

NOTICE OF CLASS ACTION SETTLEMENT

Edwards v. Chartwell Staffing Services, Inc., et al.

U.S. District Court, Central District of California, Case No. 2:16-cv-09187-PSG-KS

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

If you are or were employed by Chartwell Staffing Services, Inc., d/b/a Chartwell Staffing Solutions, American Food Processing & Packing, LLC, Avalon Cold Storage, LLC, or American Logistics International Fulfillment, LLC (“Defendants”) as a non-exempt employee at the facility located at 2501 West Rosecrans Avenue, Los Angeles, California 90059 at any time during the period from **December 12, 2012** through **April 9, 2018**, this class action settlement may affect your rights.

Why should you read this Notice?

A proposed settlement (“Settlement”) has been reached in a class action lawsuit entitled *Edwards v. Chartwell Staffing Services, et al.*, which is pending in the United State District Court for the Central District of California, Case Number 2:16-cv-09187-PSG-KS (the “Action”). Defendants’ records show that you worked as a non-exempt employee for Defendants at the facility located at 2501 West Rosecrans Avenue, Los Angeles, California 90059, at some time during the period from **December 12, 2012** through **April 9, 2018** and, therefore, you are a Class Member in this Action. The purpose of this Notice of Class Action Settlement (“Notice”) is to describe the Action and the Settlement, and to inform you of your rights and options in connection with the Settlement.

A final hearing will be held to determine whether the Settlement is fair, reasonable, and adequate (“Final Approval Hearing”). The Final Approval Hearing will be held on **August 27, 2018** at **1:30PM** before the Honorable Philip S. Gutierrez in Courtroom 6A on the 6th Floor of the First Street Courthouse, located at 350 West 1st Street, Los Angeles, California 90012.

As a Class Member, you are eligible to receive a payment under the Settlement, and unless you timely submit an Exclusion Form, you will be bound by the release of claims described in this Notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	If you do nothing, you will remain a Class Member and you will receive a payment under the Settlement. You will also give up rights to pursue a separate legal action against Defendants for the claims alleged in the Action, as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT	You have the option to pursue separate legal action against Defendants regarding the claims alleged in this Action and forego any benefits you could be entitled to as a Class Member. If you choose to do so, you must exclude yourself from the settlement by completing and submitting the Exclusion Form that is enclosed with this Notice.
OBJECT	To object to the Settlement, you must submit a letter to the Settlement Administrator about why you don’t like the Settlement. This option is only available if you do not exclude yourself from the Settlement.

Who is affected by the Settlement?

The Court has certified the following class (“Class”) for settlement purposes: All persons who work or have worked as non-exempt employees of Defendants at the facility located at 2501 West Rosecrans Avenue, Los Angeles, California 90059 at any time during the period **December 12, 2012** through **April 9, 2018** (“Class Period”).

According to Defendants’ records, you are a member of the Class (“Class Member”).

What is this case about?

Plaintiff Jeremy Edwards (“Plaintiff” or “Class Representative”) is a former employee of Defendants who commenced this Action by filing a complaint against Defendants on December 12, 2016. In the Action, Plaintiff alleges, on behalf of himself and the Class Members, the following claims against Defendants: (1) failure to provide required meal periods; (2) failure to provide required rest periods; (3) failure to pay overtime compensation; (4) failure to pay minimum wages; (5) failure to pay all wages due to discharged or quitting employees; (6) failure to maintain required records; (7) failure to furnish accurate itemized wage statements; (8) unfair and unlawful business practices; (9) penalties under the California Labor Code Private Attorneys General Act (“PAGA”); and (10) failure to pay all wages and overtime compensation in violation of the Fair Labor Standards Act. Plaintiff seeks unpaid wages, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys’ fees, and costs.

Defendants deny all liability and are confident that they have strong legal and factual defenses to these claims. Defendants also recognize the risks and costs associated with litigation. Defendants contend that Plaintiff's claims do not have merit and do not meet the requirements for class certification.

The Court has not ruled on the merits of Plaintiff's claims or Defendants' defenses. This Settlement is a compromise reached after good faith, arm's length negotiations between Plaintiff and Defendants (the "Parties") and is not an admission of liability on the part of Defendants. Both sides agree that, in light of the risks and expenses associated with continued litigation, this Settlement is fair, adequate and reasonable. Plaintiff also believe this Settlement is in the best interests of all Class Members.

What is a class action and who is involved?

In a class action lawsuit, one or more people called "Class Representatives" sue on behalf of other people who have similar claims. The Class Representative(s) and all of the people whose claims are being pursued in the case are called the "Class" or "Class Members." One court resolves the issues for everyone in the Class, except for those people who choose to exclude themselves from the Class.

Do I have a lawyer in this case?

On April 9, 2018, the Court granted preliminary approval of the Settlement. At that time, the Court also preliminarily approved the law firm of Matern Law Group, PC to serve as counsel for Plaintiff and the Class ("Class Counsel"). Class Counsel's contact information is as follows:

MATERN LAW GROUP
Matthew J. Matern
Tagore O. Subramaniam
1230 Rosecrans Avenue, Suite 200
Manhattan Beach, California 90266
Telephone: (310) 531-1900
Facsimile: (310) 531-1901

What are the Settlement terms?

Subject to approval by the Court, the Settlement provides that Defendants will pay a total amount of \$800,000 (the "Gross Settlement Amount") in order to resolve the claims in the Action. This Gross Settlement Amount includes an award of reasonable attorneys' fees to Class Counsel (not to exceed \$266,667.67), reimbursement of Class Counsel's litigation costs and expenses (not to exceed \$22,000), a service payment to the Class Representative (not to exceed \$10,000), settlement administration costs (estimated to not exceed \$35,000), payment to the California Labor and Workforce Development Agency for its share of the PAGA penalties (in the amount of \$35,000), and payments to Class Members ("Individual Settlement Awards").

Payments to Class Members: The "Net Settlement Amount" means the Gross Settlement Amount, less the Court-approved amounts for attorneys' fees and costs, service payment to the Class Representative, settlement administration costs, and the PAGA payment to the LWDA.

Each Class Member who does not submit a timely and valid Exclusion Form will receive a share of the Net Settlement Amount (an "Individual Settlement Award") which, to the extent possible, will be based upon the number of weeks that he or she worked for Defendants at the facility located at 2501 West Rosecrans Avenue, Los Angeles, California 90059 during the Class Period ("Compensable Workweeks"), as follows: First, the Settlement Administrator will divide the Net Settlement Amount by the aggregate number of Compensable Workweeks for all Class Members, resulting in a value for each workweek worked by Class Members ("Workweek Value"). The Settlement Administrator will then take the number of Compensable Workweeks worked by each Class Member and multiply it by the Workweek Value. This calculation will yield the amount of the Class Member's estimated Individual Settlement Award.

Your estimated number of Compensable Workweeks and your estimated Individual Settlement Award are listed on the Information Sheet that is enclosed with this Notice.

For tax purposes, each Class Member's Individual Settlement Award will be allocated as follows: 1/3 as wages (the "wage portion"), 1/3 as penalties, and 1/3 as interest. The wage portion of each Individual Settlement Award will be subject to payroll taxes and withholdings and will be reported on an IRS Form W-2. The remaining portion of the Individual Settlement Award will not be subject to payroll taxes or withholdings, and will be reported on an IRS Form 1099. The employee's share of payroll taxes and withholdings with respect to the wage portion of the Individual Settlement Award

will be paid from the Gross Settlement Amount, and the employer's share of any applicable taxes or withholdings will be paid separately by Defendants.

Each Individual Settlement Award check will contain language stating that by cashing the check, the Class Member will be deemed to have released the Released Claims arising under the Fair Labor Standards Act ("FLSA"), as further discussed herein.

If a Class Member fails to cash a check for his or her Individual Settlement Award within 120 calendar days after the check is issued, the check will be voided, and the funds represented by the uncashed check will be distributed to a *cy pres* recipient, subject to approval by the Court. The parties have agreed to propose the *cy pres* recipient of Legal Aid at Work.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

What claims are being released by the Settlement?

Upon the Effective Date of the Settlement, Plaintiff and Class Members who have not excluded themselves from the Settlement will be deemed to have released and discharged Defendants, together with their respective present or former parents, subsidiaries, officers, directors, managers, members, principals, employees, partners, shareholders, attorneys, and agents (the "Released Parties") from all claims alleged or that could have been alleged in the operative complaint based on the facts, allegations, and legal theories raised in the operative complaint including all of the following claims, actions, demands, causes of action, suits, debts, obligations, damages, rights or liabilities, of any nature and description whatsoever (whether or not the factual cause of the alleged underpayment or violation was alleged with particularity in the operative complaint): (a) failure to pay minimum wages, straight time wages, or overtime wages; (b) failure to provide proper meal and rest periods, to properly provide premium pay in lieu thereof, or to properly calculate premium pay in lieu of meal and rest periods; (c) failure to maintain required records; (d) failure to provide complete and/or accurate wage statements; (e) failure to timely pay wages due or final wages due; (f) unfair business practices; (g) civil penalties under the Private Attorneys General Act ("PAGA"); (h) any other claims or penalties under the wage and hour laws pleaded in the Action; (k) any other claims or penalties under the wage and hour laws pleaded in the Action or that could have been pleaded in the operative complaint against the Released Parties, and each of them, based on the facts alleged in the operative complaint pursuant to the Labor Code, Business & Professions Code section 17200 et seq., Code of Civil Procedure section 1021.5, the Fair Labor Standards Act, applicable sections of the California Industrial Wage Orders, and applicable sections of the California Code of Regulations, all claimed or unclaimed compensatory, consequential, incidental, liquidated, punitive and exemplary damages, penalties, restitution, interest, costs and attorneys' fees, injunctive or equitable relief, and any other remedies available at law or equity, and other amounts recoverable under said causes of action under California and federal law, to the extent permissible (collectively, the "Released Claims"). The res judicata effect of the judgment will be the same as that of the release obtained by this Agreement and Settlement (the "Released Claims").

Only Class Members who timely cash their Individual Settlement Award checks will release the Released Claims arising under the Fair Labor Standards Act of 1938, 29 U.S.C. § 216(b) ("FLSA").

The Released Claims are limited to claims arising out of Class Members' employment at the facility located at 2501 West Rosecrans Avenue, Los Angeles California 90059 during the period from December 12, 2012 through April 9, 2018.

What are my options in this matter?

You have two options under this Settlement. You may: (A) participate in the Settlement and receive a payment; or (B) exclude yourself from (i.e., "opt out" of) the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you choose option (A), you will be represented at no cost by Class Counsel, and you will be subject to any Judgment entered in the Action, including the release of the Released Claims, as described above.

OPTION A. Remain in the Settlement. If you wish to remain in the Settlement and be eligible to receive a payment under the Settlement, you do not need to take any action. If you remain in the Settlement, you will release the Released Claims, as described above.

OPTION B. If you do not want to be bound by the Settlement. If you do not want to be part of the Settlement, you must complete and sign the Exclusion Form that is enclosed with this Notice and mail it to the Settlement Administrator at the following address, postmarked no later than **July 7, 2018**. *Edwards v. Chartwell Staffing Services* Settlement, PO Box

404041, Louisville, KY 40233-4041. If you do not timely submit a completed and signed Exclusion Form, your request will be rejected, you will remain in the Settlement, and you will be bound by the release of the Released Claims and all other Settlement terms. If you timely submit an Exclusion Form, you will have no further role in the Action, and you will not be entitled to any benefit as a result of the Action and Settlement, and will not be entitled to or permitted to assert an objection to the Settlement.

Objecting to the Settlement: If you believe the Settlement is not fair, reasonable or adequate in any way, you may object to it. To object, you must mail a written statement of objection (“Notice of Objection”) to the Settlement Administrator at the following address, postmarked no later than **July 7, 2018**. *Edwards v. Chartwell Staffing Services* Settlement, PO Box 404041, Louisville, KY 40233-4041. To be valid, the Notice of Objection must contain your full name and signature and state the grounds for the objection. You can also hire an attorney at your own expense to represent you in your objection. **You cannot object to the Settlement if you request exclusion from the Settlement.**

Even if you submit an objection, you will be bound by Settlement, including the Released Claims, unless the Settlement is not finally approved by the Court.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel’s request for attorneys’ fees and costs, the service payment to the Class Representative, the settlement administration costs, and the PAGA penalties on **August 27, 2018 at 1:30PM** in Courtroom 6A, 6th Floor of the United States District Court, Central District of California, located at the First Street Courthouse, 350 West 1st Street, Los Angeles, California 90012. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing, but you may do so at your own expense.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are contained in the detailed Stipulation of Class Action Settlement (“Settlement Agreement”) that is on file with the Court. The pleadings and other records in this litigation, including a complete copy of the Settlement Agreement, may be examined during regular court hours at the Records Office of the Clerk of the United States District Court, located at 312 North Spring Street, Los Angeles, California 90012. More information and Court documents are also available on the case website, at www.2501RosecransAveSettlement.com. Any questions regarding this Notice should be directed to the Class Counsel, whose contact information is listed on page 2 of this Notice. For more information, you may also call the Settlement Administrator toll-free at 1-866-673-9634.

What should I do if my address changes?

If you need to update your contact information, please promptly contact the Settlement Administrator toll-free at 1-866-673-9634. This will ensure that you receive further notices about the Settlement and that you receive your Individual Settlement Award if the Settlement is approved by the Court.

**PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE
BY ORDER OF THE U.S. DISTRICT COURT**