

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

CARL DAVIS, individually, and on behalf of
all others similarly situated,

Plaintiff,

vs.

HOMETOWN AMERICA MANAGEMENT, L.P., a
Delaware corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 34-2022-00327467

**NOTICE OF PROPOSED CLASS ACTION
AND PAGA SETTLEMENT, AND HEARING
DATE FOR FINAL COURT APPROVAL OF
SETTLEMENT**

ATTN: <<EmployeeName>>

ATTENTION: ALL PERSONS EMPLOYED BY HOMETOWN AMERICA MANAGEMENT, L.P. AS NON-EXEMPT EMPLOYEES IN CALIFORNIA FROM APRIL 4, 2018 TO MAY 3, 2024:

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO RECEIVE PAYMENT OR TO OPT OUT OF THE SETTLEMENT ACCORDING TO THE PROCEDURES DESCRIBED BELOW.

IF YOU DO NOT WISH TO RECEIVE PAYMENT UNDER THE SETTLEMENT OR PARTICIPATE IN THE SETTLEMENT, YOU MUST REQUEST TO BE EXCLUDED FROM THE SETTLEMENT CLASS ON OR BEFORE AUGUST 5, 2024.

Pursuant to the Order Granting Preliminary Approval of Class Action and PAGA Settlement of the Superior Court of the State of California in and for Sacramento County entered **May 3, 2024**. YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A class action settlement has been reached between the Parties in the above-captioned lawsuit pending in the Superior Court of the State of California for the County of Sacramento on behalf of all persons currently and formerly employed by Hometown America Management, L.P. (“Defendant”) as non-exempt employees in California from April 4, 2018 to May 3, 2024 (the “Settlement Class” or “Class Members”); the Settlement Class does not include persons who submit valid Requests for Exclusion (as explained below), or who previously settled, released or received awards for claims covered by the Settlement.

All Class Members who worked any hours for Defendant in California during any pay period from April 4, 2021 through May 3, 2024 are aggrieved employees with respect to the California Private Attorneys General Act (“PAGA”) (“PAGA Members”), and will be paid their PAGA Award and release the Released PAGA Claims regardless of whether they submit a timely and valid Request for Exclusion from the Settlement.

The “Released Parties” in the Action include: i) Defendant; (ii) Defendant’s respective past, present and future direct and indirect subsidiaries and affiliates of any of the foregoing; (iii) the past, present and future shareholders, partners, directors, officers, owners, agents, employees, clients, attorneys, insurers, predecessors, successors and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing.

You have received this notice because records indicate you worked for Defendant as a non-exempt employee in California during the Class Period and/or PAGA Period (defined below). This notice is to advise you of how you can either participate in the Settlement or be excluded from the Settlement.

I. BACKGROUND OF THE CASE

On September 29, 2022, Plaintiff Carl Davis filed a complaint against Defendant in the Sacramento County Superior Court on behalf of himself and other non-exempt employees who worked for Defendant in California alleging claims of: failure to pay minimum and straight time wages pursuant to Labor Code sections 204, 1194, 1194.2, and 1197; failure to pay overtime wages pursuant to Labor Code sections 1194 and 1198; failure to provide meal periods pursuant to Labor Code sections 226.7 and 512; failure to authorize and permit rest periods pursuant to Labor Code section 226.7; failure to timely pay final wages at termination pursuant to Labor Code sections 201-203; failure to provide accurate itemized wage statements pursuant to Labor Code section 226; failure to indemnify employees for expenditures pursuant to Labor Code section 2802; and unfair business practices in violation of Business and Professions Code section 17200, et seq. On January 13, 2023, Plaintiff filed a first amended complaint, which asserted the same claims and added a claim for penalties for wage and hour violations under the California Private Attorneys General Act (“PAGA”) (“Complaint”). The term “Action” means this putative class and representative action pending in Sacramento County Superior Court, Case No. 34-2022-00327467. The class period is from April 4, 2018 through May 3, 2024 (the “Class Period”). The PAGA period is from April 4, 2021 through May 3, 2024 (“PAGA Period”).

Plaintiff’s Complaint alleges a failure to pay wages, including overtime wages, failure to provide meal and rest periods, failure to timely pay wages, failure to provide accurate wage statements, failure to reimburse business expenses, unfair competition, and a PAGA cause of action, on behalf of all persons currently and formerly employed by Defendant as non-exempt employees in California from April 4, 2018 to May 3, 2024. Plaintiff’s Complaint seeks recovery of compensatory damages, penalties, interest, and attorneys’ fees and costs. Defendant denies all claims and denies that Plaintiff and the Class Members and PAGA Members are entitled to any recovery.

The Action has been actively litigated. There have been on-going investigations, and there has been an exchange of extensive documentation and information. Furthermore, the Parties participated in a private mediation before mediator Judge Raul Ramirez on July 6, 2023. Based upon the Parties’ negotiations at mediation, and all known facts and circumstances, including the various risks and uncertainties related to legal actions including the complete defenses to liability potentially available to Defendant, the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation, the Parties reached a Class and PAGA Settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Settlement, Defendant continues to deny all allegations and claims, and entering into the Settlement is not an admission of wrongdoing or liability.

The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendant, which has been preliminarily approved by the Court.

If you are part of the Settlement Class, you have the opportunity to participate in the Settlement, or to exclude yourself (“opt out”) from the Settlement. PAGA Members are not eligible to exclude themselves from, or to opt out of, the Released PAGA Claims.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Settlement, Defendant agrees to pay a Gross Settlement Amount of \$495,000 for all claims, attorneys’ fees and costs, enhancement award, penalties, and settlement administration expenses (“Maximum Settlement Amount”). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys’ fees not to exceed thirty-three and one third percent (33.33%) of the Maximum Settlement Amount which equals \$165,000, attorneys’ costs not to exceed \$20,000, an Enhancement Award to the Class Representative not to exceed \$10,000, the fees and expenses of the settlement administrator estimated not to exceed \$10,250, and \$22,500 payable to the California Labor and Workforce Development Agency (“LWDA”) for alleged PAGA penalties (the “Net Settlement Amount”), and the Net Settlement Amount will be distributed to all Class Members. As explained further below, the amount of each Class Member’s Settlement Award will depend on the number of weeks worked by participating Class Members during the Class Period. Defendant’s employer taxes on the wage portion of the Settlement Awards will be a separate obligation owed and payable by Defendant in addition to the Maximum Settlement Amount.

This notice will list for each Class Member the number of weeks each Class Member worked during the Class Period and

his/her estimated Settlement Award. This notice will also list for each PAGA Member the number of workweeks worked during the PAGA Period

B. Settlement Formula, and Settlement Awards

Defendant will pay Settlement Awards through a Settlement Administrator, as described below, to each Class Member who has not submitted a Request for Exclusion from the Settlement. All Settlement Awards will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action, that all Settlement Awards payable to eligible Class Members will be allocated from the Net Settlement Amount and paid as one-third (1/3) alleged unpaid wages for which IRS Forms W-2 will issue and two-thirds (2/3) for alleged unpaid penalties and interest for which IRS Forms 1099-MISC will issue. Individual "PAGA Awards" for the PAGA Members will be paid from the Net PAGA Settlement Amount, after the required payment to the LWDA, as alleged penalties for which IRS Form 1099 will issue.

Settlement Awards to Class Members will be based on the number of weeks worked by individual Class Members during the Class Period. The number of workweeks will be determined by reference to Defendant's records. The Settlement Administrator or Defendant, based on Defendant's records, will calculate the number of workweeks for each Class Member during the Class Period. The number of weeks worked will be calculated by dividing by seven (7) the total number of days worked by the Class Member for Defendant in California during the Class Period. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down; however, if a Class Member worked only one day as a Class Member, such Class Member will be credited with having worked one workweek for purposes of the Settlement.

Receipt of the Settlement Awards will not entitle any Class Member to additional compensation or benefits under any company compensation or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Defendant's Records

For each Class Member and PAGA Member, the amount payable to the Class Member and/or the PAGA Member will be calculated by the Settlement Administrator from Defendant's records. Defendant's records will be presumed correct, unless evidence to the contrary is provided to the Settlement Administrator. Defendant's records and any additional evidence will be reviewed by the Settlement Administrator in the event of a dispute about the number of workweeks or pay periods worked by an individual Class Member or PAGA Member. If a Class Member or PAGA Member disputes the accuracy of Defendant's records, all supporting documents evidencing additional workweeks must be submitted by the Class Member or PAGA Member. The dispute will be resolved by the Settlement Administrator as described in Section E below.

D. Release of Claims

The Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendant contains a release which releases Defendant and the Released Parties from all claims under state, federal and local law alleged in the Action and that reasonably could have been alleged in the Action based on the factual allegations contained in the operative Complaint in the Action and any amendments thereto, as to the Class Members, including without limitation, California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, California Industrial Commission Wage Orders, Cal. Code Regs., Title. 8, section 11040, et seq., California Code of Civil Procedure section 1021.5, and Business and Professions Code sections 17200, et seq., and including all claims for or related to alleged unpaid wages, overtime or double time wages, minimum wages, regular rate of pay, timely payment of wages during employment, timely payment of wages at separation, meal periods and meal period premiums, rest periods and rest period premiums, off-the-clock work, payroll deductions, wage statements, payroll records and recordkeeping, failure to pay additional 401(k) benefits and/or deferred compensation benefits and/or matching benefits for payments received under the Settlement, unfair competition, unfair business practices, unlawful business practices, fraudulent business practices, conversion, civil penalties, waiting-time penalties, interest, fees, costs, as well as all other claims and allegations alleged in the Action (collectively "Released Class Claims") from April 4, 2018 through May 3, 2024 ("Class Release Period"). Expressly excluded from the release are claims for retaliation, discrimination, unemployment insurance, disability, workers' compensation, and claims outside the Released Class Claims.

The claims to be released by PAGA Members include all claims arising during the PAGA Period seeking civil penalties under PAGA, that Plaintiff as proxy for the State of California and/or the LWDA, to the maximum extent permitted by law, and as a private attorney general acting on behalf of Plaintiff and the PAGA Members, asserted or could reasonably have

asserted based on the facts alleged in the Action and/or the LWDA letter, including but not limited to all claims arising under the California Labor Code including, but not limited to, sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698, et seq., 2699, 2802 (as alleged in the Complaint) and the wage orders of the California Industrial Welfare Commission and any other Labor Code section or Wage Order based the facts alleged in the Action (collectively “Released PAGA Claims”). The Settlement shall release and bar all Released PAGA Claims by or on behalf of Plaintiff and all PAGA Members from April 4, 2021 through May 3, 2024 (“PAGA Release Period”) and for the entire PAGA Release Period, regardless of whether Plaintiff and/or a PAGA Member negotiates (cashes) their/his/her settlement checks sent pursuant to this Settlement and regardless of whether any such PAGA Member opts out or attempts to exclude himself or herself from the Settlement.

E. Resolution of Workweek Disputes

If a Class Member or PAGA Member disputes the accuracy of Defendant’s records as to the number of workweeks or pay periods worked, any documentation supporting such dispute must be submitted to the Settlement Administrator. All workweek and pay period disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator’s decision on all disputes will be final and binding.

F. Enhancement Award for the Class Representative

Subject to approval by the Court, the Class Representative will receive an Enhancement Award up to \$10,000. This payment will be made for his service as a Class Representative, including active participation in prosecution of the Action, as well as willingness to accept the risk of incurring Class Counsel’s costs or paying Defendant’s attorneys’ fees and costs for an unsuccessful outcome in the Action. The Class Representative also signed a general release of all claims, which is broader than the release applicable to all other Class Members, to be eligible for the Enhancement Award.

G. Attorneys’ Fees and Costs

As consideration for the Settlement and in exchange for the release by the Settlement Class, Defendant agrees to pay Class Counsel’s attorneys’ fees and costs to be set by the Court, up to a maximum of thirty-three and one third percent (33.33%) of the Maximum Settlement Amount which equals \$165,000, and attorneys’ costs not to exceed \$20,000. Class Counsel’s attorneys’ fees and costs will be paid and deducted from the Maximum Settlement Amount.

III. HOW MUCH WILL YOU GET FROM THE SETTLEMENT?

Defendant’s records indicate that you worked <<Workweeks>> workweeks between April 4, 2018 through May 3, 2024. Based on these records, your estimated payment as a Class Member would be <<estAmount>>.

Defendant’s records indicate that you worked <<PAGA_Workweeks>> workweeks between April 4, 2021 through May 3, 2024. Based on these records, your estimated payment as a PAGA Member would be <<PAGA_Amount>>.

IV. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Excluding Yourself from Class Action Portion of the Settlement

If you do not wish to participate in the Settlement, you may be excluded from being a Class Member (i.e., “opt out”) by submitting a timely written request to the Settlement Administrator stating you have received notice of the Settlement, decided not to participate in the Settlement, and desire to be excluded from the Settlement, or words to that effect (“Request for Exclusion”). Your Request for Exclusion must also state your full name, address, date of birth, and dates you were employed by Defendant as a non-exempt employee in California. The Request for Exclusion must be signed, dated and mailed by First-Class U.S. Mail, or the equivalent, to:

Claims Administrator
Davis v. Hometown America Management, L.P.
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Toll Free Number.: (888)-427-0719 / Fax: (949) 419-3446

Website: www.cptgroupcaseinfo.com/hometownamericasettlement

The Request for Exclusion must be postmarked no later than August 5, 2024. If you submit a Request for Exclusion which is not postmarked by August 5, 2024, your Request for Exclusion will be rejected, and you will be bound by the Release and all other Settlement terms. If the Request for Exclusion is sent from within the United States, it must be sent through the United States Postal Service by First-Class Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Request for Exclusion. Please note you may only exclude yourself from the class action settlement and not from the PAGA Settlement.

Any person who submits a complete and timely Request for Exclusion shall, upon receipt by the Settlement Administrator, no longer be a Class Member, shall be barred from participating in any portion of the Settlement, shall not be entitled to object to the Settlement, shall receive no benefits from the Settlement, shall not be deemed to have relinquished the Released Class Claims against the Released Parties, and, at his or her own expense, may pursue any claims he or she may have against the Released Parties.

B. Objection to Class Action Portion of the Settlement

If you do not exclude yourself from the Settlement, you can object to the terms of the Settlement before the Court grants final approval of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. To object, you may file a written objection and a notice of intention to appear at the Final Approval hearing currently set for October 11, 2024 at 9:00 a.m., Department 22. You must file the written objection and notice of intention to appear at the final approval hearing with the Office of the Clerk of the Sacramento County Superior Court, 720 Ninth Street, Sacramento, CA 95814, and send copies to the Claims Administrator, and Counsel as follows:

CLASS COUNSEL
Justin F. Marquez
Arsiné Grigoryan
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010

DEFENDANT'S COUNSEL
Cary G. Palmer
JACKSON LEWIS P.C.
400 Capitol Mall, Suite 1600
Sacramento, CA 95814

Any written objection must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and dates you were employed as a non-exempt employee in California by Defendant. To be valid and effective, any objections to approval of the Settlement must be filed with the Clerk of the Court, Sacramento County Superior Court, 720 Ninth Street, Sacramento, CA 95814, and delivered to the Settlement Administrator and each of the above-listed attorneys no later than sixty (60) calendar days after the Settlement Administrator mails this Class Notice to the Class Members, August 5, 2024. **DO NOT TELEPHONE THE COURT.**

However, a Class Member may appear at the Final Approval Hearing, either in person or through their own counsel, and object to the Settlement and any of its terms without submitting a prior objection in the manner and by the deadline specified above. If you choose to file an objection to the terms of this Settlement, you may enter an appearance *in propria persona* (meaning you choose to represent yourself) or through your own attorney at your own expense. To do so, you must file an Entry of Appearance with the Clerk of the Sacramento County Superior Court, and deliver copies to the Settlement Administrator and each of the attorneys listed above. Such Entry of Appearance must be filed with the Court and delivered to the above attorneys no later than sixty (60) days after the Settlement Administrator mails this Class Notice to Class Members. You will then continue as a Class Member either *in propria persona* or with representation by your own attorney, and you will be solely responsible for the fees and costs of your own attorney. The final fairness hearing at which the Court will be asked to approve the Settlement will be on October 11, 2024, at 9:00 a.m. (Pacific Time), in Department 22, Superior Court of the State of California for the County of Sacramento, 720 9th Street, Sacramento, CA 95814, or such other later date as the Court may authorize.

If you desire to appear remotely at the final fairness hearing, you can join via the Department's zoom link or phone number and provide the following access information for the appropriate Department in the Notice: To join by Zoom link: <https://saccourt-ca-gov.zoomgov.com/my/sscdept22>; To join by phone: (833) 568-8864 / ID: 16184738886.

V. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

Upon Final Approval being granted by the Court, each and every Class Member, who does not opt out of the Settlement, will release Defendant and the Released Parties from the Released Class Claims as described above. In other words, if you were employed as a Class Member by Defendant in California during the Class Period, and you do not exclude yourself from the Settlement Class, you will be deemed to have entered into this release and to have released the above-described Released Class Claims. Further, each and every PAGA Member will release Defendant and the Released Parties from the Released PAGA Claims. In addition, you will be barred from ever suing Defendant and the Released Parties with respect to the Released Class Claims and the Released PAGA Claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

VI. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 22 of the Superior Court of the State of California in and for the County of Sacramento, 720 9th Street, Sacramento, CA 95814, on October 11, 2024, at 9:00 a.m. (Pacific Time), to 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, the costs of administration, and the Enhancement Award to be paid to the Class Representative. Class Counsel's application for attorneys' fees and litigation costs will be on file with the Court no later than September 18, 2024, and will be available for review after that date. Class Counsel are seeking approval of a total of not more than thirty-three and one third percent (33.33%) of the Maximum Settlement Amount for attorneys' fees, which equals \$165,000, and not more than \$20,000 for attorneys' costs. The hearing may be continued without further notice to the Settlement Class. It is not necessary for you to appear at this hearing, unless you wish to object to the Settlement.

VII. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendant ("Stipulation of Settlement") which is on file with the Clerk of the Court. The pleadings and other records in this Action, including the Settlement Agreement, may be examined at any time during regular business hours at the Office of the Clerk of the Sacramento County Superior Court, at 720 Ninth Street, Sacramento, CA 95814. You may also visit www.cptgroupcaseinfo.com/hometownamericasettlement, which will include links to the Settlement Agreement, Class Notice, Motions for Preliminary and Final Approval, and Motion for Attorneys' Fees as they become available. If you want additional information about this lawsuit and its proceedings, you can contact Class Counsel:

Justin F. Marquez
Arsiné Grigoryan
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, CA 90010

Telephone: (213) 784-3030
Facsimile: (213) 381-9989
E-mail: justin@wilshirelawfirm.com
E-mail: agrigoryan@wilshirelawfirm.com

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.

BY ORDER OF THE SUPERIOR COURT