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

CARLOS MARGARITO FLORES, individually,
and on behalf of all others similarly situated,

Plaintiff,

vs.

EL RODEO CAFE CORP., a California corporation;
and DOES 1 through 10, inclusive,

Defendant.

Case No.: CIVSB2514242

**~~PROPOSED~~ ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT**

*[Filed with Plaintiff's Notice of Motion and
Memorandum of Points and Authorities, the
Declaration of Kane Moon, the Declaration of
Plaintiff, the Declaration of Sean Hartranft]*

PRELIMINARY APPROVAL HEARING:

Date: July 22, 2026

Time: 8:30 a.m.

Dept.: S27

Judge: Honorable Thomas S. Garza

Action Filed: May 20, 2025

FAC Filed: July 30, 2025

Trial Date: Not Set

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1 Development Agency (the “LWDA”); and (f) a Class Representative Service Payment to Plaintiff
2 of not more than \$7,500.00.¹

3 3. The Court finds on a preliminary basis that: (1) the settlement amount is fair and
4 reasonable to the Class Members when balanced against the probable outcome of further litigation
5 relating to class certification, liability and damages issues, and potential appeals; (2) significant
6 class-wide discovery, investigation, research, and litigation have been conducted such that counsel
7 for the respective Parties at this time are able to reasonably evaluate their respective positions; (3)
8 settlement at this time will avoid substantial costs, delay, and risks that would be presented by the
9 further prosecution of the litigation; and (4) the proposed Settlement has been reached as the result
10 of serious, informed, adversarial, and arm’s-length negotiations between the Parties. Accordingly,
11 the Court preliminarily finds that the Settlement was entered into in good faith and meets the
12 requirements for preliminary approval.

13 4. A final approval hearing on the question of whether the proposed Settlement, the
14 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Administration
15 Expenses Payment, the PAGA Penalties, and the Class Representative Service Payment should be
16 finally approved as fair, reasonable, and adequate as to the members of the Class is hereby set in
17 accordance with the Implementation Schedule set forth below.

18 5. The Court provisionally certifies, for settlement purposes only, the following class
19 (the “Class”): all current and former hourly paid, non-exempt employees of Defendant, who were
20 employed by Defendant in the State of California at any time commencing May 20, 2021, through
21 January 6, 2026 (the “Class Period”). Excluded from the Class will be any Class Member who
22 opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion,
23 pursuant to the instructions provided in the Class Notice.

24 6. The Court provisionally certifies, for settlement purposes only, the following
25

26 ¹ Pursuant to ¶ 4.0 of the Settlement, Defendant shall fully fund the Gross Settlement Amount of
27 \$475,000.00 and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments
28 by transmitting such funds to the Administrator within thirty (30) calendar days of the Effective Date.
(Settlement, ¶ 4.0.)

1 individuals (the “Aggrieved Employees”): all current and former hourly-paid, non-exempt employees
2 of Defendant in the State of California from May 18, 2024, through January 6, 2026 (the “PAGA
3 Period”).

4 7. The Court finds, for settlement purposes only, that the Class meets the
5 requirements for certification under California Code of Civil Procedure section 382 in that: (1)
6 the Class is so numerous that joinder is impractical; (2) there are questions of law and fact that are
7 common, or of general interest, to all Class Members, which predominate over individual issues;
8 (3) Plaintiff’s claims are typical of the claims of the Class Members; (4) Plaintiff and Class
9 Counsel will fairly and adequately protect the interests of the Class Members; and (5) a class
10 action is superior to other available methods for the fair and efficient adjudication of the
11 controversy.

12 8. **Releases of Claims.** Effective on the date Defendant fully funds the entire Gross
13 Settlement Amount and all employer payroll taxes owed on the Wage Portions of the Individual Class
14 Payments, Plaintiff, Participating Class Members, and Aggrieved Employees will release claims against
15 all Released Parties as follows: (Settlement, ¶ 5.)

16 a. Released Parties. “Released Parties” means Defendant and any of its former and present
17 direct and/or indirect parents, subsidiaries, divisions, predecessors, successors, assigns,
18 joint venturers, corporate members, and affiliated companies, and their respective
19 officers, directors, employees, partners, investors, shareholders, administrators, agents,
20 successors, assigns, managers, agents, insurers and legal representatives. (*Id.* at ¶ 1.40.)

21 b. Plaintiff’s Release. Plaintiff, on behalf of himself, his respective former and present
22 spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns
23 generally, shall fully, finally, and forever release the Released Parties from any and all
24 claims, debts, liabilities, demands, obligations, transactions, or occurrences, guarantees,
25 costs, expenses, attorneys’ fees, damages, or causes of action of any kind or nature
26 whatsoever, known or unknown, suspected or unsuspected, asserts or unasserted, arising
27 out of Plaintiff’s employment with Defendant, the cessation of Plaintiff’s employment,
28 and the allegations in the Action, whether known or unknown including a waiver under

1 Civil Code §1542. Plaintiff understands he is releasing potentially unknown claims and
2 that Plaintiff may have limited knowledge with respect to some of the claims being
3 released. Plaintiff acknowledges there is a risk that, after signing the Settlement, Plaintiff
4 may learn information that might have affected Plaintiff's decision to enter into the
5 Settlement. Plaintiff assumes this risk and all other risks of any mistake in entering into
6 the Settlement. Plaintiff agrees that the Settlement is fairly and knowingly made. Plaintiff
7 represents and warrants that Plaintiff has all necessary authority to enter into the
8 Settlement. (*Id.* at ¶ 5.0.) The Parties understand the word "claim(s)" to include all
9 actions, complaints, claims, and grievances, whether actual or potential, known or
10 unknown, and specifically but not exclusively, all claims arising out of Plaintiff's
11 employment with Defendant, including, but not limited to, any and all claims under the
12 California Fair Employment and Housing Act, the Age Discrimination in Employment
13 Act, Title VII or any other statute, rule or regulation relating to Plaintiff's employment
14 with Defendant and under which Plaintiff has made a claim or could make a claim
15 against Defendant (collectively, "Plaintiff's Released Claims"). Plaintiff's Released
16 Claims shall not waive: (i) claims for unemployment or workers' compensation benefits;
17 (ii) any vested rights Plaintiff has under ERISA-covered benefit plans as applicable on the
18 date Plaintiff signs the Agreement, and/or claims concerning such rights; (iii) claims that
19 may arise after Plaintiff signs the Agreement; or (iv) claims which cannot be released by
20 private agreement. (*Id.* at ¶ 5.0.1.) For purposes of Plaintiff's Release, Plaintiff expressly
21 waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the
22 California Civil Code, which reads: (*Id.* at ¶ 5.0.2.)

23 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
24 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
25 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
26 RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE
27 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
28 DEBTOR OR THE RELEASED PARTY.

- 1 c. Release by Participating Class Members: All Participating Class Members fully and
2 finally release and discharge the Released Parties from liability for all claims, rights,
3 demands, liabilities and causes of actions that are alleged, or reasonably could have been
4 alleged, based on the facts alleged in the operative complaint in the Action, or could have
5 reasonably been alleged based on the facts alleged in the operative complaint in the
6 Action during the Class Period, including: (i) any and all claims for failure to pay
7 minimum wages, (ii) any and all claims for failure to pay overtime (iii) any and all claims
8 for failure to provide meal periods and/or pay meal premiums in lieu thereof at the correct
9 regular rate of pay; (iv) any and all claims for failure to authorize and permit rest breaks
10 and/or pay rest break premiums in lieu thereof at the correct regular rate of pay; (v) any
11 and all claims for failure to reimburse business expenses, (vi) any and all direct and
12 derivative claims for wages owed at separation of employment under Labor Code §§
13 201-203; (vii) any and all direct and derivative claims for failure to furnish accurate
14 itemized wage statements in accordance with Labor Code section 226, and including any
15 associated claims for penalties under Labor Code section 226(e); (viii) and all claims for
16 unfair business practices, related to the alleged Labor Code violations, the Industrial
17 Welfare Commission Wage Orders, interest and attorney's fees and costs in connection
18 therewith during the Class Period (collectively, the "Released Class Claims"). (*Id.* at ¶
19 5.1.) The Released Class Claims exclude claims not permitted by law and are limited to
20 claims arising during the Class Period. (*Id.* at ¶ 5.1.1.)
- 21 d. Release by the State of California and LWDA: Plaintiff, as the PAGA Representative,
22 and as agent and proxy of the State of California (including the LWDA), and the State
23 of California (including the LWDA and all individuals who seek to serve as agent and
24 proxy of the State of California in bringing PAGA claims) shall be deemed to release
25 and discharge, on behalf of themselves and their respective former and present
26 representatives, agents, attorneys, heirs, administrators, successors, and assigns, the
27 Released Parties from all claims under the California Labor Code Private Attorneys
28 General Act of 2004 for civil penalties that could have been premised on the facts alleged

1 in the May 18, 2025 PAGA Letter to the LWDA (LWDA-CM-1103286-25) and the
2 operative complaint, including, but not limited to, penalties that could have been awarded
3 pursuant to Labor Code sections 201, 202 203, 226, 226(a), 226.3, 510, 512(a), 558,
4 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1199 2800, 2802, 2699, and the Industrial
5 Welfare Commission Wage Orders (collectively, the “Released PAGA Claims”). (*Id.* at
6 ¶ 5.2.) The Released PAGA Claims are limited to claims arising during the PAGA Period
7 and do not release any Aggrieved Employees’ claims for wages or statutory penalties. In
8 light of the binding nature of a PAGA judgment on non-party employees under *Arias v.*
9 *Sup. Ct. (Angelo Dairy)* (2009) 46 Cal.4th 969 and *Cardenas v. McLane Foodservice,*
10 *Inc.* (2011) 796 F.Supp.2d 1246, individuals otherwise meeting the definition of an
11 Aggrieved Employee who are eligible to receive an Individual PAGA Payment shall be
12 deemed to have released the Released PAGA Claims, regardless of whether his or her
13 check for the Individual PAGA Payment is cashed or not, and regardless of whether he
14 or she is a Non-Participating Class Member. (*Id.* at ¶ 5.2.1.)

15 9. The Court, for purposes of this Preliminary Approval Order, refers to all terms and
16 definitions as set forth in the Settlement.

17 10. The Court appoints, for settlement purposes only, Plaintiff as the Class
18 Representative. The Court approves, on a preliminary basis, a Class Representative Service
19 Payment from the Gross Settlement Amount of up to \$7,500.00 to Plaintiff, in addition to the
20 amount Plaintiff is eligible to receive as a Class Member, for initiating the Action and providing
21 services in support of the Action. To the extent the final amount awarded is less than the amount
22 requested, the remainder will be allocated to the Net Settlement Amount for distribution to
23 Participating Class Members.

24 11. The Court appoints, for settlement purposes only, Plaintiff’s Counsel Moon Law
25 Group, PC as Class Counsel. The Court approves, on a preliminary basis, Class Counsel’s ability
26 to request attorneys’ fees of up to one-third of the Gross Settlement Amount, as well as
27 reimbursement for actual costs not to exceed \$26,000.00. To the extent actual costs are less and/or
28 the final amounts awarded for fees and/or costs are less than the amounts requested, the remainder

1 will be allocated to the Net Settlement Amount for distribution to Participating Class Members.

2 12. The Court appoints Apex Class Action Administration as the Administrator with
3 payment from the Gross Settlement Amount for reasonable administration costs not to exceed
4 \$6,990.00, except upon a showing of good cause and as approved by the Court. To the extent
5 administration costs are less, the remainder will be allocated to the Net Settlement Amount for
6 distribution to Participating Class Members.

7 13. The Administrator shall perform services and duties as provided for in the
8 Settlement, including, but not limited to, mailing the Class Notice via first-class U.S. Mail. Class
9 Members shall not be required to submit a claim form in order to receive individual settlement
10 payments.

11 14. The Court approves, as to form and content, the *Notice of Class and Representative*
12 *Action Settlement and Final Approval Hearing* (the "Class Notice") attached hereto as **Exhibit A**
13 and incorporated by reference. The Court finds, on a preliminary basis, that the plan for
14 distribution of the Class Notice satisfies due process, provides the best notice practicable under
15 the circumstances, and constitutes due and sufficient notice to all persons entitled thereto.

16 15. The obligations set forth in the Settlement are deemed part of this Preliminary
17 Approval Order, and the Parties and Administrator are ordered to carry out the Settlement
18 Agreement according to its terms and provisions.

19 16. The Court orders the following Implementation Schedule:

20 Defendant to provide the Administrator 21 with the Class Data	Within 30 calendar days after entry of preliminary approval
22 Administrator to mail the Class Notice	Within 7 calendar days after receiving 23 the Class Data
24 Response and Opt-Out Deadline	Within 60 calendar days after mailing 25 (plus an additional 14 calendar days for any re-mailed Class Notices)
26 Final Approval Motion Filing Deadline	At least 16 court days before the Final 27 Approval Hearing

28

Final Approval Hearing

2.1.2027

17. The Court reserves the right to continue the date of the Final Approval Hearing without further notice to Class Members.

18. The Court further orders that, pending further order of this Court, all proceedings in this litigation, except those contemplated herein and in the Settlement Agreement, are stayed.

19. The Settlement is preliminarily approved but is not an admission by Defendant of the validity of any claims in this class action, or of any wrongdoing by Defendant or of any violation of law. Neither the Settlement nor any related document shall be offered or received in evidence in any civil, criminal, or administrative action or proceeding other than as may be necessary to consummate or enforce the Settlement.

IT IS SO ORDERED.

DATED: 7/22/26


The Honorable Thomas S. Garza
Judge of the Superior Court, San Bernardino County

Thomas Garza

EXHIBIT A

NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

PLEASE READ THIS NOTICE

Your legal rights are affected whether or not you act. Please read this notice carefully.

In the class and representative action entitled *Carlos Margarito Flores v. El Rodeo Cafe Corp.*, Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2514242 (“Action”), Plaintiff Carlos Margarito Flores (“Plaintiff”) alleges Defendant El Rodeo Cafe Corp. (“Defendant”) violated several provisions of the California Labor Code and California Business and Professions Code, and owes civil penalties to the Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees (defined below) under the Private Attorneys General Act, California Labor Code sections 2698, *et seq.* (“PAGA”).

Defendant denies liability or wrongdoing of any kind and contends, among other things, that it complied at all times with the California Labor Code, the California Business and Professions Code, all Industrial Welfare Commission Wage Orders, and all applicable law.

However, in the interest of avoiding further litigation and the costs and uncertainties associated with further litigation, Plaintiff and Defendant have reached a Joint Stipulation of Class and Representative Action Settlement Agreement (“Settlement”), which has been preliminarily approved by the Court. By agreeing to the Settlement, Defendant in no way admits any violation of law and expressly denies any liability to Plaintiff or others.

You are subject to the terms of the Settlement because you have been identified by Defendant’s records as a Class Member and/or Aggrieved Employee. “Class Members” means all current and former non-exempt employees of Defendant in the State of California from May 20, 2021, through January 6, 2026 (“Class Period”). “Aggrieved Employees” means all current and former non-exempt employees of Defendant in the State of California from May 18, 2024, through January 6, 2026 (“PAGA Period”).

YOUR LEGAL RIGHTS AND OPTIONS WITH RESPECT TO THE SETTLEMENT	
Participate in the Settlement	If you want to participate in the Settlement, remain in the Class, and receive your Individual Class Payment and Individual PAGA Payment, <u>then you do not need to do anything. You will give up rights to sue Defendant for claims released in the Settlement.</u>
Exclude Yourself From the Settlement	If you do not want to participate in the Settlement or remain in the Class, <u>then you need to follow the instructions in Section 6.</u> If you exclude yourself from the Settlement, you will not receive your Individual Class Payment, and you will not release the Released Class Claims against the Released Parties (defined in Section 4, below). However, if the Settlement is approved by the Court and you are an Aggrieved Employee, you will receive your Individual PAGA Payment, and you will release the Released PAGA Claims, even if you exclude yourself from the Settlement.
Object to the Settlement	If you want to object to the terms of the Settlement but remain in the Class, <u>then you need to follow the instructions in Section 7.</u> If you object to the Settlement, you will still be bound by the terms of the Settlement if it is approved by the Court.

1. WHY DID I GET THIS NOTICE?

You have received this Notice because Defendant’s records reflect that you are a Class Member and/or Aggrieved Employee (defined above). Because the Settlement, which has been preliminarily approved by the Court, affects Class Members’ and Aggrieved Employees’ legal rights, the Court ordered that this Notice be sent to you. This Notice provides you with information about (1) the Action, (2) the monetary terms of the Settlement, (3) your estimated Individual Class Payment, provided you do not request to be excluded from the Settlement, (4) your estimated Individual PAGA Payment, (5) the terms of the Settlement, including the claims that are being released,

(6) how to participate in, exclude yourself from, or object to the Settlement, and (7) where to find additional information regarding the Action and Settlement.

2. WHAT IS THIS CASE ABOUT?

Plaintiff alleges Defendant: (1) failed to pay Class Members minimum wages for all hours worked; (2) failed to pay Class Members overtime compensation; (3) failed to provide Class Members compliant meal periods or compensation in lieu thereof; (4) failed to provide Class Members compliant rest breaks or compensation in lieu thereof; (5) failed to reimburse Class Members for necessary business expenses they incurred in the direct discharge of their duties to Defendant; (6) failed to timely pay Class Members all compensation due upon termination or resignation; (7) failed to provide Class Members accurate itemized wage statements; (8) engaged in unlawful business practices in violation of California Business and Professions Code sections 17200, *et seq.*; and/or (9) owes civil penalties under PAGA.

Defendant denies these allegations and maintains it fully complied with all applicable laws, provided, permitted, and authorized Class Members to take all meal periods and rest breaks, reimbursed Class Members for all necessary business expenses, provided Class Members with accurate wage statements, compensated Class Members for all wages upon termination or resignation, did not perform any unlawful business acts under California Business and Professions Code sections 17200, *et seq.*, and owes no civil penalties under PAGA. Defendant denies any liability or wrongdoing of any kind and contends, among other things, that it complied at all times with the California Labor Code, the California Business and Professions Code, all Industrial Welfare Commission Wage Orders, and all applicable law.

The Court has not ruled on the merits of the claims alleged by Plaintiff. By preliminarily approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose the Action on the merits. Rather, the Court has determined only that there is sufficient evidence to determine, on a preliminary basis, that the proposed Settlement is fair, adequate, and reasonable. The final determination of this question will be made at the Final Approval Hearing. Defendant reserves the right, if for any reason the Settlement fails, to contest any factual or legal allegations, including to contest whether the Action should proceed as a class and/or representative action.

3. THE MONETARY TERMS OF THE SETTLEMENT AND CALCULATION OF YOUR INDIVIDUAL CLASS PAYMENT AND INDIVIDUAL PAGA PAYMENT

The Court did not decide in favor of the Plaintiff or Defendant on the merits of the claims alleged in the lawsuit. Instead, in acknowledgement of the risk that both Parties should the case proceed, the Parties have agreed to a negotiated settlement. On [DATE OF PRELIMINARY APPROVAL] the Court granted preliminary approval of the Settlement, appointed Plaintiff the Class Representative, and appointed his attorneys, as counsel for the Class ("Class Counsel"). The Court has not made a final ruling on whether the settlement is fair, adequate, and reasonable. Instead, the Court has found the settlement within the range of reasonableness that could be ultimately approved. A Final Determination on whether to approve the settlement will be made at the hearing on [INSERT DATE].

Without admitting any wrongdoing, and to avoid the business disruptions caused by litigating these claims, Defendant has agreed to pay a Gross Settlement Amount of \$475,000.00 to settle the Action. The following amounts will be paid from the Gross Settlement Amount:

- An Administrator Expenses Payment not to exceed \$6,990.00. for reimbursement of the Administrator's reasonable fees and expenses;
- A Class Representative Service Payment not to exceed \$7,500.00 to the Class Representative for his services in support of the Action and General Release;
- PAGA Penalties in the amount of \$40,000.00 allocated to the LWDA and Aggrieved Employees for the payment of civil penalties under PAGA;

- A Class Counsel Expenses Payment not to exceed \$26,000.00 to Class Counsel for reimbursement of their reasonable expenses incurred to prosecute the Action; and
- A Class Counsel Fees Payment not to exceed \$158,333.33 to Class Counsel for reimbursement of their reasonable fees incurred to prosecute the Action.

Net Settlement Amount: The amount remaining from the Gross Settlement Amount after the above deductions is called the “Net Settlement Amount.” The Net Settlement Amount will be allocated to all Participating Class Members and calculated as follows:

1. The Administrator will determine the number of weeks each Participating Class Member worked for Defendant for at least one day during the Class Period (“Workweeks”);
2. The Administrator will determine the value of a single Workweek by dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members; and
3. Each Participating Class Member shall receive an Individual Class Payment equal to his or her Workweeks multiplied by the value of a single Workweek.

You have been credited with ____ Workweeks. Based on these Workweeks, your Individual Class Payment, prior to any applicable withholdings, is estimated to be \$ _____. Depending on rulings from the Court that might affect the Gross Settlement Amount, as well as the number of Class Members who may exclude themselves from the Settlement, the actual amount you will receive if the Court grants Final Approval of the Settlement may vary from this estimated amount.

Individual PAGA Payment: A total of \$40,000.00 of the Gross Settlement Amount has been allocated to PAGA Penalties. Of this amount, 65% (i.e., \$26,000.00) will be paid to California’s LWDA (“LWDA PAGA Payment”), and 35% (i.e., \$14,000.00) (“Individual PAGA Payment”) will be paid on a *pro rata* basis to Aggrieved Employees and calculated as follows:

1. The Administrator will determine the number of pay periods each Aggrieved Employee worked for Defendant for at least one day during the PAGA Period (“PAGA Pay Periods”);
2. The Administrator will determine the value of a single PAGA Pay Period by dividing the Individual PAGA Payment by the total number of PAGA Pay Periods worked by all Aggrieved Employees; and
3. Each Aggrieved Employee shall receive an Individual PAGA Payment equal to his or her PAGA Pay Periods multiplied by the value of a single PAGA Pay Period.

You have been credited with ____ PAGA Pay Periods. Based on these PAGA Pay Periods, your Individual PAGA Payment is estimated to be \$ _____. Depending on rulings from the Court that might affect the Gross Settlement Amount, the actual amount you will receive if the Court grants Final Approval of the Settlement may vary from this estimated amount.

If you dispute the total number of Workweeks and/or PAGA Pay Periods that you have been credited with, you may challenge the allocation by sending a Challenge to the Calculation of Workweeks and/or Pay Periods to the Administrator (“Challenge”). Your Challenge should (1) contain your name, address, and telephone number and the case name and number of the Action (i.e., *Carlos Margarito Flores v. El Rodeo Cafe Corp.*, Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2514242); (2) clearly state the number of Workweeks and/or PAGA Pay Periods you believe is correct; and (3) attach any documentary evidence you have to prove the number of contended Workweeks and/or PAGA Pay Periods. Your Challenge must be postmarked on or before [Response Deadline] and returned to the Administrator at the following address:

[Administrator]
[contact info]

For tax purposes, twenty percent (20%) of each Individual Class Payment will be allocated to wages and subject to all applicable employee state and federal tax withholdings; and eighty percent (80%) of each Individual Class Payment will be considered penalties, liquidated damages, interest, and any other non-wage related payments. The amount allocated as wages will be reported on an IRS Form W-2, and the remaining amount allocated as penalties, liquidated damages, interest, and other non-wage payments will be reported on an IRS form 1099. One hundred percent (100%) of each Individual PAGA Payment will be allocated as penalties and reported on an IRS Form 1099. In addition to the Gross Settlement Amount, Defendant will pay all employer-payroll taxes in connection with the portion of the Settlement allocated towards wages. Class Members are responsible for paying taxes on other amounts received. This Notice is not tax advice, and you should consult your tax advisor.

Checks will be valid for one hundred and eighty (180) days. After that, checks will become void, and a stop payment will be placed on the uncashed checks. Settlement checks that are not cashed within one hundred and eighty (180) days of mailing, or are returned to the Administrator as undeliverable, will be cancelled, and the Administrator shall send the funds associated with uncashed checks to the California Controller's Unclaimed Property Fund in the name of the Class Member. Class Members who do not timely cash their checks should contact the Administrator to determine how they can obtain their payment. **Class Members will be bound by the Settlement even if they do not cash their settlement checks.**

4. WHAT AM I RELEASING AS A CLASS MEMBER UNDER THE SETTLEMENT?

As of the date Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the wage portions of the Individual Class Payments, all Class Members who do not opt out of the Settlement (*i.e.*, Participating Class Members), including Plaintiff, will fully and finally release and discharge the Released Parties from the Released Class Claims.

"Released Parties" means Defendant and any of its former and present direct and/or indirect parents, subsidiaries, divisions, predecessors, successors, assigns, joint venturers, corporate members, and affiliated companies, and their respective officers, directors, employees, partners, investors, shareholders, administrators, agents, successors, assigns, managers, agents, insurers and legal representatives.

"Released Class Claims" means all claims, rights, demands, debts, liabilities, obligations, transactions, occurrences, guarantees, costs, expenses, attorneys' fees, damages, and causes of actions of any kind or nature whatsoever, known or unknown, suspected or unsuspected, asserted or unasserted, that occurred during the Class Period, including, but not limited to, all claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, and all claims that are alleged, or reasonably could have been alleged, based on the facts alleged in the operative complaint in the Action, including factual claims regarding Defendant's alleged: (i) any and all claims for failure to pay minimum wages, (ii) any and all claims for failure to pay overtime (iii) any and all claims for failure to provide meal periods and/or pay meal premiums in lieu thereof at the correct regular rate of pay; (iv) any and all claims for failure to authorize and permit rest breaks and/or pay rest break premiums in lieu thereof at the correct regular rate of pay; (v) any and all claims for failure to reimburse business expenses, (vi) any and all direct and derivative claims for wages owed at separation of employment under Labor Code §§ 201-203; (vii) any and all direct and derivative claims for failure to furnish accurate itemized wage statements in accordance with Labor Code section 226, and including any associated claims for penalties under Labor Code section 226(e); (viii) and all claims for unfair business practices, related to the alleged Labor Code violations, the Industrial Welfare Commission Wage Orders, interest and attorney's fees and costs in connection therewith during the Class Period.

5. WHAT AM I RELEASING AS AN AGGRIEVED EMPLOYEE UNDER THE SETTLEMENT?

As of the date Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the wage portions of the Individual Class Payments, all Aggrieved Employees, including Plaintiff, will fully and finally release and discharge the Released Parties from the Released PAGA Claims. Released Parties are defined in Section 4 of this Notice, above.

“Released PAGA Claims” means all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged in the June 5, 2025 PAGA Letter to the LWDA (LWDA-CM-1103286-25), including, but not limited to, penalties that could have been awarded pursuant to Labor Code sections 201, 202, 203, 226, 226(a), 226.3, 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1199, 2800, 2802, 2699, and the Industrial Welfare Commission Wage Orders.

AGGRIEVED EMPLOYEES CANNOT OPT-OUT OF THE PAGA SETTLEMENT OR THE RELEASE OF RELEASED PAGA CLAIMS, AND THEY WILL RECEIVE AN INDIVIDUAL PAGA PAYMENT EVEN IF THEY OPT-OUT OF THE CLASS SETTLEMENT.

6. WHAT IF I DO NOT WANT TO PARTICIPATE IN THE CLASS SETTLEMENT?

You have the right to request exclusion from the Settlement as a Class Member, with regard to the settlement of Released Class Claims, but you are not able to exclude yourself as an Aggrieved Employee. If you wish to exclude yourself from the release of Released Class Claims, you must mail a Request for Exclusion to the Administrator at the address listed in Section 3 of this Notice, above. The Request for Exclusion must be valid and timely.

To be valid, the Request for Exclusion must (1) include your full name, address, telephone number, and signature, and a written statement requesting to be excluded from the Settlement; (2) state the case name and number of the Action (i.e., *Carlos Margarito Flores v. El Rodeo Cafe Corp.*, Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2514242); and (3) be mailed to the specified physical address of the Administrator. To be timely, the Request for Exclusion must be postmarked no later than the [Response Deadline]. The postmark date will be the exclusive means of determining whether a Request for Exclusion has been timely submitted. A Request for Exclusion form is attached to this Notice. You may complete and submit this form to exclude yourself from the Settlement. It is your responsibility to ensure the Administrator timely receives your Request for Exclusion. **Unless you timely request to be excluded from the Settlement, you will be bound by the Final Judgment upon Final Approval.**

Class Members who request to be excluded from the Settlement will NOT receive their Individual Class Payment and will not release any of the Released Class Claims. However, Class Members who are Aggrieved Employees will receive their Individual PAGA Payment and will release the Released PAGA Claims, regardless of whether they submit a Request for Exclusion.

7. WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

You have the right to object to the Settlement or to any settlement term as a Participating Class Member. If you wish to object, you may (1) appear at the Final Approval Hearing and verbally object to the Settlement or any term thereof; and/or (2) send a written Objection to the Administrator at the address listed in Section 3 of this Notice, above. The written Objection must be valid and timely. To be valid, the written Objection must (1) include your full name, address, telephone number, and signature, the contact information for any attorney representing the objecting Class Member, if any, and the factual and legal bases for the Objection, including any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; (2) state the case name and number of the Action (i.e., *Carlos Margarito Flores v. El Rodeo Cafe Corp.*, Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2514242); and (3) be mailed to the specified physical address of the Administrator. To be timely, the written Objection must be postmarked no later than the [Response Deadline]. The postmark date will be the exclusive means of determining whether a written Objection has been timely submitted.

Filing an objection will **not** exclude you from the Settlement. If the Court grants Final Approval of the Settlement, you will still receive an Individual Class Payment, and you will be barred from pursuing the Released Class Claims. **Do not submit both an Objection and a Request for Exclusion. You may file one or neither.** If you file neither, then you will be automatically included in the Settlement and do not need to take any further action to receive a

payment.

8. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Final Approval Hearing is scheduled to take place on _____, at _____ a.m. in the Superior Court of the State of California, County of San Bernardino, Department XX, located at 247 W 3rd St, San Bernardino, CA 92415. This date and time may be subject to change without notice to you. You may verify the hearing date on the following website: [ADMINISTRATOR WEBSITE]. Participating Class Members may appear in Court (or hire an attorney to appear in Court at their own expense) to offer comments and/or present verbal objections at the Final Approval Hearing.

9. WHO ARE THE ATTORNEYS?

<u>Attorneys for Plaintiff and the Class:</u>	<u>Attorneys for Defendant:</u>
Kane Moon Allen Feghali Enzo Nabiev MOON LAW GROUP, P.C. 725 South Figueroa Street, 31st Floor Los Angeles, California 90017 Telephone: (213) 232-3128	Dina Glucksman Leslie H. Joyner Junha J. Baek GORDON REES SCULLY MANSUKHANI, LLP 633 West Fifth Street, 52nd Floor Los Angeles, CA 90071 Telephone: (213) 576-5000

The Court has permitted, for purposes of settlement, the Attorneys for Plaintiff and the Class to represent the Participating Class Members. Other than the Class Counsel Fees Payment and Class Counsel Expenses Payment approved by the Court and to be paid out of the Gross Settlement Amount, you will not be charged for their services.

10. SHOULD I GET MY OWN LAWYER?

You do not need to get your own lawyer. If you want your own lawyer to speak for you or appear in Court, you have the right to hire one, but you will have to pay for that lawyer yourself.

11. FURTHER INFORMATION

The foregoing is only a summary of the Settlement. For the precise terms and conditions of the Settlement and other important case documents, please see the Settlement available at www._____.com, or contact Class Counsel at the address or telephone number provided in Section 9, above.

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

REQUEST FOR EXCLUSION FORM

I, _____, wish to be excluded from the Settlement of Class claims in *Carlos Margarito Flores v. El Rodeo Cafe Corp.*, Superior Court of the State of California, County of San Bernardino, Case No. CIVSB2514242.

Full Name (Printed)

Address

City

State and Zip Code

Telephone Number

Signature

[Note: (1) This Request for Exclusion Form *does not* exclude you from the Settlement of PAGA claims, and (2) this Request for Exclusion Form *must* be mailed to the following physical address of the Administrator on or before [Response Deadline]]:

[Administrator]
[contact info]