

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT**

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

**WHY DID YOU RECEIVE THIS NOTICE?**

This notice explains a proposed settlement of a class action lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the class on whose behalf this class action lawsuit has been brought.

**WHAT IS THIS LAWSUIT ABOUT?**

On September 25, 2017, plaintiffs Amy Woods, Joshua Frost, and Jordan Knowles (“Plaintiffs”) filed this lawsuit in the San Bernardino County Superior Court. The Lawsuit alleges violations of the California Labor Code. The Lawsuit seeks to certify a class of all persons employed by F&B Innovations, LLC in California between June 23, 2016 and September 13, 2017, but excluding those individuals who have received payments as the result of release agreements they executed with Defendant (the “Settlement Class”). The lawsuit alleges that members of the Settlement Class were not paid all wages and gratuities due, were not provided proper meal breaks and rest periods, were not issued accurate wage statements, were not issued proper paychecks, incurred charges when attempting to cash their paychecks, and were not paid their wages timely during the course of employment and at the separation of employment. It seeks recovery of wages, damages, restitution, statutory and civil penalties, attorneys’ fees and costs. Defendant denies all of the material allegations in the Lawsuit. Defendant denies that it denied any wages to any employees. The lawyers for the parties are:

Plaintiffs' Attorneys

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Alex P. Katofsky, Esq.  
GAINES & GAINES, APLC  
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Defendant's Attorneys

Ronald W. Novotny, Esq.  
Jonathan Judge, Esq.  
ATKINSON, ANDELSON, LOYA,  
RUUD & ROMO, APLC  
12800 Center Court Drive South, Suite 300  
Cerritos, California 90703

Zachary J. Sempers, Esq.  
LAW OFFICE OF ZACHARY SEMPERS  
22287 Mulholland Hwy, Suite 71  
Calabasas, CA 91302

**SUMMARY OF THE SETTLEMENT**

**A. Why is there a Settlement?**

The Court did not decide in favor of Plaintiffs or Defendant. Plaintiffs believe they would have prevailed on their claims at a trial. Defendant does not believe that Plaintiffs would have won anything from a trial. But there was no trial. Instead, both sides agreed to a settlement. That way, they all avoid the costs, risks, and uncertainty of a trial, and the people affected will get compensation. Plaintiffs and Plaintiffs' Attorneys think the settlement is fair, reasonable and adequate and in the best interests of all Class members.

**B. Who is in the Settlement Class?**

The Settlement encompasses a class comprised of all persons employed by F&B Innovations, LLC in California at any time between June 23, 2016 and September 13, 2017 (the "Class Period"), but excluding those individuals who have received payments as the result of release agreements they executed with Defendant.

**C. What does the Settlement provide?**

1. Gross Settlement Amount.

Defendant will pay the sum of \$450,000 (the "Maximum Settlement Amount"), less certain credits, to settle the lawsuit. The following sums will be paid from the Maximum Settlement Amount: (1) \$15,000 to the California Labor and Workforce Development Agency; (2) Class Counsel's attorneys' fees in an amount set by the Court not to exceed \$157,500 and Class Counsel's documented litigation costs in an amount set by the Court not to exceed \$10,000; (3) service payments to the Class Representatives set by the court, not to exceed \$7,000 each for their service in the Action; (4) a reasonable amount set by the Court to the settlement administrator for administering the settlement, not to exceed \$30,000; and (5) employer payroll taxes due on wage payments paid to Class Members under the settlement. The amount of the Maximum Settlement Amount remaining after these payments is the "Net Settlement Proceeds." The Net Settlement Proceeds will be credited in the amount of \$30,000, which shall not be paid by Defendant, accounting for previous payments made by Defendant to certain individuals who received compensation in exchange for entering into release agreements with Defendant.

2. Individual Payment Amount.

Your share of the Net Settlement Proceeds will be determined by the formula detailed in section E below.

**D. What are you giving up to get a payment or stay in the Class?**

Upon the Effective Date, and subject to Defendant's deposit of the Maximum Settlement Amount with the Settlement Administrator, Plaintiffs and each Class Member who has not submitted a timely and valid Request for Exclusion hereby forever and completely releases and discharges F&B Innovations, LLC and its past, present, and/or future, direct and/or indirect officers, directors, employees, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, and/or assigns, employers, agents, representatives, executors, shareholders, including their respective pension, profit sharing, savings, health, and other employee benefit plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees and fiduciaries ("Released Parties") from any and all claims asserted in the Complaint, or which could have been asserted in the Complaint based on the factual allegations set forth therein, whether known or unknown, suspected or unsuspected, for all periods of time during which they were employed in California during the Class Period. This includes all claims for unpaid minimum wages and tips, unpaid overtime, meal and rest period premiums/wages, recordkeeping violations, and penalties in violation of Labor Code sections 201, 201.3, 202, 203, 204, 210, 212, 225.5, 226, 226.7, 351, 510, 512, 558, 1194, 1194.2, and 2698 *et seq.*, Industrial Wage Commission Wage Order 5-2001, and Business and Professions Code section 17200 ("Released Claims"). The Released Claims as to the Private Attorneys' General Act (PAGA) and the Unfair Competition Act (Business and Professions Code section 17200) shall be limited to violations derivative of the underlying claims in the Action. The Released Claims encompass damages, restitution, interest, waiting time penalties, punitive damages, attorneys' fees, costs, or any other form of relief whatsoever.

The Class Members, including the Named Plaintiffs, shall be deemed to have acknowledged and agreed that their claims for wages and/or penalties and/or any other recovery in this Class Action are disputed, and that the payments to them set forth in this Agreement constitute payment of all sums allegedly due to them from the Class Action. The Class Members, including the Class Representative, shall be deemed to have acknowledged and agreed that California Labor Code section 206.5 is not applicable to any such payments. That section provides in pertinent part as follows: "No employer shall require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made." Each Class Member subject to the Released Claims shall be deemed to have made the foregoing Release as if by manually signing it.

The participating Class Members are deemed by operation of the Order Granting Final Approval to have agreed not to sue or otherwise make a claim against any of the Released Parties for any Released Claims.

The Released Claims above do not include a release of *all* your rights you have as an employee or former employee of Defendant. The Released Claims are specifically limited to the claims set forth above.

**E. How is my share of the Settlement calculated?**

Each participating claimant (those who do not opt out of the Settlement) shall receive an Individual Payment Amount, which is a share of the Net Settlement Proceeds. Net Settlement Proceeds is calculated by deducting attorneys' fees and costs, Settlement administration costs, the enhancement

payment to the Class Representative, the LWDA's share of the PAGA penalty payment from the Maximum Settlement Amount, employer payroll taxes due on wage payments under the Settlement, and the \$30,000 credit for payments previously made to employees to release claims alleged in the Lawsuit.

Based on its records, Defendant will determine the total workweeks worked by each Class Member while employed in California during the Class Period (for each, their "Individual Workweeks").

To compute the Individual Payment Amount to be paid to each Class Member who does not exclude him or herself from the Settlement, the Net Settlement Proceeds will be multiplied by a fraction, the numerator of which is the Individual Workweeks of each respective Class Member and the denominator of which is the aggregated Individual Workweeks of all Class Members who do not exclude themselves from the Settlement.

Each Class Member who does not opt out of the Settlement shall be paid an Individual Payment Amount.

For tax purposes, twenty percent (20%) of each Individual Payment Amount shall be for wages, for which an IRS Form W-2 shall be issued and withholdings shall be made; thirty percent (30%) shall be for interest, for which an IRS Form 1099 shall be issued and no withholdings will be made; and fifty percent (50%) shall be for penalties, for which an IRS Form 1099 shall be issued and no withholdings shall be made. All settlement payments to Class Members will be subject to any applicable wage garnishments, liens, or other legally mandated treatment as required by law.

**According to the records of Defendant, your Individual Workweeks during the Class Period are equal to <<Weeks>>. Based on this number, your estimated Individual Payment Amount is \$<<Est.SettlementAmt>>. This amount is subject to change based on the final ruling of the Court.**

Please be advised that the amount of Individual Workweeks listed above is presumed to be correct unless you submit documentation proving otherwise. If you disagree with the Individual Workweeks listed above, you must submit an explanation and evidence of your proffered Individual Workweeks to the Settlement Administrator no later than **March 19, 2018**. In the event of a dispute about the correct amount of Individual Workweeks you earned, the Settlement Administrator will resolve the challenge with input from the Defendant and will make a final and binding determination without hearing or right of appeal by you.

### **THE SETTLEMENT HEARING**

The Court will conduct a final fairness hearing regarding the proposed settlement (the "Final Settlement Hearing") on **April 16, 2018**, at **8:30 a.m.**, in Department S32 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. The Court will determine: (i) whether the lawsuit should finally be certified as a class action for settlement purposes; (ii) whether the settlement should be given the Court's final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members; (iii) whether the Settlement Class Members should be bound by the terms of the settlement; (iv) the amount of the attorneys' fees and costs to be awarded to Plaintiffs' Attorneys; and (v) the amount that should be awarded to each of the Plaintiffs as a service payment. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

## **WHAT ARE YOUR OPTIONS?**

- **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

**IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE.** If you move, you must update your address with the Settlement Administrator. If you disagree with the amount of Individual Workweeks indicated in section E above, then you must submit an explanation and/or documentation to the Settlement Administrator to justify your position, postmarked no later than **March 19, 2018**. The Settlement Administrator's address is **F&B Innovations Settlement Administrator, c/o ILYM Group, Inc., P.O. Box 2031, Tustin, CA 92781**.

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Settlement Hearing, you may object to the proposed settlement in writing. If you object in writing, you may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator at **F&B Innovations Settlement Administrator, c/o ILYM Group, Inc., P.O. Box 2031, Tustin, CA 92781**. Objections must be postmarked no later than **March 19, 2018**. Late objections will not be considered.

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself (“opt out”) from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement. You will not be bound by a judgment in this case and you will have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. You can opt out of the Class by completely filling out and mailing the enclosed Request for Exclusion Form to the Settlement Administrator at the above-stated address, such that it is postmarked no later than **March 19, 2018**.

## **ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?**

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed “Settlement Agreement and Release of Claims” which is on file with the Clerk of the Court. The pleadings and other records in the Lawsuit may be examined at any time during regular business hours at the Office of the Clerk of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415.

**IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS**, you may contact the Settlement Administrator at **Innovations Settlement Administrator, c/o ILYM Group, Inc., P.O. Box 2031, Tustin, CA 92781, (888) 250-6810** or Class Counsel at (866) 550-0855, or online at **[www.ilymgroupclassaction.com](http://www.ilymgroupclassaction.com)**. Please refer to the F&B Innovations Class Action Settlement.

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.

**BY ORDER OF THE SUPERIOR COURT OF  
THE STATE OF CALIFORNIA**