

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE, CENTRAL JUSTICE CENTER/CIVIL COMPLEX**

YVETTE PINERO, on behalf of herself and all others
similarly situated,

Plaintiffs,

v.

LAWRY'S RESTAURANTS, INC., a California
Corporation dba FIVE CROWNS and
DOES 1 through 25,

Defendants.

Case No.: 05CC00275

**NOTICE OF PENDENCY OF CLASS
ACTION PROPOSED SETTLEMENT
AND HEARING DATE FOR COURT
APPROVAL**

Dept: CX-105

**TO ALL PERSONS EMPLOYED BY LAWRY'S RESTAURANTS IN CALIFORNIA AS A NON-EXEMPT
HOURLY RESTAURANT EMPLOYEE AT ANY TIME BETWEEN NOVEMBER 21, 2001 AND
NOVEMBER 14, 2006.**

PLEASE READ THIS NOTICE CAREFULLY, AS IT MAY AFFECT YOUR RIGHTS.

I. INTRODUCTION

This notice is to inform you of a Proposed Settlement of this Class Action brought against Defendant Lawry's Restaurants, Inc. (hereinafter "Defendant"). If you are or were a non-exempt restaurant employee of Defendant at any of its California restaurants, at any time between November 21, 2001 and November 14, 2006, you are a Member of the Class ("Class Member") affected by the lawsuit. The Orange County Superior Court, on November 14, 2006, gave Preliminary Approval to the Settlement of this lawsuit and ordered that this notice be sent to you. The Court has also scheduled a further hearing on March 27, 2007, at 9 a.m., to determine if the Settlement should be given final approval. This notice summarizes the Proposed Settlement and advises you of your right to file a claim with respect to the Proposed Settlement of the case, your right to opt out of the Proposed Settlement, and your right, in the event you do not want to participate in the Settlement, to file an objection to the Settlement with the Court.

II. NATURE OF THE CASE

On November 21, 2005, Yvette Pinero (hereinafter "Plaintiff") filed a class action against Defendant. Plaintiff alleged that Defendant failed to comply with the law concerning meal periods, rest periods, split shift premiums, wages, and tip pooling with regards to its non-exempt restaurant employees. Defendant denies each and all of the claims and contentions alleged by Plaintiff. Nevertheless, Defendant has concluded that further conduct of the lawsuit would be protracted and expensive, and that it is desirable that Plaintiff's claims be fully and finally settled in the manner and upon the terms and conditions set forth in the Settlement. Please be advised that the Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses.

III. DEFINITION OF THE CLASS

For settlement purposes, the Court has conditionally defined the "Class" as follows: All current and former non-exempt restaurant employees of Defendant who were or are employed in the State of California between the dates November 21, 2001 and November 14, 2006. If you are included in the Class as defined above, the Proposed Settlement will affect your rights and obligations and will entitle you to a monetary award, unless you opt out of the Class. To receive the monetary award, you must submit a valid and timely Claim Form. To opt out of the Class, see Section VIII.C below.

IV. SUMMARY OF PROPOSED SETTLEMENT

Subject to Court approval, the Class Representative (Plaintiff) acting on your behalf and Defendant have agreed upon a Proposed Settlement under which this case will be resolved without a trial. The Settlement includes:

A. Monetary Relief to the Class Members

Defendant will pay a maximum of One Hundred Ninety Five Thousand Dollars (\$195,000) in consideration for Settlement of the action and related release and dismissal with prejudice of the Class claims.

Each Class Member who submits a valid and timely Claim Form will be a "Settlement Class Member" except for any such individuals who opt out of the Class by submitting timely and valid written requests for Exclusion, shall receive a share of the total calculated based on the number of weeks worked during the Class Period (November 21, 2001 to November 14, 2006).

Each Class Member who timely submits a valid Claim Form shall receive a payment based on the approximate number of Individual Weeks worked during the Class period divided by the Collective Weeks (all weeks worked by all Class Members during the Class period) multiplied by the amount of the payout fund. Your individualized Claim Form will provide you with approximate number of weeks you worked during the Class Period and the approximate amount of the payout you will receive from the settlement fund if you properly file a valid Claim Form.

The Claim Form will include a procedure by which a Class Member may challenge the number of qualifying Individual Weeks worked by the Class Member as identified on his/her Claim Form by submitting a written challenge to the Claims Administrator along with the signed Claim Form by the Claims Deadline. A Class Member challenging the number of qualifying Individual Weeks worked by the Class Member as identified on his/her Claim Form must also submit documentary evidence to the Claims Administrator sufficient to prove the number of qualifying Individual Weeks worked by the Class Member. In response to any such challenge by a Class Member, Defendant may also submit documentary evidence to the Claims Administrator sufficient to prove the number of qualifying Individual Weeks worked by the Class Member. The Settlement Administrator will resolve the challenge and make a final and binding determination without hearing or right of appeal.

B. Distribution

No later than thirty (30) days after the Effective Date (as defined in Section IV C below), the Claims Administrator shall by first-class mail, send each Class Member that submits a valid and timely Claim Form, except for any such individuals who opt out of the Class by submitting timely and valid written requests for Exclusion, a check in the amount determined by the distribution formula.

C. Effective Date

The Effective Date shall be the date by which this settlement is finally approved as provided in the Settlement after all of the following have occurred: (1) the Court has finally approved, signed, and entered the Settlement Agreement; (2) the Court has entered an Order and Judgment dismissing the Action with prejudice, with continuing jurisdiction limited to enforcing the Settlement Agreement; and (3) the time for appeal has either run without an appeal being filed or any appeal has been finally resolved.

D. Enhancement Award for Class Representative

Subject to Court approval, in consideration for Plaintiff's time and effort spent representing the Class, Plaintiff will receive an Enhancement Award in an amount not to exceed One Thousand Five Hundred Dollars (\$1,500.00).

E. Attorneys' Fees and Expenses

Defendant shall pay Plaintiff's Counsel their attorneys' fees and expenses in connection with their services performed and expenses incurred in this Action prior to the Effective Date, in the following amounts: (1) Not to exceed Fifty Eight Thousand, Five Hundred Dollars (\$58,500.00) in attorneys' fees; and (2) Five Hundred Dollars (\$500.00) in costs upon proof to the Court before payment is made, both of which will be deducted from the Settlement Fund.

V. RELEASE OF CLAIMS

Unless you file an opt out notice pursuant to Section VIII below, you will be bound fully by the terms of the Proposed Settlement. Specifically, you will be deemed to have fully and generally released any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of actions which relate to the alleged failure of Defendant to provide Class Members with wages, overtime, meal periods, rest periods, tips, tip pooling, and split shift premiums, as required by California law, the failure to pay penalties under the California Labor Code including without limitation §§203, 226.7 and 558, and any other claims whatsoever alleged in this case from four (4) years prior to the filing of this Action up to and including the date of

preliminary approval of this Settlement, arising from employment by Defendant within California; and (b) the causes of action asserted in the Class Action. The release will cover these claims even if the Class Member was not aware of the claims at the time of the Settlement. With respect to the released claims only, each Class Member waives any and all rights or benefits under California Civil Code § 1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

VI. COUNSEL

The following attorneys have been designated by the Court as Class Counsel: **The following attorneys are counsel for Defendant**

Michael A. Gould
GOULD & ASSOCIATES
12832 Valley View Street, Suite 211
Garden Grove, CA 92845-2514
TEL: (714) 379-6240; FAX: (714) 379-6243

Greg S. Labate
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
650 Town Center Drive, 4th Floor
Costa Mesa, CA 92626-1925
TEL: (714) 513-5100; FAX: (714) 513-5130

VII. HEARING ON PROPOSED SETTLEMENT

A hearing to determine whether the Proposed Settlement is fair and reasonable and should be finally approved will be held on March 27, 2007, at 9 a.m., in the Courtroom of the Honorable Stephen J. Sundvold, Superior Court for the County of Orange, Complex Civil, Department CX-105, 751 West Santa Ana Blvd., Santa Ana, California. **It is not necessary for you to attend the hearing.**

VIII. YOUR OPTIONS AS A CLASS MEMBER

As a Class Member, you have three options available to you at this time:

A. You must submit a Claim Form to participate in the monetary relief of this Settlement Agreement by submitting a written claim form in the form attached as Exhibit "A" hereto by mailing your claim form to the Claims Administrator identified below. Your claim form must be postmarked on or before February 2, 2007. If you submit a claim form you will receive a check for your portion of the monetary award, subject to the Court's Final Approval of the Settlement.

**Lawry's Class Action Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, CA 90045; Phone: (310) 216-1400**

B. You may object to the proposed settlement in writing. All written objections must be mailed to: Clerk of the Court, Department CX-105, Orange County Superior Court, 751 West Santa Ana Blvd., Santa Ana, California 92701, with copies sent to all law firms identified above in Section VI, and be postmarked on or before January 23, 2007. If you wish to object to the Settlement, you or your attorney must notify the Clerk of the Court and the attorneys for the parties as described in Section VI of this notice.

C. You may exclude yourself from the monetary relief of this lawsuit by filing a written "opt out" statement in the Request for Exclusion from Class Form attached as Exhibit "B" hereto by mailing your opt out statement to the Claims Administrator identified above in Section VIII. Your opt out statement must be postmarked on or before January 23, 2007. If you opt out of this lawsuit you will have no right to receive any monetary award under the Settlement, and you will not be bound by the Release Agreement in this action.

IX. ADDITIONAL INFORMATION

A. Inspection of Pleadings/Other Records

The pleadings and other records in this litigation, including complete copies of the Settlement Agreement, may be examined during regular court hours at the office of the Clerk of the Court, Orange County Superior Court, 751 West Santa Ana Blvd., Santa Ana, California, or you may obtain copies of any of these documents at your own expense by contacting the Clerk of the Court.

B. Questions Regarding the Settlement or This Notice

If you have any questions about the Proposed Settlement or this notice, you may contact Class Counsel by mail at the address identified above in Section VI.

C. Change of Address

It is important for the parties to have your current address in order to be able to send you other mailings regarding the action. You should contact Class Counsel by mail to report any change of your address. Failure to report a change of address may result in a Class Member being barred from receiving the monetary benefits of the Settlement.

**DO NOT TELEPHONE THE COURT REGARDING THIS
NOTICE. THE CLERK IS NOT ABLE TO PROVIDE ANY
INFORMATION OR ADVICE REGARDING THIS NOTICE.**

**BY ORDER OF THE SUPERIOR COURT FOR THE COUNTY
OF ORANGE.**