

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE**

TIM DAVIS and NIKLAUS RYKER SCHLEUFER,
individually and on behalf of all others similarly situated,

Plaintiffs,

v.

CHARTER FOODS, INC., CHARTER CENTRAL, LLC,
and CHARTER FOODS NORTH, LLC

Defendants.

Case No.: 2:20-cv-159

**OFFICIAL COURT NOTICE REGARDING
PROPOSED SETTLEMENT OF CLASS ACTION**

If you were an Assistant Manager or Assistant General Manager working for Charter Foods, Inc., Charter Central, LLC or Charter Foods North, LLC (“Charter Foods”) between July 21, 2017 and January 1, 2020, you may be entitled to a payment from a class action lawsuit settlement.

Read this Notice carefully, as the proposed settlement will affect your rights. To receive proceeds from the settlement, you do not have to do anything in response to this Notice, as explained in further detail below.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

- This Notice is directed to members of the Settlement Class, meaning those exempt-classified Assistant Managers employed by Charter Foods between July 21, 2017 and January 1, 2020 (when the Assistant Manager position was reclassified as non-exempt) who either worked in Pennsylvania or filed a consent to join form opting into the collective action certified in this case and who have not released their claims under the settlement of an earlier, separate case styled *Gallagher, et al. v. Charter Foods, Inc, et al.*, No. 2:20-cv-00049-RJC (W.D. Pa.).
- The individual Plaintiffs identified in the caption (the “Named Plaintiffs”) are former Charter Foods Assistant Managers who sued Charter Foods by filing a Complaint alleging that Charter Foods misclassified them as exempt and, as a result, failed to pay them overtime for work performed in excess of forty (40) hours in a workweek.
- The Named Plaintiffs filed the Complaint as a class and collective action under the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.* (“FLSA”); the Pennsylvania Minimum Wage Act of 1968, 43 P.S. § 333.101, *et seq.* (“PMWA”); and the Pennsylvania Wage Payment and Collection Law, 43 P.S. §§ 260.1, *et seq.* (“PWPCCL”).

- Though Charter Foods denies the allegations in the Complaint, the Parties have agreed to settle this dispute for the purpose of avoiding further disputes and litigation with its attendant risk, expense, and inconvenience. The Court has not made any ruling on the merits of the claims, and no Party has prevailed in the lawsuit. However, the Court has reviewed and preliminarily approved this settlement and this Notice.
- The settlement monies are being used to pay a group of current and former employees of Charter Foods, attorneys' fees, litigation costs, service payments to the Named Plaintiffs, and the costs of administering the settlement. Charter Foods will not take any adverse action against any employee covered by the settlement whether or not he or she accepts a settlement payment.
- Under the allocation formula created by the settlement, you will be entitled to a settlement payment (with applicable taxes and withholdings).

Your decisions have legal consequences for you. You have a choice to make:

YOUR LEGAL RIGHTS AND OPTIONS IN RESPONSE TO THIS NOTICE:	
IF YOU DO NOTHING	By doing nothing you will be bound by the release of the Released State Claims described in this Notice and you will receive a Settlement Check in the mail representing your share of the settlement fund. If you cash that check, you will also be bound by the release of the Released Federal Claims.
IF YOU OPT OUT OF THE SETTLEMENT	If you timely opt out of the settlement as explained in this Notice, you will <u>not</u> receive a Settlement Check, and you will not be bound by the release of any of the Released State Claims or Released Federal Claims as described in this Notice.

BASIC INFORMATION

1. Why did I receive this Notice?

Charter Foods' records show that you are a member of the proposed Settlement Class as defined above. As a member of the proposed Settlement Class, you have a right to know about the settlement of a class action lawsuit that affects your rights. This Notice explains the lawsuit, the settlement, and your rights and options. The Court supervising this case is the U.S. District Court for the Eastern District of Tennessee. The lawsuit is known as *Davis et al. v. Charter Foods, et al.*, Case No. 2:20-cv-00159-CEA-CRW (the "Litigation").

2. What is this lawsuit about?

In the Complaint, the Named Plaintiffs alleged that Charter Foods violated the Fair Labor Standards Act, the Pennsylvania Minimum Wage Act, and the Pennsylvania Wage Payment and Collection Law by failing to pay its Pennsylvania and certain other Assistant Managers overtime for all hours worked over forty (40) in a single workweek because it misclassified them as exempt and ineligible to receive overtime. Charter Foods denies all the claims asserted in the Complaint and maintains that all of their respective employees were paid, and have always been paid, correctly and in accordance with the law.

3. Why is there a proposed settlement?

The Court did not decide in favor of the Named Plaintiffs or Defendants, and no Party prevailed. The Parties agreed to a settlement to avoid further disputes and the risk, expense, and inconvenience of litigation.

On **September 3, 2024**, the Court granted preliminary approval of the proposed settlement. The Court will decide whether to give final approval to the proposed settlement in a hearing scheduled for December 17, 2024 ("Final Approval Hearing"). See Section 12 below for details.

The Named Plaintiffs and their attorneys believe that this settlement is a good outcome for all individuals covered by the proposed settlement. But if you believe the settlement on behalf of Class Members is not in your interests, you may opt out of the Class Settlement. See Section 8 below for details.

THE SETTLEMENT BENEFITS - WHAT YOU GET

4. What does the settlement provide?

The Maximum Settlement Amount, \$600,000 in total, fully resolves and satisfies the attorneys' fees and costs approved by the Court, all amounts to be paid to individuals covered by the Settlement, the Court-approved service payments to the Named Plaintiffs, and the Settlement Administrator's fees and costs. The Settlement funds are being divided among the individuals covered by the Settlement according to an allocation formula.

5. How much is my payment and how was it calculated?

If you do not request exclusion from the settlement, you will receive a gross pre-tax settlement in the amount identified above. This amount represents your *pro rata* share based on the number of weeks you worked as an exempt AM between July 21, 2017 and January 1, 2020. The settlement check you will receive will be in a net amount subject to deductions for applicable taxes and withholdings on the portion of your settlement considered wages. Half of your gross settlement amount will be considered wages subject to deductions and reported on an IRS Form W-2. The other half will be considered ordinary income, not subject to deductions, and will be reported on an IRS Form 1099. **Neither Plaintiffs' Counsel nor Charter Foods or its counsel make any representations concerning the tax obligations of your settlement payment.**

HOW YOU GET A PAYMENT

6. How do I get my payment?

To receive proceeds from the Settlement, **you do not have to do anything in response to this Notice.**

If the Court grants final approval of the Settlement and you do **not** opt out of the settlement (described in Section 8 below), you will be bound by the release of the Released State Claims described in Section 7 below, and you will receive a Settlement Check in the mail representing your share of the settlement fund.

If you choose to cash or deposit the Settlement Check, you will further be bound by the release of the Released Federal Claims described in Section 7 below.

7. What am I giving up if I receive proceeds from the settlement?

If you do not request to be excluded from the Settlement in accordance with Section 8 below, you will be deemed to have waived, released, and forever discharged any and all state wage and hour claims that were or could have been asserted related to the facts or causes of action alleged in the Complaint, including any claim for penalties or liquidated damages through January 1, 2020 ("Released State Claims").

In addition, if you also cash or deposit your forthcoming Settlement Check, you will be deemed to have further waived, released, and forever discharged any and all federal wage and hour claims that were or could have been asserted related to the facts or causes of action alleged in the Complaint, including any claim for penalties or liquidated damages ("Released Federal Claims").

The Released Federal Claims and the Released State Claims include all claims described or identified herein through the date of Final Approval.

A copy of the claims asserted in the Complaint is available on the settlement website at www.charterfoodsflsacase.com.

HOW YOU REQUEST EXCLUSION FROM OR OBJECT TO THE SETTLEMENT

8. What if I do not want to participate in the settlement?

If you do not want to participate in the Class Settlement and do not want to receive a Settlement Check, and do not wish to release any state wage and hour claims included within the Released State Claims, you must opt out of the settlement by mailing a signed letter to the Settlement Administrator. The Settlement Administrator is:

Charter Foods FLSA Case
P.O. Box 2002
Chanhassen, MN 55317-2002
844-731-3421

In your letter to the Settlement Administrator requesting to be excluded from the Settlement, you must include: the name of the litigation; your name, telephone number, and address; your employee ID (if known); a statement that you do not want to participate in the Settlement and that you want to be excluded; and your signature and the date of your letter.

In order to be valid, your completed letter requesting to be excluded must be postmarked no later than November 25, 2024. If you timely request to be excluded, you will not be eligible to receive any of the benefits under the Class Settlement or receive a Settlement Check. You will, however, retain whatever legal rights you may have with respect to the Released State Claims described above in Section 7.

9. What if I want to object to the settlement?

If you do not request exclusion from the Settlement but believe the proposed Settlement is unfair or inadequate in any respect, you may object to the Settlement by mailing a copy of your written objection to the Settlement Administrator at the address listed above.

All objections must be signed and include your address, telephone number, and the name of the Litigation. Your objection should clearly explain why you object to the proposed Settlement and must state whether you or someone on your behalf intends to appear at the Final Approval Hearing. All objections must be filed with the Court or received by the Settlement Administrator and postmarked by no later than November 25, 2024. If you submit a timely objection, you may appear, at your own expense, at the Final Approval Hearing, discussed below.

Any Settlement Class Member who does not object in the manner described above shall be deemed to have waived any objections and shall forever be foreclosed from objecting to the fairness or adequacy of the proposed Settlement, the payment of attorneys' fees, litigation costs, the service payments to the Named Plaintiffs, the claims process, and any and all other aspects of the Settlement. Likewise, regardless of whether you attempt to file an objection, you will be deemed to have released all the Released State Claims as set forth above in Section 7 unless you request exclusion from the Settlement in accordance with Section 8 above.

THE LAWYERS REPRESENTING YOU

10. Do I have a lawyer in this case?

The Court has determined that the lawyers at the law firms of Stueve Siegel Hanson LLP, Weisberg Cummings, P.C., and Jennifer Morton Law, PLLC are qualified to represent you and all individuals covered by this settlement. These lawyers are called "Class Counsel." You will not be charged for these attorneys. You do not need to retain your own attorney to participate as a member of this class action. However, you may consult with any attorney you choose at your own expense before deciding whether to opt out of this settlement.

11. How will the lawyers be paid?

Separate from the settlement amounts allocated to Class Members, Class Counsel will ask the Court to award an amount not to exceed \$400,000 for payment of litigation costs (including paying the settlement administrator), service payments to Named Plaintiffs and attorneys' fees all to be paid from the Maximum Settlement Amount. Class Counsel has represented that the amount they will be seeking as payment of fees is a significant discount from the value of their time expended in this Litigation. The requested service payments will not exceed \$7,500 each to the two Named Plaintiffs to recognize the risks they took and their services to the beneficiaries of this Settlement.

FINAL APPROVAL OF THE SETTLEMENT

12. When will the settlement be final and when will I receive my settlement payment?

If the Court grants Final Approval of the settlement, and you did not request exclusion from the settlement, you will receive your settlement payment in the mail within a few months after Final Approval.

The Court will hold a Final Approval Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, and the service payments to the Named Plaintiffs on December 17, 2024 at 2:00 p.m. before Judge Charles E. Atchley of the U.S. District Court for the Eastern District of Tennessee, located at 220 West Depot Street, Greeneville, Tennessee. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to appear at the hearing to participate in or to opt-out of the Settlement.

FOR MORE INFORMATION

13. Are there more details about the settlement?

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement, which is posted on the settlement website at www.charterfoodsflsacase.com. You are encouraged to read it. To the extent there is any inconsistency between this Notice and the Settlement Agreement, the provisions in the Settlement Agreement control. You may also obtain a copy of the Settlement Agreement by sending a request, in writing, to:

Charter Foods FLSA Case
P.O. Box 2002
Chanhassen, MN 55317-2002
Email: CharterFoodsFLSACase@noticeadministrator.com

14. How do I get more information?

The settlement website contains more information about the settlement, including copies of the Complaint, the Settlement Agreement, and important deadlines. You can always obtain more information at www.charterfoodsflsacase.com.

If you have other questions about the settlement, you can contact the Settlement Administrator. The Settlement Administrator can answer any questions related to updating addresses, pertinent deadlines, and timing. If you would like to speak with Class Counsel, you can contact them at (816) 714-7100 or wagner@stuevesiegel.com. You may also write to Class Counsel at:

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15. What if my name or address changes before I receive my settlement payment?

If, for future reference and mailings from the Court or Settlement Administrator, you wish to change the name or address listed on the envelope in which the Class Notice was first mailed to you, then you must contact the Settlement Administrator at Charter Foods FLSA Case, P.O. Box 2002, Chanhassen, MN 55317-2002, 844-731-3421, www.charterfoodsflsacase.com.

DATED: October 10, 2024

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE.