*Munoz, et al. v. Earthgrains Distribution LLC, et al.,*
United States District Court for the Southern District of California, Case No. 3:22-cv-01269-AJB-AHG

# NOTICE OF SETTLEMENT

To: Current and former Independent Business Partners ("IBPs") who contracted with either *Earthgrains Distribution LLC* or one of its predecessors, subsidiaries, or affiliates for sales in sales areas in California or who were purchasing product in California or selling to customers in California at any time between June 27, 2018 through and including February 28, 2026 (the "Class").

**CLASS MEMBERS ARE ELIGIBLE TO RECEIVE PAYMENT FROM THE CLASS SETTLEMENT AND MAY ALSO BE ELIGIBLE TO RECEIVE PAYMENT FROM THE PAGA SETTLEMENT DESCRIBED IN THIS NOTICE.**

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT | |
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| **RECEIVE SETTLEMENT PAYMENT** | If you are a former IBP as of February 28, 2026, you do not need to do anything to receive a settlement payment. If you are a current IBP as of February 28, 2026, you must execute an Arbitration Agreement to receive a settlement payment. Your payment will be mailed to you, automatically, after the Court grants final approval of the settlement and subject to execution of that Agreement. *You must keep a current address on file with the Settlement Administrator to ensure receipt of your check.* |
| **CHANGE CONTACT AND ADDRESS INFORMATION** | Update your address with the Administrator to ensure your check is sent to the correct address. |
| **EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT** | If you do not want to participate in the class settlement, you may exclude yourself ("opt out") of the class portion of the settlement. If you exclude yourself from the class settlement, then you will not receive any payment from the Net Settlement Amount (defined below).<br><br>However, if you are a PAGA Member (defined below), even if you exclude yourself from the class settlement, you will still receive a portion of the PAGA settlement and will be bound by the release of PAGA claims. |
| **OBJECT IN WRITING OR AT THE HEARING** | Write to the Court if you think the settlement is not fair and then appear at the Final Approval hearing to speak to the Court about why you think the settlement is not fair. |

- **YOUR RIGHTS AND OPTIONS – AND THE DEADLINES TO EXERCISE THEM – ARE EXPLAINED IN THIS NOTICE.**

- **DEFENDANTS WILL NOT RETALIATE IN ANY MANNER AGAINST ANY CLASS MEMBER FOR PARTICIPATING OR NOT PARTICIPATING IN THIS SETTLEMENT.**

## BACKGROUND ON THE LAWSUIT

### 1. What is this Class and PAGA Lawsuit and Settlement about?

On July 27, 2022, Plaintiffs Corona, Munoz and Ruiz initiated this "Action" by filing a Class Action Complaint in San Diego County Superior Court, which Defendants Bimbo Bakeries USA, Inc. and Earthgrains Distribution, LLC subsequently removed to the United States District Court for the Southern District of California. Plaintiffs Corona, Munoz, and Ruiz later filed their First Amended Complaint, adding Steven Snavely as a Plaintiff (together, "Plaintiffs"). In the operative Second Amended Complaint, Plaintiffs allege causes of action for (1) violation of California Labor Code §2802 (failure to reimburse business expenses); (2) violation of California Labor Code §§ 221-223 (unlawful deductions from wages); (3) violation of California Labor Code § 226 (failure to provide accurate wage statements) (4) violation of California Labor Code § 510 (failure to pay overtime); (5) violation of California Labor Code § 226.7 (failure to provide meal periods or rest breaks); (6) violation of California Labor Code § 201-203 (failure to pay wages due upon termination); (7) violation of California Labor Code § 245-259 (failure to pay sick leave wages); (8) violation of California Business & Professions Code §§ 17200, et seq. (violation of unfair competition law); (9) violation of California Labor Code § 2698, et seq. (PAGA). Plaintiffs seek to represent current and former Independent Business Partners ("IBPs") who contracted with either Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates for sales in sales areas in California or who were purchasing product in California or selling to customers in California at any time between June 27, 2018 and February 28, 2026.

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Defendants deny all allegations in the Action and contend that they fully complied with federal, state and local wage and hour laws. The settlement is not an admission of any wrongdoing by Defendants or others released by the settlement or an indication that any law was violated or that this case was suitable for class or representative treatment. Through arms-length negotiations with an experienced wage and hour mediator, the Parties reached a class and PAGA settlement subject to Court approval, which is summarized in this Notice.

Additional documents and information can be found on the settlement website: www.EarthgrainsSettlement.com

## 2. Why did I get this notice?

You received this Notice because records identify you as a Class Member who contracted with Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates at any time during the period from June 27, 2018, through and including February 28, 2026 (the "Class Settlement Period"). The settlement will resolve Class Members' claims, summarized above, during the Class Settlement Period. The Settlement will also resolve claims for civil penalties under the PAGA. You may also be a "PAGA Member" if you contracted with Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates during the period from May 18, 2021, through February 28, 2026 (the "PAGA Settlement Period").

The purpose of this notice is to explain the lawsuit, the pending Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of California, and the case is known as *Munoz, et al. v. Earthgrains Distribution LLC, et al.,* Case No. 3:22-cv-01269-AJB-AHG. On July 16, 2026 District Judge Anthony J. Battaglia preliminarily approved this Settlement and directed that you receive this Notice. The Court will hold a Final Approval hearing concerning the Settlement on November 12, 2026 at 10:00 a.m., in the Edward J. Schwartz United States Courthouse, Courtroom 4A, 221 West Broadway San Diego, CA 92101. The Final Approval Hearing may be continued to another date without further notice.

## 3. Why is there a settlement?

The settlement resolves disputed claims between the Plaintiffs and Defendants. The Court has not decided in favor of Plaintiffs or Defendants or made any decision as to whether this case could proceed on a class or representative basis. There was no trial. Defendants are not admitting any fault through the settlement of the Lawsuit.

## 4. Who are the Attorneys for the Class and the PAGA Members?

The Court has appointed Class Counsel to represent the Class and the PAGA Members in connection with this Settlement:

Craig Nicholas
Alex Tomasevic
Shaun Markley
225 Broadway, 19th Floor
San Diego, California 92101
Telephone: (619)325-0492
cnicholas@nicholaslaw.org
atomasevic@nicholaslaw.com
smarkley@nicholaslaw.com

## THE TERMS OF THE SETTLEMENT

## 5. What is the Settlement Amount?

The proposed Settlement provides for a maximum payment of Seventeen Million Five Hundred Thousand Dollars and Zero Cents ($17,500,000.00) (referred to as the "Gross Settlement Amount"). In addition to paying your Individual Settlement Payment (discussed below), this amount will pay for several other things related to this Lawsuit. From the Gross Settlement Amount, Class Counsel will apply to the Court for: attorneys' fees of up to one third of the Gross Settlement Amount, or Five Million Eight Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($5,833,333.33) and up to Forty Five Thousand Dollars and Zero Cents ($45,000.00) in recoverable costs incurred in this Action; Class Representative Enhancement Award of Sixty Thousand Dollars and Zero Cents ($60,000.00), representing Fifteen Thousand Dollars and Zero Cents ($15,000.00) each to Plaintiffs Munoz, Ruiz, Corona, and Snavely for their work and efforts prosecuting this case, for undertaking the risks of payment of costs (in the event of an unsuccessful outcome of this Action) and for signing a general release of any claims they may have against Defendants; a Three Hundred Fifty Thousand Dollars and Zero Cents ($350,000.00) payment as settlement for claims for civil penalties under PAGA (the "PAGA Payment"), of which 75% will go to the California Labor

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Workforce Development Agency ("LWDA") and 25% will be divided among the PAGA Members as described below; a Two Hundred Thousand Dollars ($200,000.00) Reserve Fund to make Individual Settlement Payments to Class Members, if any, who were not identified in the Class Data before the Effective Date through the 180-day cash checking period; .and Settlement Administration Costs to CPT Group estimated at Sixteen Thousand Dollars ($16,000.00). The exact amount of the attorneys' fees, litigation costs, Class Representative Enhancement Award, and Settlement Administration Costs will be determined by the Court at the Final Approval hearing.

**6. <u>How will the Individual Settlement Payments to Participating Class Members be calculated?</u>**
Participating Class Members will receive Individual Settlement Payments from the Net Settlement Amount. **A claim form is not required to become a Participating Class Member, but current IBPs are required to execute an Arbitration Agreement in order to receive an Individual Settlement Payment.** You can sign the Arbitration Agreement on the settlement website available at: www.EarthgrainsSettlement.com. Class Members who opt out of the class settlement will not become Participating Class Members and will not receive Individual Settlement Payments and will not be bound by the class portion of this Settlement.

Each Participating Class Member's Individual Settlement Payment will consist of a minimum payment ("Minimum Payment") and a pro rata share of the Net Settlement Amount based on the number of workweeks that each Participating Class Member contracted with Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates during the Class Settlement Period (June 27, 2018, through and including February 28, 2026) ("Eligible Workweeks") as a proportion of all Eligible Workweeks for all Participating Class Members ("Pro Rata Payment"). The Minimum Payment shall be calculated as fifteen percent (15%) of the Net Settlement Amount divided equally among all Participating Class Members. The Pro Rata Payment shall be calculated by taking the remaining eighty-five percent (85%) of the Net Settlement Amount and dividing it among the Participating Class Members on a pro rata basis based on the Eligible Workweeks each Participating Class Member contracted with Defendants during the Class Settlement Period, using the following formula: [(individual Participating Class Member's Eligible Workweeks ÷ all Participating Class Members' Eligible Workweeks) × Eight-Five percent (85%) of the Net Settlement Amount].

All Individual Settlement Payments to Participating Class Members shall be allocated as 100% of each Individual Settlement Payment shall constitute non-employee compensation and penalties, for which a 1099 will be issued if required by law. Participating Class Members will be responsible for correctly characterizing the Individual Settlement Payment for tax purposes and paying taxes due, if any.

Your total estimated Eligible Workweeks is <<SubClass1_Weight>>. Based on that, your anticipated approximate Individual Settlement Payment is <<SubClass1_Amt>>, provided you sign the arbitration if applicable and do not opt-out.

**7. <u>How will the PAGA Payment be allocated to the LWDA and PAGA Members?</u>**
The Parties will ask the Court to approve the Three Hundred Fifty Thousand Dollars and Zero Cents ($350,000.00) PAGA Payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Payment, or $262,500, will be paid to the LWDA. The remaining 25% of the PAGA Payment, or $87,500, will be distributed to the PAGA Members as Individual PAGA Payments.
Not all Class Members are PAGA Members who are entitled to an Individual PAGA Payment. If you are a PAGA Member, you are entitled to receive an Individual PAGA Payment; no claim form is required. Because PAGA Members cannot opt out of the PAGA settlement, if you are a PAGA Member and you opt out of the class settlement, you will still receive an Individual PAGA Payment and be bound by the PAGA settlement.

Each PAGA Member's Individual PAGA Payment will be a pro rata share of the 25% of the PAGA Payment to be distributed to PAGA Members. It will be based on the number of pay periods that each PAGA Member contracted with Earthgrains Distribution LLC or one of its predecessors, subsidiaries, or affiliates during the PAGA Period (May 18, 2021, through February 28, 2026) ("Eligible Pay Periods") as a proportion of all Eligible Pay Periods for all PAGA Members. For tax purposes, 100% of the Individual PAGA Payments will be allocated as penalties for which an IRS Form 1099, if required by law.

Your total estimated Eligible Pay Periods is <<PAGAClass1_Weight>>. Based on that, your anticipated approximate Individual PAGA Payment is <<PAGAClass1_Amt>>.

## HOW TO GET A PAYMENT

**8. <u>How can I get a settlement payment?</u>**
**If you are a former IBP as of February 28, 2026**, and do nothing, you will automatically receive your Individual Settlement Payment and Individual PAGA Payment (if any) after the Court approves the Settlement at a Final Approval Hearing. You must

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notify the Settlement Administrator of any change in your name, mailing address and/or telephone number if the information shown on this is not correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your address. Settlement payments will be mailed to the last known address the Settlement Administrator has on file for you.** You can contact the Settlement Administrator by U.S. Mail, email or phone at 1-888-506-1415 if you need to update contact information.

**If you are a Current IBP as of February 28, 2026,** you **must execute the Arbitration Agreement** within (45) calendar days after the Settlement Administrator mails this Notice of Settlement in order to receive your Individual Settlement Payment**. If you do not timely execute the Arbitration Agreement, then your Individual Settlement Payment will be distributed to a *cy pres* charity of Defendants' choice that addresses food insecurity in Southern California.** You will receive the Individual PAGA Payment and will be bound by the class settlement release regardless of whether you execute the Arbitration Agreement. You must notify the Settlement Administrator of any change in your name, mailing address and/or telephone number if the information shown on this is not correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your address. Settlement payments will be mailed to the last known address the Settlement Administrator has on file for you.** You can contact the Settlement Administrator by U.S. Mail, email or phone at 1-888-506-1415 if you need to update contact information.

In the event there is money remaining in the Reserve Fund after expiration of the 180-day check cashing period, and if it exceeds $5,000, the Settlement Administrator will make a second pro rata distribution to Class Members. If the money remaining in the Reserve Fund does not exceed $5,000, no second distribution will be made and the Settlement Administrator will instead distribute the money to a *cy pres* charity of Defendants' choice that addresses food insecurity in Southern California.

### 9. What do I do if I believe my Eligible Workweeks or Eligible Pay Periods are incorrect?

If you believe the Eligible Workweeks and Eligible Pay Periods above are not correct, you may send a letter to the Settlement Administrator indicating what you believe to be the correct information. Your letter must be postmarked on or before September 28, 2026. You should include any documents or other information which supports what you believe support that you worked a different number of Eligible Workweeks or Eligible Pay Periods.

**Settlement checks should be cashed promptly upon receipt**. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the State of California Unclaimed Property Fund in the name of each Participating Class Member and/or PAGA Member who did not cash his or her settlement check. **If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.**

## WHAT HAPPENS IF THE COURT APPROVES THE SETTLEMENT

### 10. What am I giving up to get an Individual Settlement Payment?

If the Court approves this Settlement, and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be a part of any other lawsuit against Defendants or other Released Parties concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the claims described below:

**Released Parties:** Means all named Defendants in the Action and all of their affiliated parties and entities, including all past and present affiliates, parents, divisions, and subsidiaries, and each of their predecessors, successors, and assigns, and for all such entities each of their respective past and present owners, members, shareholders, insurers, benefit plans, plan administrators, counsel, directors, officers, employees, partners, members and representatives.

**Released Class Claims**: As of the Effective Date, all Participating Class Members fully and finally release the Released Parties from the Released Class Claims that arose during the Class Settlement Period. The "Released Class Claims" means all federal, state and local law claims, rights, demands, liabilities, penalties and causes of action asserted against the Released Parties in the Action and/or that could have been asserted in the Action based upon the facts set forth in the Action and/or the LWDA letters (as amended), including, but not limited to, causes of action for or based on: (1) failure to reimburse business expenses (Lab. Code, § 2802); (2) unlawful deductions from wages (Lab. Code §§ 221-223); (3) failure to provide accurate wage statements (Lab. Code § 226); (4) failure to pay overtime (Lab. Code § 510); (5) failure to provide meal breaks (Lab. Code § 226.7); (6) failure to provide rest breaks (Lab. Code § 510); (7) waiting time penalties (Lab. Code §§ 201-203); (8) failure to pay sick leave (Lab. Code § 246 et seq.); and (9) unfair business practices (Bus. Prof. Code § 17200 et seq.) based on the same alleged Labor Code violations; as well as all claims under the Fair Labor Standards Act ("FLSA") and all state or local wage and hour and wage payment/notice laws (such as claims for overtime, straight-time wages, minimum wage, meal and rest breaks, wage statements, wage notices or statements, expense reimbursement, allegedly unlawful deductions, and any other wage payment or wage notice claims), claims for other unpaid compensation, bonuses, benefits, or business expenses, and related common law theories (such as claims for breach of contract, breach of promise, real or implied, fraud, misrepresentation and unjust enrichment) under the laws of any jurisdiction where a given Participating Class Member lived or worked during any portion of the Class Settlement Period.

**11. What PAGA Claims are released by this Settlement?**

If the Court approves this Settlement, the PAGA Members cannot sue, continue to sue, or be a part of any other lawsuit against Defendants or Released Parties concerning the PAGA claims resolved by this lawsuit based on the following release.

**Released PAGA Claims**: As of the date of the Effective Date, Plaintiff, as representative of the State of California and on behalf of the LWDA and as representative of the PAGA Members, fully and finally releases the Released Parties from the Released PAGA Claims for the PAGA Settlement Period. The "Released PAGA Claims" means all claims for civil penalties under PAGA against the Released Parties asserted in the Action and/or the LWDA letter (as amended) and/or that were asserted or could have been asserted in the Action based upon the facts set forth in the Action and/or the LWDA letter (as amended), including, but not limited to, claims for violations of the California Labor Code §§ 201, 202, 203, 210, 216, 221, 223, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 246, 246.5, 432.5, 450, 510, 512, 558, 1174, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 1199, and 2802 and the applicable Industrial Welfare Commission Wage Order.

## EXCLUDING YOURSELF FROM THE CLASS SETTLEMENT

**12. How do I exclude myself ("opt out") of the class settlement?**

If you wish not to participate in the class settlement for whatever reason, you should exclude yourself from the class settlement (that is, "opt out" of the class portion of the Settlement). However, you cannot opt out of the PAGA portion of the settlement. Those who opt out of this Settlement and who are also PAGA Members will still be bound by the release of PAGA in this Settlement and will receive an Individual PAGA Payment.

To opt out of the class portion of the Settlement and the Released Class Claims, you must provide a signed and dated letter to the Settlement Administrator requesting to be excluded. The letter must include the case name and number, your name, address, and last four of your social security number, must be signed by you, and must reasonably communicate your election to be excluded from the class Settlement. The letter must be postmarked and mailed to the Settlement Administrator at the following address (or in the enclosed envelope) on or before September 28, 2026. Opt-out requests postmarked after the deadline will be invalid.

*Munoz et al., v. Earthgrains Distribution, LLC*
c/o CPT Group, Inc.
PO Box 19504
Irvine, CA 92623
Email: EarthgrainsSettlement@cptgroup.com
Toll Free Number: 1-888-506-1415

**13. If I don't exclude myself from the class settlement, can I sue Defendants for the same thing?**

No. Unless you exclude yourself, you give up any right to sue the Released Parties for the Released Class Claims. If you have a claim or lawsuit already filed against Defendants or any of the Released Parties, you should speak to your lawyer in that case immediately.

You cannot exclude yourself from the PAGA portion of the Settlement and you cannot sue the Released Parties for the Released PAGA Claims later if this Settlement is approved.

## OBJECTING TO THE SETTLEMENT

**14. How do I tell the Court that I do not agree with the Settlement or believe it is not fair?**

You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out, and the lawsuit will continue. If that is what you want to happen, you should object.

Even if you object, if the Court approves the Settlement, then you will still receive the Individual Settlement Payments and be bound by the releases in this Settlement unless you opt-out of the Class Settlement.

If you submit a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must (a) clearly identify the case name and number (*Munoz, et al. v. Earthgrains*

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*Distribution LLC, et al.,* Case No. 3:22-cv-01269-AJB-AHG), (b) be mailed to the Settlement administrator at *Munoz et al., v. Earthgrains Distribution, LLC* c/o CPT Group, Inc. PO Box 19504 Irvine, CA 92623, and (c) be postmarked on or September 28, 2026. The written objection should also describe all legal and factual reasons that you object to the terms of the settlement. You should also include or attach any documents upon which your objection is based.

## THE FINAL APPROVAL HEARING WITH THE COURT

### 15. When and where will the Court decide whether to grant final approve the settlement?

The Court will hold a Final Approval hearing concerning the Settlement on November 12, 2026 at 10:00 a.m., in the Edward J. Schwartz United States Courthouse, Courtroom 4A, 221 West Broadway San Diego, CA 92101. At this hearing the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and costs, the Class Representative's Enhancement Award, and the Settlement Administrator's fees and expenses.

The Court may reschedule the Final Approval hearing without further notice to Class Members. You should check the Southern District of California's website (https://www.casd.uscourts.gov/) or you can contact Class Counsel to verify the date and time of the Final Approval hearing.

### 16. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Judge may have. But you are welcome to come at your own expense. If you timely submit a written objection, you don't have to come to Court to talk about it. You may also hire and pay your own lawyer to attend if you so desire.

## GETTING MORE INFORMATION

### 17. Whom may I contact if I have questions about the settlement?

You may contact Class Counsel at the contact information listed above in Paragraph 4 if you have any questions about the Settlement. The Settlement Agreement and other settlement documents are available at no charge on the Settlement website at www.EarthgrainsSettlement.com. You may also contact the court-appointed Settlement Administrator at:

*Munoz et al., v. Earthgrains Distribution, LLC*
c/o CPT Group, Inc.
PO Box 19504
Irvine, CA 92623
Email: EarthgrainsSettlement@cptgroup.com
Toll Free Number: 1-888-506-1415

This notice summarizes the proposed settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available by contacting Class Counsel, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at https://ecf.cand.uscourts.gov, or by visiting the office of the Clerk of the Court for the United States District Court for the Southern District of California, Office of the Clerk, 333 West Broadway, Suite 420 San Diego, CA 92101, between 8:30 a.m. and 4:30 p.m., Monday through Friday, excluding Court holidays.

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