

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

DANIEL TUROCY, et al., Individually and on Behalf of All Others Similarly Situated,)	Case No. 8:15-cv-01343-DOC-KES
)	(Consolidated)
Plaintiffs,)	<u>CLASS ACTION</u>
)	
vs.)	
)	
EL POLLO LOCO HOLDINGS, INC., et al.,)	
)	
Defendants.)	

NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned class action lawsuit pending in this Court (the “Litigation”) if you purchased or otherwise acquired the common stock or exchange-traded call options, or sold exchange-traded put options (“Securities”) of El Pollo Loco Holdings, Inc. (“El Pollo Loco” or the “Company”) from May 15, 2015 through August 13, 2015, inclusive (the “Class Period”), and were damaged thereby.¹

NOTICE OF SETTLEMENT: Please also be advised that Lead Plaintiffs Peter Kim, Dr. Richard J. Levy, Sammy Tanner and Ron Huston (collectively, “Lead Plaintiffs”), on behalf of the Class (as defined in ¶1 below), have reached a proposed settlement of the Litigation for a total of \$20 million in cash that will resolve all claims in the Litigation (the “Settlement”).

This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. Your legal rights will be affected whether or not you act. Please read this Notice carefully!

1. **Description of the Litigation and the Class:** This Notice relates to a proposed Settlement of a class action lawsuit pending against the following defendants: El Pollo Loco, Trimaran Capital Partners, Trimaran Pollo Partners, L.L.C., Freeman Spogli & Co., Stephen J. Sather, Laurance Roberts and Edward J. Valle (“Defendants”) (collectively, with Lead Plaintiffs, the “Settling Parties”). The proposed Settlement, if approved by the Court, will apply to the following Class (the “Class”): all persons and entities who purchased or otherwise acquired El Pollo Loco common stock or exchange-traded call options, or who sold exchange-traded El Pollo Loco put options, between May 15, 2015 and August 13, 2015, inclusive, and were damaged thereby. Excluded from the Class are Defendants, present or former executive officers of El Pollo Loco and their immediate family members (as defined in 17 C.F.R. §229.404, Instructions (1)(a)(iii) and (1)(b)(ii)). Also excluded from the Class are those Persons who exclude themselves by submitting a request for exclusion, as set forth in ¶54 below, that is accepted by the Court. Anyone with questions as to whether or not they are excluded from the Class may call the Claims Administrator toll-free at 1-866-446-5054.

2. **Statement of Class’ Recovery:** Subject to Court approval, and as described more fully in ¶¶42-48 below, Lead Plaintiffs, on behalf of the Class, have agreed to settle all Released Plaintiffs’ Claims (as defined in ¶44 below) against Defendants and other Released Defendant Parties (as defined in ¶45 below) in exchange for a settlement payment of \$20 million in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (the Settlement Fund less Taxes and Tax Expenses, Notice and Administration Expenses, attorneys’ fees and litigation expenses, and an amount to Lead Plaintiffs pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class) will be distributed in accordance with a plan of allocation (the “Plan of Allocation”) that will be approved by the Court and will determine how the Net Settlement Fund shall be distributed to Members of the Class. The Plan of Allocation is a basis for determining the relative positions of Class Members for purposes of allocating the Net Settlement Fund. The proposed Plan of Allocation is included in this Notice, and may be modified by the Court without further notice.

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation of Settlement dated April 3, 2019 (the “Stipulation”), which is available on the website www.ElPolloLocoSecuritiesSettlement.com.

3. **Statement of Average Distribution Per Share:** The Settlement Fund consists of the \$20 million Settlement Amount plus interest earned. Lead Plaintiffs' expert has estimated that there are 16.67 million damaged shares. Assuming all estimated potential Class Members elect to participate, the estimated average recovery is \$1.20 per damaged share before deduction of Court-approved fees and expenses. Class Members may recover more or less than this amount depending on, among other factors, the aggregate value of the Recognized Claims represented by valid and acceptable Claim Forms; when their shares were purchased or acquired and the price at the time of purchase or acquisition; and whether the shares were sold, and if so, when they were sold and for how much. In addition, the actual recovery of Class Members may be further reduced by the payment of fees and costs from the Settlement Fund, as approved by the Court, including the cost of notifying Class Members and settlement administration and any attorneys' fees and expenses awarded by the Court to Lead Counsel and any award to Lead Plaintiffs for their representation of the Class.

4. **Statement of the Parties' Position on Damages:** Defendants vigorously deny and have denied all claims of wrongdoing, that they engaged in any wrongdoing, that they are liable to Lead Plaintiffs and/or the Class and that Lead Plaintiffs or other Members of the Class suffered any injury. Moreover, the parties do not agree on the amount of recoverable damages if Lead Plaintiffs were to prevail on each of the claims. The issues on which the parties disagree include, but are not limited to, whether: (1) the statements made or facts allegedly omitted were material, false or misleading; (2) Defendants are otherwise liable under the securities laws for those statements or omissions; and (3) all or part of the damages allegedly suffered by Members of the Class were caused by economic conditions or factors other than the allegedly false or misleading statements or omissions.

5. **Statement of Attorneys' Fees and Expenses Sought:** Lead Counsel will apply to the Court, on behalf of all Plaintiffs' Counsel, for an award of attorneys' fees from the Settlement Fund of no more than 30% of the Settlement Amount, plus interest earned at the same rate and for the same period as earned by the Settlement Fund. In addition, Lead Counsel also will apply to the Court for payment from the Settlement Fund for Plaintiffs' Counsel's litigation expenses (reasonable expenses or charges of Plaintiffs' Counsel in connection with commencing and prosecuting the Litigation), in an amount not to exceed \$750,000, plus interest earned at the same rate and for the same period as earned by the Settlement Fund. If the Court approves Lead Counsel's fee and expense application, the estimated average cost per damaged share is \$0.40. In addition, Lead Plaintiffs may apply for an amount not to exceed \$3,000 each pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class.

6. **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Class are being represented by Robbins Geller Rudman & Dowd LLP and The Rosen Law Firm, P.A. (collectively, "Lead Counsel"). Any questions regarding the Settlement should be directed to Ryan A. Llorens at Robbins Geller Rudman & Dowd LLP, 655 W. Broadway, Suite 1900, San Diego, CA 92101, (800) 449-4900, djr@rgrdlaw.com, or Laurence M. Rosen at The Rosen Law Firm, P.A., 355 South Grand Avenue, Suite 2450, Los Angeles, CA 90071, (213) 785-2610, lrosen@rosenlegal.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
DO NOTHING	Receive no payment pursuant to this Settlement. Remain a Class Member. Give up your rights.
REMAIN A MEMBER OF THE CLASS AND SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN AUGUST 6, 2019	This is the only way to be potentially eligible to receive a payment.
EXCLUDE YOURSELF FROM THE CLASS (OPT OUT) BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS POSTMARKED NO LATER THAN JULY 31, 2019	Receive no payment pursuant to this Settlement. This is the only option that allows you to ever potentially be part of any other lawsuit against any of the Defendants or the other Released Defendant Parties concerning the Released Plaintiffs' Claims.
OBJECT TO THE SETTLEMENT SO THAT IT IS RECEIVED NO LATER THAN JULY 31, 2019	Write to the Court if you have any objections to the fairness of the Settlement, the request for attorneys' fees and expenses, the requested award to Lead Plaintiffs pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class, or the proposed Plan of Allocation.
GO TO THE HEARING ON AUGUST 21, 2019, AT 8:30 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN July 31, 2019	Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, the request for attorneys' fees and litigation expenses, or the requested award to Lead Plaintiffs.

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WHY DID I GET THIS NOTICE?

7. You or someone in your family may have bought El Pollo Loco Securities between May 15, 2015 and August 13, 2015.

The Court directed that you be sent this Notice because you have a right to know about a settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it and after any objections or appeals (if there are any) are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

8. This Litigation arises under Sections 10(b), 20(a) and 20A of the Securities Exchange Act of 1934, and alleges that during the period between May 15, 2015 and August 13, 2015, inclusive (the "Class Period"), Defendants El Pollo Loco, Trimaran Capital Partners, Trimaran Pollo Partners, L.L.C., Freeman Spogli & Co., Stephen J. Sather, Laurance Roberts, and Edward J. Valle made, or caused to be made, materially false and misleading statements about the effect rising costs would have on the Company's bottom line. More specifically, Lead Plaintiffs allege that during the Class Period, Defendants misled investors regarding whether increased costs, and hence increased menu prices, would negatively affect its level of transactions and same store sales growth.

9. Lead Plaintiffs allege that during the Class Period, Defendants knew or recklessly disregarded that by increasing prices they had turned away customers, thereby substantially reducing same store sales growth. Lead Plaintiffs allege that Defendants concealed these facts from investors and that this scheme artificially inflated El Pollo Loco Securities during the Class Period. Lead Plaintiffs allege that on August 13, 2015, El Pollo Loco announced lower than expected transactions and same store sales growth due to higher prices. El Pollo Loco's stock price declined to \$14.56 per share at the close of trading on August 14, 2015, down 20% from the previous day's closing price.

10. The initial complaint in this Litigation was filed in the United States District Court for the Central District of California, Southern Division (the "Court"). The Court appointed Ron Huston, Peter Kim, Robert W. Kegley, Sr., Dr. Richard Levy and Sammy Tanner as Lead Plaintiffs, and Robbins Geller Rudman & Dowd LLP ("Robbins Geller") and The Rosen Law Firm, P.A. ("The Rosen Firm") as Co-Lead Counsel, pursuant to the requirements of the Private Securities Litigation Reform Act of 1995. The Court twice dismissed the consolidated class action complaint. The operative Consolidated Third Amended Complaint for Violations of the Federal Securities Laws was filed on April 17, 2017.

11. Certain of the Lead Plaintiffs moved for this action to be certified as a class action, to be appointed as Class Representatives and for Robbins Geller and The Rosen Firm to be appointed as Class Counsel. The Court granted the motion on July 3, 2018.

12. In January 2019, the Settling Parties each accepted the mediator's proposal to settle the Litigation for \$20 million.

HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

13. If you are a Member of the Class, you are subject to the Settlement unless you timely request to be excluded. The Class consists of all persons and entities who purchased or otherwise acquired El Pollo Loco common stock or exchange-traded call options, or who sold exchange-traded El Pollo Loco put options, during the Class Period, and were damaged thereby. Excluded from the Class are Defendants, present or former executive officers of El Pollo Loco and their immediate family members (as defined in 17 C.F.R. §229.404, Instructions (1)(a)(iii) and (1)(b)(ii)). Also excluded from the Class are any persons or entities who exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. (See section entitled "What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?," below.) Anyone with questions as to whether or not they are excluded from the Class may call the Claims Administrator toll-free at 1-866-446-5054.

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO BE POTENTIALLY ELIGIBLE TO RECEIVE A DISTRIBUTION OF THE SETTLEMENT PROCEEDS, YOU MUST COMPLETE, SIGN AND SUBMIT THE ENCLOSED CLAIM FORM POSTMARKED NO LATER THAN AUGUST 6, 2019.

WHY DID LEAD PLAINTIFFS AGREE TO THE SETTLEMENT?

14. Lead Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. Lead Plaintiffs and Lead Counsel recognize, however, that pursuing their claims through trials and appeals would be expensive, lengthy, and may result in a smaller recovery or no recovery at all.

15. The Settlement provides a substantial and immediate recovery. Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. The Settlement was negotiated by both sides of the Litigation with the assistance of a highly respected mediator.

16. Defendants have vigorously denied and continue to deny each and all of the claims alleged by Lead Plaintiffs in the Litigation. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. Defendants also have denied and continue to deny, among other things, the allegations that Lead Plaintiffs or the Class have suffered any damage or that Lead Plaintiffs or the Class were harmed by the conduct alleged in the Litigation. Defendants have concluded that further defense of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

17. If there were no Settlement, Lead Plaintiffs may fail to establish any essential legal or factual element of the alleged claims. Then, neither Lead Plaintiffs nor the Class would recover anything from Defendants. Also, if Defendants successfully proved any of their defenses, the Class may recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW MUCH WILL MY PAYMENT BE?

18. Defendants have agreed to cause to be paid Twenty Million Dollars (\$20,000,000.00) in cash into escrow for the benefit of the Class. At this time, it is not possible to make any final determination of how much individual Class Members may receive from the Settlement. Lead Plaintiffs have proposed a plan for allocating the Net Settlement Fund to those Class Members who timely submit valid Claim Forms. The Plan of Allocation proposed by Lead Plaintiffs is set forth below, and additional information is available on the website created for purposes of this Settlement, www.ElPolloLocoSecuritiesSettlement.com.

19. Payment pursuant to the Plan of Allocation shall be conclusive against all Authorized Claimants. No person or entity shall have any claim based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further order(s) of the Court against Lead Counsel,

Lead Plaintiffs, Class Members, the Claims Administrator, Defendants and the other Released Defendant Parties (defined below), or any person or entity designated by Lead Counsel. All Members of the Class who fail to timely submit an acceptable Claim Form by the deadline set by the Court, or such other deadline as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Settlement, but will in all other respects be subject to and bound by the terms of the Settlement, including the release of the Class Member's Released Plaintiffs' Claims.

20. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any Member of the Class.

21. The Plan of Allocation set forth below is the proposed plan submitted by Lead Plaintiffs and Lead Counsel for the Court's approval. The Court may approve this plan as proposed or it may modify it without further notice to the Class.

22. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Central District of California, Southern Division, with respect to his, her or its Claim Form.

23. Persons and entities that exclude themselves from the Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

PLAN OF ALLOCATION

24. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. In developing the Plan of Allocation, Lead Plaintiffs' damages expert calculated the potential amount of estimated alleged artificial inflation in El Pollo Loco Securities that according to Plaintiffs' allegations was caused by Defendants' alleged false and misleading statements and material omissions. In calculating the estimated artificial inflation caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiffs' damages expert considered the market and industry adjusted price changes in El Pollo Loco's Securities prices following certain corrective disclosures regarding El Pollo Loco and the allegations in the Third Amended Complaint.

25. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

26. The Net Settlement Fund will be allocated to Authorized Claimants as follows: (a) Class Members with Section 10(b) and/or Section 20A Claims in connection with their purchase or acquisition of common shares of El Pollo Loco common stock shall be collectively allocated approximately 95% of the Net Settlement Fund; and (b) Class Members with Section 10(b) Claims in connection with their purchase, acquisition or sale of El Pollo Loco exchange-traded options shall not exceed 5.0% of the Net Settlement Fund. Among other factors, in formulating the overall allocation, Lead Plaintiffs considered the maximum potential damages of each group of purchasers within the Class.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

Calculation of Recognized Claim Amount for Class Members with Section 10(b) Claims for Publicly Traded Common Stock

27. Based on the formula stated below, a "Recognized Claim Amount" will be calculated for each purchase or acquisition of El Pollo Loco publicly traded common stock during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Claim Amount calculates to a negative number or zero under the formula below, that Recognized Claim Amount will be zero.

28. For each share of El Pollo Loco publicly traded common stock purchased or otherwise acquired during the period from May 15, 2015 through August 13, 2015, inclusive, and:

(a) Sold prior to the close of trading on August 13, 2015, the Recognized Claim Amount per share is zero.

(b) Retained at the end of August 13, 2015, the claim per share shall be the lesser of: (i) \$3.32; and (ii) the difference between the purchase price and \$14.56 (the closing price of El Pollo Loco common stock on August 14, 2015, the day after the last day of the Class Period, at which point the inflation in the price of El Pollo Loco common stock is assumed to have been completely dissipated).

Calculation of Recognized Claim Amount for Class Members with Section 10(b) Claims for Exchange-Traded Options

29. Based on the formulas stated below, a “Recognized Amount” will be calculated for each purchase, acquisition, or sale of El Pollo Loco exchange-traded options during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. The sum total of a Claimant’s Recognized Amount(s) shall be that Claimant’s Recognized Claim Amount. If a Recognized Claim Amount calculates to a negative number or zero under the formulas below, that Recognized Claim Amount will be zero.²

30. For exchange-traded call options on El Pollo Loco common stock purchased or otherwise acquired from May 15, 2015 to August 13, 2015, inclusive, and:

(a) Closed (through sale, exercise or expiration) before the close of trading on August 13, 2015, the Recognized Amount is zero.

(b) Held at the end of August 13, 2015, the Recognized Amount is the difference between the price paid for the call option less the proceeds received upon settlement of the call option contract.

31. For exchange-traded put options on El Pollo Loco common stock written or otherwise sold from May 15, 2015 to August 13, 2015, inclusive, and:

(a) Closed (through purchase, exercise or expiration) before the close of trading on August 13, 2015, the Recognized Amount is zero.

(b) Held at the end of August 13, 2015, the Recognized Amount is the difference between the price paid upon settlement of the put option contract less the initial proceeds received upon the sale of the put option contract.

Calculation of Recognized Claim Amount for Class Members with Section 20A Claims

32. Based on the formula stated below, a “Recognized Claim Amount” will be calculated for each purchase or acquisition of El Pollo Loco publicly traded common stock between May 19, 2015 and May 22, 2015, inclusive, that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Claim Amount calculates to a negative number or zero under the formula below, that Recognized Claim Amount will be zero.

33. For each share of El Pollo Loco publicly traded common stock purchased or otherwise acquired between May 19, 2015 and May 22, 2015, inclusive, and:

(a) Sold prior to the close of trading on August 13, 2015, the Recognized Claim Amount per share is the difference between the purchase price and the sale price.

(b) Retained at the end of August 13, 2015, the Recognized Claim Amount per share is \$7.29.

ADDITIONAL PROVISIONS

34. Class Members with 20A Claims in connection with their purchases or acquisitions of El Pollo Loco common stock between May 19, 2015 and May 22, 2015, inclusive, shall forfeit their Section 10(b) Claims in connection with those purchases.

35. The Net Settlement Fund will be allocated among all Authorized Claimants based on the amount of each Authorized Claimant’s Recognized Claim (defined below).

² Call option contracts sold (or written) and put option contracts purchased are not eligible to participate in the Settlement. To participate in the Settlement, Claimants must provide adequate documentation for all call option and put option contracts purchased or written (sold) that were held through the close of trading on August 13, 2015. The Claims Administrator will determine if the Claimant had a “Market Gain” or “Market Loss” with respect to his, her, or its overall transactions in El Pollo Loco option contracts during the Class Period. Only Claimants who suffered an overall “Market Loss” in connection with his, her, or its purchases or sales of El Pollo Loco options contracts shall be eligible to participate in the Settlement. With respect to shares of El Pollo Loco common stock purchased or sold through the exercise of an option, the purchase/sale date of the El Pollo Loco common stock is the exercise date of the option, and the purchase/sale price of the El Pollo Loco common stock is the exercise price of the option.

36. If a Class Member has more than one purchase/acquisition or sale of El Pollo Loco Securities, purchases/acquisitions and sales shall be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

37. A Claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her or its Recognized Loss Amounts.

38. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which shall be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

39. Purchases or acquisitions and sales of El Pollo Loco Securities are deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance or operation of law of El Pollo Loco Securities during the Class Period shall not be deemed a purchase, acquisition or sale of El Pollo Loco Securities for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any El Pollo Loco Securities unless: (i) the donor or decedent purchased or otherwise acquired such El Pollo Loco Securities during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

40. If a Claimant had a market gain with respect to his, her, or its overall transactions in El Pollo Loco Securities during the Class Period, the value of the Claimant’s Recognized Claim shall be zero. Such Claimants shall be bound by the Settlement. If a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in El Pollo Loco Securities during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant’s Recognized Claim shall be limited to the amount of the actual market loss.

41. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any orders regarding any modification of the Plan of Allocation will be posted on the Settlement website.

WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?

42. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that Lead Plaintiffs and all other Releasing Plaintiff Parties (as defined in ¶46 below) shall have waived, released, discharged, and dismissed each and every one of the Released Plaintiffs’ Claims (as defined in ¶44 below), including Unknown Claims (as defined in ¶47 below), against each and every one of the Released Defendant Parties (as defined in ¶45 below) and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Plaintiffs’ Claims against any and all of the Released Defendant Parties, whether or not they execute and deliver the Claim Form or share in the Settlement Fund. Claims to enforce the terms of the Settlement are not released.

43. Any Plan of Allocation, request for an award of attorneys’ fees and expenses, or an award to Lead Plaintiffs pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class, will in no way disturb or affect the Judgment and are each considered separate from the Judgment. Any order or proceeding relating to the Plan of Allocation, any order entered regarding any award of attorneys’ fees and expenses or award to Lead Plaintiffs, or any appeal from any order relating thereto or reversal or modification thereof, shall not affect or delay the finality of the Judgment.

44. “Released Plaintiffs’ Claims” means to the fullest extent that the law permits their release, of and from all claims, suits, actions, appeals, causes of action, damages (including, without limitation, compensatory, punitive, exemplary, rescissory, direct, consequential, or special damages, and restitution and disgorgement), demands, rights, debts, penalties, costs, expenses, fees, injunctive relief, attorneys’ fees, expert or consulting fees, prejudgment interest, indemnities, duties, liabilities, losses, or obligations of every nature and description whatsoever, known or unknown, whether or not concealed or hidden, fixed or contingent, direct or indirect, anticipated or unanticipated, whether legal, contractual, rescissory, statutory, or equitable in nature, whether arising

under federal, state, common, or foreign law, that are based upon, arise from, or relate to: (i) the allegations, transactions, facts, matters, events, disclosures, public filings, acts, occurrences, representations, statements, omissions or failures to act that were alleged, in the Consolidated Third Amended Complaint for Violations of the Federal Securities Laws and any other complaints filed in this action, or could have been alleged by Lead Plaintiffs or any Class Member in this action; and (ii) the purchase or acquisition of El Pollo Loco common stock or El Pollo Loco call options, or sale of El Pollo Loco put options during the Class Period. The Released Plaintiffs' Claims will not include: (i) any claims relating to the enforcement of the Settlement; (ii) claims asserted on behalf of the Company in the shareholder derivative action filed in the Delaware Court of Chancery, entitled *Diep v. Sather, et al.*, C.A. 12760-VCL (the "Delaware Derivative Action"); and (iii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court. "Released Plaintiffs' Claims" includes "Unknown Claims" as defined in ¶47 below.

45. "Released Defendant Party" or "Released Defendant Parties" means each and all of the Defendants and each of their respective direct controlling persons, associates, related or affiliated entities, and each and all of their respective past or present officers, directors, employees, partners, members, principals, agents, representatives, attorneys, auditors, financial or investment advisors, consultants, underwriters, accountants, investment bankers, commercial bankers, entities providing fairness opinions, advisors, insurers, reinsurers, heirs, spouses, executors, trustees, general or limited partners or partnerships, limited liability companies, members, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, or any member of their immediate families, marital communities, or any trusts for which any of them are trustees, settlers or beneficiaries or anyone acting or purporting to act for or on behalf of them or their successors or collectively.

46. "Releasing Plaintiff Party" or "Releasing Plaintiff Parties" means Lead Plaintiffs, Lead Counsel, each and every Class Member, and each of their respective past or present subsidiaries, parents, affiliates, principals, successors and predecessors, joint venturers, assigns, officers, directors, shareholders, underwriters, trustees, partners, members, agents, fiduciaries, contractors, employees, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants or auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, estates, heirs, related or affiliated entities in their capacity as such. Releasing Plaintiff Parties do not include any Person who timely and validly seeks exclusion from the Class.

47. "Unknown Claims" means any and all Released Plaintiffs' Claims which the Releasing Plaintiff Parties do not know or suspect to exist in their favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants' Claims which the Released Defendant Parties do not know or suspect to exist in their favor at the time of the release of the Releasing Plaintiff Parties, which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Defendant Parties and the Releasing Plaintiff Parties, or might have affected his, her or its decision(s) with respect to the Settlement, including, but not limited to, the decision to object to the terms of the Settlement, to the release of the Released Defendant Parties and the Releasing Plaintiff Parties, or to exclude himself, herself, or itself from the Class. With respect to any and all Released Plaintiffs' Claims and Released Defendants' Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have expressly waived, the provisions, rights, and benefits of California Civil Code Section 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Settling Parties shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or any foreign country, or any principle of common law, which is similar, comparable or equivalent in substance to California Civil Code Section 1542. Lead Plaintiffs, any Releasing Plaintiff Party, Defendants, or any Released Defendant Party may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Plaintiffs' Claims and the Released Defendants' Claims, but the Settling Parties shall expressly, fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Effective Date and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Plaintiffs' Claims and Released Defendants' Claims as applicable, known or unknown,

suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties acknowledge, and the Releasing Plaintiff Parties and Released Defendant Parties shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement.

48. The Judgment also will provide that Defendants and each of the other Released Defendant Parties shall be deemed to have waived, released, discharged, and dismissed as against the Releasing Plaintiff Parties all claims and causes of action of every nature and description (including Unknown Claims), whether arising under federal, state, common, or foreign law, that any Released Defendant Party could have asserted against any of the Releasing Plaintiff Parties that arise out of or relate in any way to the institution, prosecution, or settlement of the claims in the Litigation, except for claims relating to the enforcement of the Settlement (the “Released Defendants’ Claims”).

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

49. Lead Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Class, nor have Lead Counsel been paid for their expenses. Before final approval of the Settlement, Lead Counsel intend to apply to the Court for an award of attorneys’ fees, on behalf of all Plaintiffs’ Counsel, from the Settlement Fund of no more than 30% of the Settlement Amount, plus interest. At the same time, Lead Counsel also intend to apply for the payment from the Settlement Fund for Plaintiffs’ Counsel’s litigation expenses in an amount not to exceed \$750,000 and may apply for an amount not to exceed \$3,000 each pursuant to 15 U.S.C. §78u-4(a)(4) in connection with Lead Plaintiffs’ representation of the Class. The Court will determine the amount of the award of fees and expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

50. If you fall within the definition of the Class as described above, and you are not excluded by the definition of the Class and you do not elect to exclude yourself from the Class, then you are a Class Member, and you will be bound by the proposed Settlement if the Court approves it, and by any judgment or determination of the Court affecting the Class. If you are a Class Member, you must submit a Claim Form and supporting documentation to establish your potential entitlement to share in the proceeds of the Settlement. A Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator for the Settlement to download a copy or request that a Claim Form be mailed to you. The website is www.EIPolloLocoSecuritiesSettlement.com. You may also request a Claim Form by calling toll-free 1-866-446-5054. If you exclude yourself from the Class or do not submit a timely and valid Claim Form with adequate supporting documentation, you will not be entitled to share in the proceeds of the Settlement unless otherwise ordered by the Court. Please retain all original records of your ownership of, or transactions in, the shares, as they may be needed to document your claim.

51. As a Class Member, for purposes of the Settlement, you are represented by Lead Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You need not retain your own counsel, but if you choose to do so, your counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?” below.

52. If you do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?” below. If you exclude yourself from the Class, you will not be eligible to receive any benefit from the Settlement and you should not submit a Claim Form but you will retain the right to be a part of any other lawsuit against any of the Released Defendant Parties (as defined in ¶45 above) with respect to any of the Released Plaintiffs’ Claims (as defined in ¶44 above).

53. If you wish to object to the Settlement or any of its terms, the proposed Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and litigation expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?” below. If you exclude yourself from the Class, you are not entitled to submit an objection.

WHAT IF I DO NOT WANT TO BE A PART OF THE SETTLEMENT? HOW DO I EXCLUDE MYSELF?

54. Each Class Member will be bound by all determinations and judgments in this lawsuit concerning the Settlement, whether favorable or unfavorable, unless such person or entity mails, by first-class mail (or its equivalent outside the U.S.), or otherwise delivers a written request for exclusion from the Class, addressed to *El Pollo Loco Securities Settlement*, c/o Gilardi & Co. LLC, EXCLUSIONS, 3301 Kerner Blvd., San Rafael, CA 94901. The exclusion request must be **postmarked** no later than **July 31, 2019**. Each request for exclusion must state the name, address and telephone number of the person or entity seeking exclusion, that the sender requests to be excluded from the Class in *Daniel Turocy, et al. v. El Pollo Loco Holdings, Inc., et al.*, Case No. 8:15-cv-01343-DOC-KES, and must be signed by such person. Such persons or entities requesting exclusion must also provide the following information: the number of shares of El Pollo Loco Securities that the Person requesting exclusion (i) owned as of the opening of trading on May 15, 2015, and (ii) purchased, acquired and/or sold from May 15, 2015 through August 13, 2015, inclusive, as well as the dates and prices for each such purchase, acquisition and sale. The request for exclusion will not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court. If you exclude yourself from the Class, you should understand that Defendants and the other Released Defendant Parties will have the right to assert any and all defenses they may have to any claims that you may seek to assert, including, without limitation, the defense that any such claims are untimely under applicable statutes of limitation and statutes of repose.

55. Excluding yourself from the Class is the only option that allows you to be part of any other current or future lawsuit against Defendants or any of the other Released Defendant Parties concerning the Released Plaintiffs' Claims. Please note, however, that if you decide to exclude yourself from the Class, you may be time-barred from asserting the claims covered by the Litigation by a statute of repose.

56. If you request to be excluded from the Class, you will not receive any benefit provided for in the Stipulation.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

57. If you do not wish to object in person to the proposed Settlement, the proposed Plan of Allocation, and/or the application for attorneys' fees and litigation expenses, you do not need to attend the Settlement Hearing. You can object to or participate in the Settlement without attending the Settlement Hearing.

58. The Settlement Hearing will be held on August 21, 2019, at 8:30 a.m., before the Honorable David O. Carter, at the United States District Court, Central District of California, Southern Division, Ronald Reagan Federal Building and United States Courthouse, 411 West Fourth Street, Courtroom 9D, Santa Ana, CA 92701. The Court may approve the Settlement or the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the Members of the Class.

59. Any Class Member who does not timely request exclusion may object to the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and litigation expenses, including Lead Plaintiffs' request for an award pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class.³ You must submit your objection in writing. You must file any written objection or opposition, together with copies of all other supporting papers and briefs, with the Clerk's Office at the United States District Court for the Central District of California, Southern Division, at the address set forth below on or before July 31, 2019. You must also serve the papers on Lead Counsel for the Class and counsel for the Defendants at the addresses set forth below so that the papers are **received** on or before **July 31, 2019**.

³ Lead Plaintiffs' initial motion papers in support of these matters will be filed with the Court on or before August 14, 2019.

Clerk's Office
UNITED STATES DISTRICT COURT
CENTRAL DISTRICT
OF CALIFORNIA
Ronald Reagan Federal Building and
United States Courthouse
411 West Fourth Street
Santa Ana, CA 92701

**Co-Lead Counsel
for the Class**
ROBBINS GELLER
RUDMAN & DOWD LLP
Ryan A. Llorens
655 West Broadway
Suite 1900
San Diego, CA 92101

Counsel for Defendants
SKADDEN, ARPS, SLATE,
MEAGHER & FLOM LLP
Jason D. Russell
300 South Grand Avenue
Suite 3400
Los Angeles, CA 90071

60. Your objection must document the objecting Person's membership in the Class, including the number of shares of El Pollo Loco Securities that you (i) owned as of the opening of trading on May 15, 2015, and (ii) purchased, acquired and/or sold during the Class Period, as well as the dates and prices for each such purchase, acquisition and sale. Your objection must state whether it applies only to you, to a specific subset of the Class, or to the entire Class, and also state with specificity the grounds for the objection. Your objection must include copies of any papers, briefs, or other documents upon which the objection is based, a statement of whether the objector intends to appear at the Settlement Hearing, and your signature, even if you are represented by counsel. Documentation establishing your membership in the Class must consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement. If you object and desire to present evidence at the Settlement Hearing in support of your objection, you must include in your written objection or notice of appearance the identity of any witnesses you may call to testify and any exhibits they intend to introduce into evidence at the hearing.

61. You may not appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

62. You need not hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on Lead Counsel so that the notice is **received** on or before **July 31, 2019**.

63. The Settlement Hearing may be adjourned by the Court without further written notice to the Class, other than a posting of the adjournment on the Settlement website, www.ElPolloLocoSecuritiesSettlement.com. If you plan to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and litigation expenses and any amount sought by Lead Plaintiffs pursuant to 15 U.S.C. §78u-4(a)(4) in connection with their representation of the Class. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

64. Nominees who purchased, acquired, and/or sold El Pollo Loco Securities for beneficial owners who are Class Members are directed to: (a) request within seven (7) calendar days of receipt of this Notice additional copies of the Notice and the Claim Form from the Claims Administrator for such beneficial owners; or (b) send a list of the names and addresses of such beneficial owners to the Claims Administrator within seven (7) calendar days after receipt of this Notice. If a nominee elects to send the Notice to beneficial owners, such nominee is directed to mail the Notice within seven (7) calendar days of receipt of the additional copies of the Notice from the Claims Administrator, and upon such mailing, the nominee shall send a statement to the Claims Administrator confirming that the mailing was made as directed, and the nominee shall retain the list of names and addresses for use in connection with any possible future notice to the Class. Upon full compliance with these instructions, including the timely mailing of the Notice to beneficial owners, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with these instructions up to \$0.70 per notice by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought and reflecting compliance with these instructions, including timely mailing of the Notice, if the nominee elected or elects to do so. Such properly documented expenses incurred by nominees in compliance with the terms of these instructions will be paid from the Settlement Fund. You may also obtain copies of this Notice by calling toll-free 1-866-446-5054, and you may also download it from the Settlement website, www.ElPolloLocoSecuritiesSettlement.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

65. This Notice contains only a summary of the terms of the proposed Settlement. More detailed information about the matters involved in the Litigation is available at www.ElPolloLocoSecuritiesSettlement.com, including, among other documents, copies of the Stipulation and Claim Form. All inquiries concerning this Notice or the Claim Form should be directed to:

El Pollo Loco Securities Settlement
c/o Gilardi & Co. LLC
P.O. Box 505027
Louisville, KY 40233-5027
Toll-free number: 1-866-446-5054

OR

Ryan A. Llorens
ROBBINS GELLER RUDMAN & DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
(800) 449-4900
djr@rgrdlaw.com

- or -

Laurence M. Rosen
THE ROSEN LAW FIRM, P.A.
355 South Grand Avenue, Suite 2450
Los Angeles, CA 90071
(213) 785-2610
lrosen@rosenlegal.com

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF
COURT REGARDING THIS NOTICE.**

Dated: May 15, 2019

By Order of the Court
United States District Court
Central District of California
Southern Division