

Castle, Petersen & Krause, LLP

Attorneys at Law

FEDERAL JUDGE RULES AGAINST PIZZA HUT IN OVERTIME CASE

- Restaurant chain is unsuccessful in its latest attempts to seek appeal of a recent loss in the class action case brought against them by managers for unpaid overtime

Newport Beach, Calif. – October 1, 2004 – In an Order entered on September 17, 2004, the United States District Court, Central District of California denied Pizza Hut's Motions for reconsideration and immediate appeal of a previous ruling on July 15, 2004 in a nationwide class action case filed by their current and former Restaurant General Managers ("RGMs") and Restaurant Training Managers ("RTMs") for unpaid overtime.

On July 15, 2004, District Court Judge Terry J. Hatter, Jr. ruled that Pizza Hut, Inc. misclassified its RGMs and RTMs as exempt employees, even though the vast majority of their time was spent making pizzas, taking orders, providing customer service, cleaning the store and performing other production-related, non-exempt tasks. This ruling entitles Pizza Hut RGMs and RTMs to overtime compensation for all hours worked over 40 hours in any given workweek.

Castle, Petersen & Krause LLP originally brought the case to court on behalf of Ann Coldiron, a former RGM for Pizza Hut, to recover unpaid overtime wages. Coldiron and other similarly situated current and former RGMs and RTMs worked in excess of 50 hours per week without overtime pay.

As a result of the recent September 17 ruling, the case will now progress to the phase in which the amounts of unpaid overtime Pizza Hut owes its current and former RGMs and RTMs will be determined. A successful prosecution of this case will result in each current and former RGM and RTM standing to collect a substantial sum of money from Pizza Hut for all of the unpaid overtime hours they worked.

Based on information currently available, current and former RGMs and RTMs who have joined this action are entitled to approximately \$100,000 each. In order to be eligible to collect the unpaid overtime compensation, the current and former employees must sign-up to join this action as a plaintiff.

The current estimation of the total overtime wages Pizza Hut owes its current and former RGMs and RTMs is approximately \$300 million. The courts have allowed similar class actions against other large corporations such as Wal-Mart, Taco Bell, Lowe's, Farmers Insurance, Paine Webber and Radio Shack, because management avoided federally mandated overtime pay to its employees by granting managerial-sounding titles.

About Castle, Petersen & Krause, LLP

The law firm of Castle, Petersen & Krause, LLP, headquartered in Newport Beach, CA, specializes in labor and employment law and litigation, and business litigation. The firm's areas of focus within labor and employment include civil rights, labor relations, contract negotiations, disciplinary actions, Fair Labor Standards Act ("FLSA"), discrimination, retaliation, wage and hour issues, and wrongful termination. Castle, Petersen & Krause has a near 30-year history of representing law enforcement officers and their associations in contract negotiations, disciplinary actions, civil rights claims, and class actions related to FLSA and wage and hours matters. The firm also has a history of success in recovering overtime wages from public and private employers through FLSA class action claims, including recent

cases against the City of Los Angeles and companies in the hospitality and fitness industries. Additionally, Castle, Petersen & Krause provides its clients counsel in the areas of construction defect, intellectual property, product liability and first and third party insurance litigation, as well as personal injury claims. More information on Castle, Petersen & Krause can be found at www.cpk-law.com.

CONTACT:

Castle, Petersen & Krause LLP
4675 MacArthur Court, Suite 1250
Newport Beach, CA 92660
www.cpk-law.com
Tel: (949) 417-5600
Fax: (949) 417-5610