

**SUPERIOR COURT FOR CALIFORNIA
COUNTY OF LOS ANGELES**

ZHEN DONG ZHANG, individually, and on behalf of all others similarly situated,)	CASE NO. BC 329374
)	
Plaintiffs,)	Assigned for all purposes to Judge David L. Minning Dept. 61
)	
vs.)	NOTICE OF PROPOSED CLASS ACTION SETTLEMENT
)	
CHUNG KING RESTAURANTS, INC., dba CHUNG KING RESTAURANTS, CALIFORNIA WOK, INC., WEI-SHIN LIU, an individual, WEI-CHIANG LIU, an individual, and DOES 3 through 25, inclusive,)	
)	
Defendants.)	Trial Date: None set
)	Complaint Filed: February 24, 2005

**TO: ALL FORMER HOURLY, NON-MANAGERIAL EMPLOYEES OF CHUNG KING RESTAURANT, INC.
DURING THE PERIOD OF FEBRUARY 21, 2001 THROUGH FEBRUARY 21, 2005**

THIS NOTICE MAY AFFECT YOUR RIGHTS - PLEASE READ IT CAREFULLY

I. INTRODUCTION

The purpose of this Notice is to inform you that your rights may be affected by the proceedings in a class action lawsuit pending in Los Angeles County Superior Court in the State of California (the "Court"). This Notice is being provided to you by Order of the Court.

This Notice summarizes essential information concerning the settlement and your potential rights under the settlement. This Notice is designed to advise you of how you can either participate in the settlement or exclude yourself from the settlement.

II. DESCRIPTION OF THE LAWSUIT

Two former employees of Chung King Restaurant, formerly located at 11538 West Pico Boulevard, Los Angeles, California, have filed a Complaint against Chung King Restaurant, Inc., California Wok, Inc., Wei-Shin Liu, Wei-Chiang Liu and Joe's Four Rivers Restaurant, Inc. on behalf of themselves and all hourly paid, non-managerial employees of those companies and their affiliated or related companies, who worked for those companies or their related and affiliated companies on or after February 21, 2001. The case is currently pending in the Superior Court of the State of California for the County of Los Angeles ("the Court") the name and case number of the lawsuit is Zhang et al. vs. Chung King Restaurant, Inc., et al., Case Number BC 329374 (the "Action").

Plaintiffs allege that during their employment with the Defendants they were paid less than the California minimum wage, they worked on certain days in excess of eight hours and were not paid overtime compensation, they were required to work on days in which there were split shifts and they were not paid a split-shift premium, they did not receive itemized wage statements from the Defendants, they were not reimbursed for necessary, work-related expenses, including mileage and insurance, they were not provided with regular and sufficient rest breaks or meal periods, and they were not paid the full amount of their wages due and owing at the time of the termination of their employment. Plaintiffs are seeking compensation for the aforementioned violations of the California Labor Code and for unfair competition under Business and Professions Code Section 17200 as well as liquidated damages or penalties and reasonable attorneys' fees and costs incurred in the pursuit of their claims.

The Defendants deny all of these allegations and deny that the proposed class members are entitled to any damages. Further, the Parties have agreed that this settlement does not constitute an admission of liability by any of the Defendants. The Court has not yet ruled, one way or the other, on the merits of Plaintiffs' claims.

III. WHAT IS A CLASS ACTION?

A class action is a type of lawsuit in which one or a few named Plaintiffs brings suit on behalf of all the members of a similarly situated group to recover damages for all members of the group without the necessity of each member filing an individual lawsuit or appearing as an individual Plaintiff. Class actions are used by Courts where the claims raise basic issues of law and facts that are common to all members of the class, thereby making it fair to bind all class members to the orders and judgment of the case, without the necessity of hearing essentially the same claims over and over. Use of the class action procedural device eliminates the necessity of filing multiple lawsuits, and assures that all class members are bound by the results of a single lawsuit.

IV. WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

In settlement of all class claims alleged by the Class Plaintiffs, Defendants shall pay up to the sum of Five Hundred and Seventeen Thousand Dollars and No Cents (\$517,000.00) which shall settle all pending issues between the parties including attorneys' fees, costs, and enhancement payments for the Class Representative Plaintiffs. The total Class Benefit is the settlement amount, less court-approved attorneys' fees, less costs (including up to \$15,000.00 for the costs of claims administration), and less enhancement payments to the class representatives.

The settlement proposes the following subclasses of employees and the following distributions of the Class Benefit:

Subclass A: Non-delivery driver, hourly employees that worked at Chung King Restaurant from February 21, 2001 through February 21, 2005, such as captains, cooks, bussers, waiters, waitresses, dishwashers, food preparers, and cashiers. Members of this subclass are to receive One Hundred and Seventy-Five Dollars and No Cents (\$175.00) for each month worked during the period of February 21, 2001 through February 21, 2005.

Subclass B: Delivery drivers that worked at Chung King Restaurant from February 21, 2001 through February 21, 2005. Members of this subclass are to receive a flat payment of Six Thousand Dollars and No Cents (\$6,000.00).

The amount to be paid per claim is not certain at this time and will not be confirmed until after the Final Approval Hearing. Once the total amount of claims for all approved claimants has been determined by the Claims Administrator and final approval of the settlement has been granted by the Court, the Class Benefit will be distributed, pursuant to the terms of the Stipulation for Class Certification and Settlement Agreement.

Additionally, of the amount to be paid to Class Members, the parties agree that, for purposes of this settlement, 10% is allocated to wages and 90% is allocated to civil penalties and interest. Defendants shall pay, in addition to the settlement amount, any employer payroll taxes owing on the Class Benefit that is allocated to wages.

In exchange for and upon receipt of the benefits described above, members of the settlement class will be deemed to have given a complete release and/or assignment as to all of their claims arising from their employment with Chung King Restaurant, Inc. If the Court grants final approval of the settlement, the Court will enter a final judgment and dismiss the entire action, with prejudice.

If you have signed a release or waiver regarding the alleged claims made in this case, as described under heading II above, prior to receiving this Notice, you are still eligible to participate as a class member in this settlement. The Defendants have agreed to not seek enforcement of any such releases or waivers as a condition of the settlement.

V. NO RETALIATION

California law prohibits Chung King Restaurant, Inc., Joe's Four Rivers Restaurant, Inc., California Wok, Inc., Wei-Shin Liu and Wei-Chiang Liu, and their affiliates and/or related companies from taking adverse action against persons for exercising their rights under the Labor Code to participate in this settlement or lawsuit.

VI. CAN I EXCLUDE MYSELF FROM THE SETTLEMENT CLASS?

If you are a member of the settlement class and wish to remain in the settlement class, you do not need to do anything, unless you wish to receive a distribution from the settlement proceeds, and you will be represented by counsel for the settlement class. If you wish to receive compensation and you are a member of Subclass A or B, then you must complete the appropriate Claim Form and

return it to the Claims Administrator **by July 6, 2009** (the date described on the Claim Form). You should receive a copy of the Claim Form along with this Notice. If you have not received a Claim Form, then you should contact the Claims Administrator at the phone number below immediately.

If you wish to exclude yourself (“opt-out”) from the settlement class, you must complete and submit the Request for Exclusion Form provided with this Notice to the Claims Administrator at the address below no later than June 30, 2009. Your Request for Exclusion must set forth your full name and any names you have used in the past, your present address, your home telephone number, your cell number (if any), and your Social Security number, if available, and you must sign your request for it to be valid. **Requests for Exclusion MUST be postmarked on or before June 30, 2009.**

Chung King Restaurant Claims Administrator
c/o Desmond, Marcello & Amster
P.O. Box 451999
Los Angeles, California 90045
(310) 846-4774

If you properly opt out of the settlement, you will not be bound by the settlement, and you will not be eligible to participate in the potential benefits. Any such person, at their own expense, may pursue any claims he/she may have against the Defendants. Please be advised that certain statutes of limitation may apply to your claims if you decide to pursue your claims against the Defendants as an individual Plaintiff.

VII. CAN I OBJECT TO THE SETTLEMENT?

If you are a member of the settlement class, you may file a written statement, commenting on or objecting to the proposed settlement. Any written comments or objections must be in the form of a statement sworn to under penalty of perjury. The statement must include your name and address (the name and address of your attorney, if you have one), and the basis for your comments and/or objections. All comments or objections must be filed with the Clerk of the Los Angeles County Superior Court in Department 61, located at 111 N. Hill St., Los Angeles, CA 90012 and mailed to the counsel listed below:

Counsel for the Settlement Class:

Javier Van Oordt, Esq.
CALLAHAN & BLAINE, APLC
3 Hutton Centre Drive, 9th Floor
Santa Ana, California 92707
(714) 241-4444

Rachel Lew, Esq.
LAW OFFICES OF RACHEL H. LEW
14795 Jeffrey Road, Suite 105
Irvine, California 92618-0417
(949) 654-2490

Counsel for Defendants:

Judd Aleck Gilefsky, Esq.
LEWIS BRISBOIS BISGAARD & SMITH
221 North Figueroa Street, Suite 1200
Los Angeles, CA 90012
(213) 250-1800

Judy Man-Ling Lam, Esq.
RUTTER HOBBS & DAVIDOFF INCORPORATED
1901 Avenue of the Stars, Suite 1700
Los Angeles, CA 90067-6018
(310) 286-1700

To be timely, your comments or objections must be filed with the Court and postmarked on or before July 15, 2009. If you do not file an objection in this manner and by this deadline, you will waive your right to object. You may choose to engage the services of an attorney, at your own expense, to pursue your objection in which case your attorney must file a notice of appearance with the Court by July 15, 2009, and mail copies to the counsel listed above.

VIII. WHAT IF THE SETTLEMENT IS NOT APPROVED?

If the settlement is not approved by the Court or is later reversed on duly noticed appeal, the benefits from the settlement will not be provided, and you will not be bound by the releases contained in the settlement, and the Action will proceed in Court as an active litigation.

IX. WHO REPRESENTS THE SETTLEMENT CLASS?

The Class Representatives are Zhen Dong Zhang and Jun Hong. They have represented the interests of the class members over the course of this litigation.

The Class Representatives and the Settlement Class are represented by Javier Van Oordt, Esq. of Callahan & Blaine, APLC, 3 Hutton Centre, 9th Floor, Santa Ana, CA 92707; Rachel Lew, Esq. of the Law Offices of Rachel H. Lew, 14795 Jeffrey Road, Suite 105, Irvine, CA 92618.

X. WHAT FEES AND COSTS ARE INVOLVED?

If eligible, members of the settlement class may participate without incurring any legal fees or costs. In connection with the Final Approval Hearing on August 17, 2009, settlement class counsel will make a request to the Court for attorneys' fees and for reimbursement for reasonable costs and expenses in the amount of One Hundred and ninety-two Thousand Dollars and No Cents (\$192,000.00), an amount which is significantly less than the actual fees and costs incurred in the prosecution of the litigation. Further, settlement class counsel will make a request to the Court for an incentive award, not to exceed an aggregate total of Thirty-Eight Thousand Dollars and No Cents (\$38,000.00), for the Class Representatives for their efforts on behalf of the settlement class throughout the course of the litigation. The requests for attorneys' fees and costs and the incentive or enhancement awards are subject to Court approval.

To date, settlement class counsel have not received any payment for their services in conducting this action on behalf of the Class Representatives and the members of the settlement class, nor have counsel been reimbursed for their out-of-pocket expenses, despite over three and a half years of litigation. The requested attorneys' fees will compensate counsel for their efforts in achieving the settlement for the benefit of the settlement class and for the risks in undertaking this representation on a wholly contingent basis.

Additionally, Defendants will pay Fifteen Thousand Dollars and No Cents (\$15,000.00) for the costs of administration of the settlement. The Parties have received an estimate from the selected administrator that, absent extraordinary circumstances not anticipated by the Parties, administration costs should not exceed \$15,000.00. However, in the event the reasonable administration costs exceed \$15,000.00, then the Plaintiffs will be responsible for the excess amount.

XI. EFFECT OF THE SETTLEMENT

The Stipulation for Class Certification and Settlement Agreement between Class Plaintiffs and the Defendants contains a release, which releases the Defendants from any and all claims each participating class member may have arising out of or related to the allegations of the operative class action complaint, whether known or unknown, suspected or unanticipated, which the class, participating class member or Class Representative has, or ever had, against the Defendants. The Stipulation for Class Certification and Settlement Agreement also contains a waiver of the benefits of California Civil Code Section 1542. This is only a summary of the full release contained with the Stipulation for Class Certification and Settlement Agreement, which is on file with this Court and available for your review.

If you are a member of the settlement class and do not exclude yourself from the settlement class, you will be deemed to have entered into this release and to have released the above-described claims. In addition, you will be barred from ever suing the Defendants, or any other released party, with respect to the matters being settled in this settlement. If the settlement is not approved by the Court or if it does not become final for some reason, then the Action will continue.

XII. FINAL APPROVAL HEARING

The Court will hold a hearing on August 17, 2009 at 9:00 a.m. in Department 61 of the Los Angeles Superior Court located at 111 N. Hill St., Los Angeles, California, 90012, to determine whether the settlement should be finally approved as fair, reasonable and adequate. The Court will also be asked to approve settlement class counsel's request for attorneys' fees and reimbursement of costs and the request for a incentive payments to the Class Representatives. Settlement class counsel's application for attorneys' fees and request for reimbursement of reasonably incurred costs and expenses as well as any application for incentive or enhancement payments for the Class Representatives will be on file with the Court no later than 16 court days before the Final Approval Hearing and will be available for review after that date. It is not necessary for you to appear at this hearing unless you have timely filed an objection to the settlement with the Court.

XIII. HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice is intended only to provide you with a summary of the circumstances surrounding this litigation, the terms of the proposed settlement, and related matters. You may seek the advice and guidance of your own private attorney, at your own expense, if you so desire.

For more detailed information, you may review the pleadings, records and other papers on file in this litigation, which may be inspected during regular business hours at the Clerk's office, Los Angeles Superior Court, located at 111 N. Hill St., Los Angeles, California, 90012. You may review the Motion for Preliminary Approval; the Order preliminarily approving the settlement, the Stipulation for Class Certification and Settlement Agreement, this Notice, the Claim Forms for Subclass A and Subclass B, and the Request for Exclusion Form by logging onto www.dmaclassaction.com or upon written request to settlement class counsel. You may review settlement class counsel's Motion for Attorneys' Fees, Costs and Incentive Awards after July 31, 2009 by reviewing the Motion at the Clerk's office referred to above or by logging onto www.dmaclassaction.com. You may also call (310) 846-4774 to obtain additional information regarding the settlement. You will not receive any further notice in the event that the settlement is approved and/or is terminated or modified under the terms of the Stipulation for Class Certification and Settlement Agreement.

PLEASE DO NOT ADDRESS QUESTIONS OR REQUESTS FOR INFORMATION TO THE COURT.

Dated: May 1, 2009

Honorable David L. Minning
Los Angeles Superior Court