

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

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

EDWARD GARCIA, individually and on behalf of all others similarly situated,

Plaintiff,

v.

REYES COCA-COLA BOTTLING, LLC, a Delaware limited liability company; and DOES 1 to 50,

Defendant.

CASE NO.: 19STCV36155

Assigned to Hon. Elihu M. Berle, Dept. 6

NOTICE OF PROPOSED CLASS ACTION RESOLUTION AND HEARING DATE FOR COURT APPROVAL

THIS NOTICE EXPLAINS YOUR POTENTIAL RIGHT TO RECOVER MONEY AS THE RESULT OF A SETTLEMENT OF A CLASS ACTION LAWSUIT AGAINST REYES COCA-COLA BOTTLING, L.L.C. (“DEFENDANT”) AND ALSO EXPLAINS HOW TO RECEIVE A SHARE OF THE SETTLEMENT PROCEEDS.

ACCORDING TO DEFENDANT’S RECORDS, YOU ARE A MEMBER OF THE CLASS ELIGIBLE TO PARTICIPATE IN THE SETTLEMENT.

YOU ARE NOT REQUIRED TO DO ANYTHING TO TAKE PART IN THE SETTLEMENT. IF YOU DO NOTHING, YOU WILL RECEIVE MONEY UNDER THE SETTLEMENT AND BE BOUND BY THE TERMS OF THE SETTLEMENT.

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 action lawsuit pending in the Superior Court of the State of California for the County of Los Angeles (the “Court”). This Notice is given by Order of the Court.

There is a class action lawsuit now pending before the Court, brought on behalf of all Defendant’s hourly employees in California during the period September 7, 2019 through November 1, 2019 (“Settlement Class Members”).

Plaintiffs Edward Garcia and Margie Nazario have alleged that Defendant violated California Labor Code Sections 201, 202, 203 and 204 for untimely wages, Sections 1194 and 1197 for failure to pay minimum wages, Sections 510 and 1198 for failure to pay overtime wages, Section 226 for failure to provide accurate wage statements, and unfair business practices based on the foregoing, in violation of Business & Professions Code Section 17200. Plaintiffs also allege they are owed unpaid wages, including overtime, under the Fair Labor

Standards Act (“FLSA”) for failure to pay minimum wage and overtime, and assert a claim under California Labor Code Sections 2698 *et seq.* for penalties under the California Labor Code Private Attorneys General Act (“PAGA”).

Who Are the Lawyers in this Case?

Attorneys for Plaintiffs and the Class:

Alan Harris, Esq.
David Garrett, Esq.
Min Ji Gal, Esq.
HARRIS & RUBLE
655 North Central Avenue, 17th Floor
Glendale, CA 91203
Phone: (323) 962-3777
law@harrisandruble.com

Attorneys for Defendant Reyes Coca-Cola Bottling, L.L.C.:

David D. Jacobson, Esq.
Reiko Furuta, Esq.
SEYFARTH SHAW LLP
2029 Century Park East, Suite 3500
Los Angeles, CA 90067

What Are The Terms of the Settlement?

Plaintiffs have entered into a settlement with Defendant (the “Settlement”). Defendant does not admit engaging in any unlawful conduct as alleged in this lawsuit. Defendant denies that it violated any laws, paid anyone improperly or that it owes money related to the claims alleged. Defendant is settling the matter as a compromise in order to avoid protracted litigation. Defendant reserves the right to object to any claim if for any reason the settlement is not approved by the Court. The Court file has the settlement documents with more information on the lawsuit.

The parties reached a settlement in the total amount of \$1,000,000 (“Gross Settlement Value”). Defendant’s total maximum liability, inclusive of all interest, costs, settlement payments to class members, incentive awards to the class representatives, administration expenses, and attorneys’ fees and costs, will thus not exceed \$1,000,000. However, the cost of a third party settlement administrator and the employer’s share of applicable payroll taxes will be paid for separately by Defendant. Eligible members of the Settlement Class may participate in the settlement. Class Members will not pay any out-of-pocket costs.

There was a hearing on the terms of the settlement on November 2, 2020, in the Superior Court of the State of California for the County of Los Angeles. The Court conditionally approved the settlement and conditionally certified a class action against Defendant and directed that you receive this notice. The Court has appointed the law firm of Harris & Ruble to be the lawyers for the class (“Class Counsel”) and has appointed Plaintiffs to be the Class Representatives.

What Payments Will Be Made From the Maximum Settlement Amount?

The Court has preliminarily approved the following amounts to be funded from the maximum settlement amount:

1. Fee and Cost Award for Class Counsel: Class Counsel will request attorneys’ fees in the maximum amount of \$333,300, which represents 33.33% of the maximum settlement amount. Class Counsel will also request reimbursement of litigation costs and expenses up to a maximum amount of \$35,000 but currently estimated not to exceed \$20,000. The Court will not determine the amount of fees and costs to be awarded to Class Counsel until the Final Approval Hearing. The Fee and Cost Award shall compensate Class Counsel for the work they have performed and the expenses they have incurred in this Action. Class Members are not personally responsible for any of Class Counsel’s attorneys’ fees and costs.

2. Incentive Award to the Class Representatives: Class Counsel will also seek an Incentive Award of no more than \$5,000 for each of the two Class Representatives, for their service acting as representative plaintiffs on behalf of the Settlement Class. This will be in addition to whatever payment each of them is otherwise entitled to as a class member. If approved by the Court, the Incentive Awards will be paid from the Gross Settlement Value for the Class Representatives' risk and service on behalf of the Settlement Class which included, among other things, collecting and reviewing documents, participating in conferences with Class Counsel, and performing other services of that nature.

3. Settlement Administration Costs: Settlement Administration Costs will be paid for outside of the \$1,000,000 Gross Settlement Value. Settlement Administration Costs, estimated to not exceed \$30,000, will be paid to the Settlement Administrator, Atticus Administration, for its services, including but not limited to distributing Class Notices to Class Members, calculating settlement awards Class Members, and distributing settlement awards.

4. PAGA Penalties: Defendants shall pay \$50,000 to settle claims brought under the Private Attorneys General Act ("PAGA"), Labor Code Section 2698 *et seq.* The PAGA payment shall be allocated as follows: \$37,500 (75%) to the California Labor & Workforce Development Agency ("LWDA"), and \$12,500 (25%) to participating Class Members as part of the Net Settlement Amount.

All of the foregoing payments are subject to final approval by the Court. The amount remaining after deduction of these items shall be the Net Settlement Value payable to Class Members who submit timely and valid claims.

What Claims Will I Release If I Do Not Opt-Out of the Settlement?

You will receive an Individual Settlement Payment divided into two checks. One check will represent payment for your FLSA claim and the other will represent payment for all other claims as listed above. With respect to the FLSA claim, Settlement Class Members who sign, cash or otherwise negotiate the FLSA Check, will be bound by the following release:

By operation of the entry of the Final Approval Order and judgment, and except as to such rights or claims as may be created by this Agreement, each Class Member, and each of their respective executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians, will release Reyes Coca-Cola Bottling, L.L.C. and the Released Parties of and from any and all claims, rights, demands, charges, complaints, causes of action, obligations, or liability of any and every kind, known or unknown, that were or could have been asserted in any version of the complaints filed in this Action or are based on or arise out of the facts alleged in any version of the complaints filed in this Action, including those for failure to pay all wages, including overtime wages, under the Fair Labor Standards Act, 29 U.S.C. Sections 206, 207, and 216 arising at any time between September 7, 2019 and November 1, 2019.

With respect to non-FLSA claims, if you do not Opt Out of the Settlement, the following release applies:

Upon final approval of the Settlement Agreement and payment of all sums due thereunder, and except as to the right to enforce the terms and conditions of the Settlement Agreement, all Settlement Class Members hereby fully release Defendant, all of its present and former members, parent companies, subsidiaries, affiliates, joint ventures, and licensees, and all of their shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them, (together "Released Parties") from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of action of whatever kind or nature, contingent or accrued, that were alleged or that reasonably could have been alleged based

on the facts alleged in the Action, as amended, that accrued in, or are related to payments and wage statements issued with respect to any hours worked by Class Members in the Settlement Period, under State and Federal law. This includes any reconciliation payments and wage statements issued during, or after, the Settlement Period. This release includes, without limitation, release of all claims under State or Federal law for alleged failure to pay minimum wage, failure to pay overtime, failure to timely pay all wages due, including overtime, liquidated damages, uncompensated time worked, claims for failure to provide accurate itemized wage statements, claims for failure to timely pay wages at end of employment, claims for unfair competition based upon any of the foregoing, and claims for penalties based on the foregoing under the California Labor Code Private Attorneys General Act. This Agreement is conditioned upon the release by all Settlement Class Members of any PAGA claim under Labor Code section 2699, as to the released claims set forth above. Except with respect to Settlement Administration Costs, the Parties stipulate that beyond the Gross Settlement Value, Defendant shall not owe any further monies to the Settlement Class or to the State of California based upon any claim made in the Action or in any complaint filed therein.

The Parties' intent in entering into this Settlement is to release Defendant and the Released Parties from any and all claims that arise from the claims alleged in the Action arising at any time between September 7, 2019 and November 1, 2019, and preclude Defendant from owing any further monies (beyond the payments set forth in this Settlement) to Settlement Class Members based upon the claims made, or that could have been made, based upon the allegations contained in the Action. This release excludes the release of any claims not permitted to be released by law.

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

Defendant made overpayments to some Class Members during the Settlement Period as a result of issues with its timekeeping system. Defendant agrees to not seek recovery of any such overpayments related to the cyber event, except that Defendant retains the right to seek recovery of overpayments as an offset in the event a Class Member sues Defendant, or in the event that Defendant discovers that a Class Member committed fraud or falsified information to obtain overpayments.

How is my Share of the Settlement Calculated?

Each Class Member who does not Opt Out shall receive an Individual Settlement Payment, which is a share of the Net Settlement Value (the Net Settlement Value is calculated by deducting the Attorneys' Fees and Costs, the Incentive Award to the Class Representatives, and the LWDA's share of the PAGA payment from the Gross Settlement Value). Your Individual Settlement Payment is the amount apportioned to you based on your days of employment in proportion to the total days of employment of all Settlement Class Members during the Settlement Class Period who have not submitted a valid Opt Out request.

Your Individual Settlement Payment consisting of two checks is estimated to total approximately **\$<<Estimated Award>>**, assuming no class members Opt Out.

For purposes of tax payment allocation, 80 percent of the payments to Settlement Class Members are for settlement of non-FLSA claims, and 20 percent of the payments to Settlement Class Members are for settlement of FLSA claims. With respect to the payments for non-FLSA claims, 5 percent is apportioned for settlement of unpaid wage claims, and 95 percent is apportioned to interest and penalties. With respect to the payments for FLSA claims, 5 percent is apportioned for settlement of wage claims, and 95 percent is apportioned to interest and liquidated damages.

Payments treated as wages shall be made net of all applicable required employee share of withholding taxes, including, without limitation, federal, state and local income tax withholding and the employee share of the FICA, SUTA and FUTA taxes, and shall be reported to the IRS and the payee under the payee's name and Social Security Number on an IRS Form W-2. Payments treated as interest, penalties and/or liquidated damages shall be made without withholding and shall be reported to the IRS and the payee, to the extent required by law, under the payee's name and Social Security Number on an IRS Form 1099.

Settlement Class members should consult with their tax advisors concerning the tax consequences of the payments that they receive under the settlement. Nothing in this notice should be considered or relied upon as tax advice.

What are my Rights and Options as a Class Member?

You have three options under this Settlement, each of which is discussed below. You may (A) do nothing, receive payments for your claims and be bound by the Settlement and release, (B) exclude yourself from the Settlement, or (C) object to the Settlement.

(A) **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. You will receive your Individual Settlement Payment shortly after the Final Approval Hearing currently set for March 1, 2021 at 9:00 a.m., in the amount indicated above. Any release of claims under the Fair Labor Standards Act will only occur once the Class Member signs, cashes or otherwise negotiates the FLSA check. **Defendants will not retaliate against any person who receives funds in this Settlement.**

(B) **IF YOU WANT TO BE EXCLUDED FROM THE SETTLEMENT:** Any Settlement Class Member who wants to Opt Out of participating in the settlement must sign and mail a written Opt Out request postmarked no later than February 1, 2021, or within 15 calendar days of a re-mailed Notice Packet, whichever is later. The written Opt Out request must (a) contain the name, address, telephone number, and last four digits of the Social Security Number of the Settlement Class Member opting out; (b) contain a statement to the effect that "I understand that I am requesting to be excluded from the class monetary settlement and that I will receive no money from the Gross Settlement Value. I understand that if I am excluded from the Settlement Class, I may bring a separate action, but I might lose my separate action, or win and recover less than what I would have recovered under the class monetary provisions in this case"; (c) be addressed to the Settlement Administrator at the address indicated in the Notice Packet; (d) be postmarked on or before the deadline set forth above; and (e) be signed by the Settlement Class Member opting out.

Requests for Exclusion 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. The judgment entered by the Court after final approval of the settlement will bind all Class Members who do not Opt Out.

Mail your Opt Out request to the Settlement Administrator:

Garcia v. Reyes Coca-Cola Bottling, LLC
C/O Atticus Administration
PO Box 64053
St. Paul, MN 55164

Requests postmarked after February 1, 2021 will be denied.

(C) **IF YOU WANT TO OBJECT TO THE SETTLEMENT:** You may object, personally or through an attorney, to the proposed settlement in writing and/or by appearing at the Final Approval Hearing, indicated below.

All written objections must (a) contain the name, address, telephone number, and last four digits of the Social Security Number of the Settlement Class Member; (b) contain the name, address and telephone number of your attorney, if any; (c) be addressed to the Settlement Administrator at the address indicated above; (d) be postmarked on or before the deadline set forth above; and (e) be signed by the Settlement Class Member who submitting an objection. The objection should clearly explain why you object to the settlement and may state whether you or your representative will appear at the Final Approval Hearing. A Settlement Class Member who submits an objection remains bound by this Agreement.

If you do not timely object in writing or object in person (or through an attorney) by appearing at the fairness hearing, you may not be entitled to be heard or to otherwise contest the approval of the Settlement. Settlement Class Members who Opt Out are not entitled to file objections. An objector may withdraw his or her objections at any time.

When and Where is the Final Approval Hearing?

The Court will conduct a final approval hearing on March 1, 2021, at 9:00 a.m. in Department 6 of the Superior Court of the State of California for the 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 as fair, reasonable, and adequate. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs, and the incentive award to be paid to the Class Representatives. **IT IS NOT NECESSARY FOR YOU TO APPEAR AT THE HEARING.**

How Will I Receive Notice of Final Judgment?

If the settlement is finally approved on March 1, 2021, you will receive notice of the final approval along with your Individual Settlement Payment checks.

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