

**NOTICE OF PROPOSED CLASS AND REPRESENTATIVE ACTION SETTLEMENT
AND FINAL APPROVAL HEARING**

This is a court authorized this notice. This is not a solicitation.

This is not a lawsuit against you, and you are not being sued.

However, your legal rights are affected by whether you act or don't act.

TO: All former California hourly nonexempt employees employed by Defendant First Mainsail, Inc. and who worked at least one (1) pay period at any time from July 7, 2016 to March 16, 2020 (“Class Members”).

You are receiving this notice as a result of a lawsuit brought as a putative class and representative action commenced on July 7, 2020, by Tanea Maldonado (“Plaintiff”), against First Mainsail, Inc. dba Primavera Ristorante and Jeannette Stavros (“Defendants”). The case is currently pending in the San Diego County Superior Court, Case No. 37-2020-00023369-CU-OE-CTL (the “Action”). Based on information in Defendant First Mainsail, Inc.’s records, you may be a Class Member whose legal rights will be affected by this proposed Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS AND REPRESENTATIVE ACTION SETTLEMENT.

PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

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1. Why Have I Received This Notice?

Defendant’s records indicate that you previously worked for Defendant as an hourly non-exempt employee in California. The settlement will resolve all Class Members’ claims described below during the Class Period, which covers July 7, 2016 through March 16, 2020.

A Preliminary Approval Hearing was held on January 14, 2022, in the San Diego County Superior Court, California. The Court conditionally certified the Class for settlement purposes only and ordered that you be sent this Notice.

This Notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement (“Stipulation of Settlement and Release” or “Settlement Agreement”) available at the website related to this Action, located at www.ilymgroupclassaction.com (the “Website”), by contacting class counsel for Plaintiffs, whose contact information is located below at paragraph 5, by accessing the Court docket in this case through the Court’s website <https://www.sdcourt.ca.gov>, or by visiting the office of the Clerk of the Court for San Diego County Superior Court, located at 330 W. Broadway, San Diego, CA 92101. Any terms used in this Notice will have the same meaning as set forth in the Stipulation of Settlement and Release.

The Court will hold a Final Approval Hearing to determine whether the proposed Settlement is fair, reasonable and adequate on July 1, 2022, at 8:30 a.m., in Department C-65 of San Diego Superior Court, located at 330 W. Broadway, San Diego, CA 92020. If you wish to be heard at the Final Approval Hearing, you must submit a timely and valid objection to the settlement as set forth in Section 8 below or appear at the hearing to state your objection.

This date may change without further notice to the Class Members. You are advised to confirm the hearing date remains as scheduled, by checking the Website, located at www.ilymgroupclassaction.com, or the Court’s website at www.sdcourt.ca.gov, by clicking on “civil” then “view a case file,” then entering “37-2020-23369” as the case number.

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

2. What Is This Action About?

This putative class and representative Action involves claims against Defendants for alleged violations of wage and hour laws brought by Named Plaintiff Tanea Maldonado, on behalf of herself and all other Class Members. Named Plaintiff alleged that Defendants failed to pay minimum wages, failed to pay wages at the agreed rate, failed to provide meal and rest periods, failed to pay overtime, failed to pay wages upon termination, failed to provide accurate wage statements, violated the California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200, *et seq.*) and seeks to recover penalties under the Private Attorneys General Act (“PAGA”) (Cal. Lab. Code § 2698 *et seq.*).

Defendants deny all factual and legal allegations made by Named Plaintiff, individually and on behalf of Class Members, in the Action and denies liability for any wrongdoing with respect to the alleged facts or causes of action asserted in the Action and asserts that its pay practices at all times complied with the law.

3. Am I A Class Member?

You may be Class Member if you are a former nonexempt hourly employee who was employed by Defendant First Mainsail, Inc. in California at any time from July 7, 2016, to March 16, 2020 (“Class Members”).

4. How Does This Class Action Settlement Work?

In this Action, Named Plaintiff sued on behalf of herself and other employees of Defendants who worked at any time during the Class Period for Defendant First Mainsail, Inc. Nonexempt hourly employees of First Mainsail, Inc. who worked in California at any time from July 7, 2016, to March 16, 2020 comprise a “Class” and members of that Class are “Class Members.” As discussed in Section 9 below, the proposed settlement of this Action resolves the claims of all Class Members, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

The Court did not decide in favor of Plaintiffs or Defendants and the decision to certify the agreed-upon Class for settlement purposes should not be viewed as a prediction or agreement that Plaintiff or the Class would ultimately prevail on the merits of the action. **Instead, both sides voluntarily agreed to resolve the Action with no decision or admission of who is right or wrong** and the Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. As part of the settlement, Plaintiffs and Defendants agreed to conditionally

certify the Class with respect to all of the claims Plaintiffs alleged against Defendants as a class and representative action, for settlement purposes only and to ask the Court to approve the settlement. By agreeing to resolve the Action, all parties avoid the risks and cost of a trial. The Settlement is the result of good faith negotiations between Named Plaintiff and Defendants, through their respective attorneys. Named Plaintiff and the attorneys believe the settlement is fair and reasonable.

Defendants expressly deny the allegations of wrongdoing and violations of law alleged by Named Plaintiff and the Class and further denies any liability whatsoever to Named Plaintiff or to the Class. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the lawsuit or that the lawsuit can or should proceed as a class action or PAGA action. Defendants are settling the Action as a compromise of these claims.

The Court file has the settlement documents which explain the settlement in greater detail. The Court must review the terms of the settlement and determine if it is fair and reasonable to the Class Members.

5. Who Are the Attorneys Representing the Parties?

<p><u>Attorneys for Plaintiffs:</u></p> <p>RIST LAW OFFICE Thomas A. Rist 2221 Camino Del Rio S. #300 San Diego, CA 92020 (619) 840-2506 tom@helpwv.com</p> <p>NAKASE LAW FIRM, INC. Brad Nakase 2221 Camino Del Rio South, Suite 300 San Diego, CA 92108 (619) 550-1321 brad@nakaselawfirm.com</p>	<p><u>Attorneys for Defendants:</u></p> <p>SCHOR VOGELZANG & CHUNG, LLP Julie Vogelzang 2170 Fourth Avenue San Diego, CA 92101 (619) 906-2400 julie@svclegal.com</p>
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The Court has decided that Rist Law Office, LC and Nakase Law Firm, Inc. are qualified to represent you and all other Class Members simultaneously.

You do not need to hire your own attorney because Plaintiffs’ Counsel is working on your behalf. But, if you want your own attorney, you may hire one at your own expense.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: *Defendants will not retaliate against you in any way for either participating or not participating in this Settlement.*

- **DO NOTHING:** To receive a Settlement Award check, you do not have to do anything. If you do not expressly request to be excluded, i.e., “Opt Out,” from the settlement, you will be a Settlement Class Member and will receive your share of the settlement monies. The amount you receive (“Settlement Award”) will be based upon your total pay periods/workweeks employed by Defendant First Mainsail, Inc. By not requesting to exclude yourself from the settlement, in addition to being able to receive your share of the settlement monies, you will release the Released Claims against the Released Parties as set forth in Section 9 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may “Opt Out,” which will remove you from the Class and this Action. If the Court grants final approval of the Settlement, you will not

receive a Settlement Award, except for your share of PAGA penalties, and you will not give up the right to sue Defendants for the Released Claims, except for the released PAGA claims.

- **OBJECT:** If you are a Settlement Class Member (meaning you did not Opt Out of the Settlement), you can ask the Court to deny approval by filing an objection. You can't ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the Action will continue. If that is what you want to happen, you must object. If you would like to object, you must not opt out of this settlement.

The procedures for opting out and objecting are set forth below in the sections entitled "How Do I Opt Out or Exclude Myself From This Settlement?" and "How Do I Object To The Settlement?"

7. *How Do I Opt Out or Exclude Myself From This Settlement?*

If you want to exclude yourself from this settlement, except for your share of the PAGA penalties and the release of PAGA claims, you must sign and mail a written Request for Exclusion that was included with this Notice to the Settlement Administrator within 60 calendar days from the date of the mailing of this Notice. The written request must: (a) state the name of the Action, (b) state your name (and former names, if any), address, telephone number, and the last four (4) digits of your Social Security Number; (c) state that "I wish to be excluded from the Settlement of this case, Tanea Maldonado v. First Mainsail, Inc. *et al.*, Case No. 37-2020-00023369-CU-OE-CTL. I understand that by requesting to be excluded from the Settlement, I will receive no money from the class portion of the Settlement."; (d) be addressed to the Settlement Administrator at ILYM Group, Inc., P.O. Box 2031, Tustin, CA 92781; (e) be signed by you; and (f) be postmarked no later than April 12, 2022.

If you submit a valid and timely Request for Exclusion in compliance with the procedure above, you will no longer be a member of the Class, and you will not receive a class portion of the Settlement Award. By opting out of the Class, you will retain whatever rights or claims you may have against Defendants for the Released Claims as defined in Section No. 9 below, except you will be legally bound by the release of Release Claims that arise under the PAGA, and any monies to which you would have been entitled under the Settlement will be distributed to the rest of the participating Class Members proportionately.

The Final Judgment entered following final approval of the Settlement by the Court will bind all Class Members who do not request exclusion from the class action settlement. Class Members who fail to submit a valid and timely request for exclusion on or before April 12, 2022 will be bound by all terms of the Settlement and any final disposition entered if the Settlement is approved by the Court. If more than 5% Class Members request exclusion, Defendants have the option to void the entire Settlement.

8. *How Do I Object To The Settlement?*

If you are a Settlement Class Member (meaning you did not opt out of the Settlement), you may object to the Settlement in writing. If you object to the Settlement according to the procedure below, you may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your attorney, you are responsible for paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number, (b) be mailed to the Settlement Administrator at ILYM Group, Inc., P.O. Box 2031, Tustin, CA 92781, and (c) be postmarked on or before April 12, 2022.

In addition, your objection should (a) state your full name, address, and telephone number; (b) include the words "Notice of Objection" or "Formal Objection"; (c) describe the legal and factual arguments supporting the objection; (d) list identifying witness(es) you may call to testify at the fairness hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the hearing. It should also be signed by you and clearly state the basis for your objection.

Again, to be valid and effective, any objections must be mailed to the Settlement Administrator, and postmarked on or before April 12, 2022. Late objections will not be considered. An objection form has been included with this Notice for you to use.

If the Court rejects the objection, you will automatically receive a Settlement Award and will be bound by the terms of the Settlement.

9. How Does This Settlement Affect My Rights? What are the Released Claims?

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not request to be excluded from the Settlement will be bound by the Court's Final Judgment and will release Defendants and their past, present, and/or future parent corporations, subsidiaries, divisions, and affiliates, related companies, successors and assigns and each of their respective past, present and future officers, directors, employees, partners, shareholders, operators, principals, owners, heirs, representatives, accountants, auditors, consultants, benefit plans, insurers and reinsurers, representatives, attorneys, and agents (the "Released Parties") from the Released Claims. These Released Claims are as follows:

A. Released Claims.

"Released Claims" means all claims stated in the First Amended Complaint and all claims, rights, demands, liabilities, and causes of action of any nature or description arising from the facts alleged in the First Amended Complaint in the Action, or as reasonably could have been pleaded based on the factual allegations pleaded in the First Amended Complaint in the Action that accrued during the Class Period. These claims include but are not necessarily limited to, 1) Failure to Pay Minimum Wages (Cal. Labor Code 1194); 2) Failure to Pay Wages at the Agreed Upon Rate (Cal Labor Code § 223); 3) Failure to Provide Meal Breaks (Cal. Labor Code §§226.7 and 512, and IWC Wage Order No. 5, §11); 4) Failure to Provide Rest Breaks (Cal. Labor Code §§226.7 and 516, and IWC Wage Order No. 5, §12); 5) Failure to Pay Overtime (Cal. Labor Code § 1194 and IWC Wage Order No. 5); 6) Failure to Pay Compensation at Time of Termination (Cal Lab. Code §§ 201-203); 7) Failure to Provide Accurate Itemized Wage Statements (Cal. Labor Code §226(a) and IWC Wage Order No. 5, §7); 8) Unfair and Unlawful Business Practices (Cal. Bus. & Prof. Code § 17200 *et seq.*); 9) Civil Penalties under PAGA (Cal. Lab. Code §2698 *et seq.*) 10) any penalties, liquidated damages, restitution, disgorgement, civil penalties, statutory penalties, taxes, interest, attorneys' fees, or litigation costs derived from the above alleged claims. Notwithstanding the above, the release excludes any claims not specifically alleged in the First Amended Complaint. The Released Claims include a release of any federal Fair Labor Standards Act, 29 U.S.C. §§ 201 *et seq.* ("FLSA") claims that could be asserted based on the facts alleged in the First Amended Complaint in the Action. The Parties acknowledge that under this release, the right of the LWDA to investigate the released PAGA claims is not released, but Released Claims do include any claims for penalties by a Settlement Class Member as a result of any such LWDA investigation.

This release of these claims pertains to the Class Period.

All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released Claims arising under PAGA with respect to all of the Released Parties irrespective of whether the Class Member submits a request for exclusion.

10. How Much Can I Expect to Receive From This Settlement?

Defendants will pay, subject to Court approval, a Gross Settlement Amount of \$70,000 to cover: (1) the Settlement Award to all Settlement Class Members; (2) the Service Award to Named Plaintiff Tanea Maldonado in an amount up to \$5,000.00 for prosecution of the Action, risks undertaken for the payment of attorneys' fees and costs, and a general release of all claims; (3) the Settlement Administration Costs to the Settlement Administrator, ILYM Group, in an amount up to \$5,000.00; (4) Attorneys' Fees and costs in an amount up to \$28,331 for Plaintiff's attorneys' fees, costs and expenses; (6) an allocation of \$5,000 for resolution of Plaintiff's claim for penalties under PAGA, \$3,750 of which will be paid to the Labor Workforce and Development Agency ("LWDA").

After deducting items 2-6 above, the remaining sum, estimated at \$27,919, ("Net Settlement Fund"), shall be distributed to all Settlement Class Members in the following manner:

The Settlement Administrator shall calculate the total number of workweeks worked by all Class Members for First Mainsail, Inc. in the Class Period. The Settlement Administrator will then divide \$27,919 by the total number of workweeks, resulting in a Per Workweek Value. The Settlement Administrator will then take the Per Workweek Value and multiply it by the number of workweeks worked by each Settlement Class Member. Your share of the PAGA penalties will be calculated pro rata based on the number of pay periods that you worked between July 7, 2019, and March 16, 2020 (the "PAGA Period"). Partial workweeks and pay periods will be rounded up to the closest whole number. The Settlement Award will be apportioned as twenty percent (20%) wages, forty percent (40%) interest, and forty percent (40%) penalties. If you opt out of the class claims portion of the Settlement, then your share of PAGA penalties will be apportioned 100% as penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported

on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member's settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099. The number of weeks you worked as an employee of Defendant First Mainsail, Inc. during the Class Period and the estimated aggregate amount you may expect to receive are shown in the enclosed Class Member Information Sheet.

It is strongly recommended that, upon receipt of your Settlement Award check, you immediately cash it or cash it before the 180-day void date shown on each check. All uncashed checks will be remitted to the Department of Industrial Relations where you can claim your money if the check remains uncashed.

If you believe the number of workweeks you worked as an employee during the Class Period is wrong, you must submit an explanation in writing describing why you believe the information is wrong, along with any supporting information and/or documentation. Your challenge, together with any supporting documentation, must be signed by you and delivered to the Settlement Administrator postmarked on or before April 12, 2022. Late information will not be considered.

11. How Will the Attorneys for the Settlement Class and the Named Plaintiff Be Paid?

The attorneys for the Named Plaintiff and the Settlement Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed \$28,331 in attorney fees, litigation costs and expenses.

The Named Plaintiff, Tanea Maldonado, will also be paid, subject to Court approval, an amount not to exceed \$5,000.00, as a Service Award for the initiation of and prosecution of this case, the risks undertaken for the payment of costs in the event this case had been lost, and a general release of all claims. The Service Award is in addition to any Settlement Award she will receive.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact any of the attorneys listed above, or the Settlement Administrator at the telephone number below, toll free. Please refer to the Maldonado v. First Mainsail Class Action Settlement. For more information, you can visit the website, located at www.ilymgrouppclassaction.com. This website contains links to important documents in this case, including this Notice, the Settlement Agreement, and any motions for Preliminary Approval and attorneys' fees filed in this Action.

This Notice does not contain all of the terms of the proposed settlement or all of the details of these proceedings. For more detailed information, you may refer to the documents posted on the website or the underlying documents and papers on file with the Court at the San Diego County Superior Court, located at 330 W. Broadway, San Diego, CA 92101.

12. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

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