

CDF LABOR LAW LLP
 Amy S. Williams, State Bar No. 228853
 awilliams@cdfsflaborlaw.com
 Ashley A. Halberda, State Bar No. 272762
 ahalberda@cdfsflaborlaw.com
 18300 Von Karman Avenue, Suite 800
 Irvine, CA 92612
 Telephone: (949) 622-1661

SQUIRE PATTON BOGGS (US) LLP
 Daniel B. Pasternak (Admitted Pro Hac Vice)
 One East Washington Street, Suite 2700
 Phoenix, Arizona 85004
 Telephone: (602) 528-4187
 Facsimile: (602) 253-8129

Attorneys for Defendant
 SF MARKETS, LLC D/B/A SPROUTS FARMERS
 MARKET

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

JANA MESTANEK, on her own behalf and on
 behalf of all others similarly situated,

Plaintiff,

vs.

SUNFLOWER FARMERS MARKETS, LLC,
 a Delaware Limited Liability Company; SF
 MARKETS, LLC a Delaware Limited Liability
 Company and DOES 1 through 10, Inclusive,

Defendant.

) Case No. BC495260

) Assigned for All Purposes To:

) Judge: Kenneth R. Freeman

) Dept: 14

) **PAGA SETTLEMENT AGREEMENT**

) Action Filed: November 2, 2012

PAGA SETTLEMENT AGREEMENT

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of Los Angeles (“Court”), Plaintiff Jana Mestanek (“Plaintiff”) and Defendant SF Markets, LLC dba Sprouts Farmers Market (erroneously named Sunflower Farmers Markets, LLC) (“Defendant”) (collectively with Plaintiff, the “Parties”) hereby agree to the following binding settlement (“Settlement” or “Settlement Agreement”) of the action entitled *Jana Mestanek v. Sunflower Farmers Markets, LLC, et al.*, Case No. BC495260 (Los Angeles County Superior Court) (the “Action”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Jana Mestanek v. Sunflower Farmers Markets, LLC, et al.*, Case No. BC495260 (Los Angeles County Superior Court).
2. “Aggrieved Employees” are all current and former California employees of Defendant SF Markets, LLC dba Sprouts Farmers Market who were provided a wage statement that reflected a deduction identified as “Uniforms” at any time from November 2, 2011 and the date on which the Court enters the Order and Judgment.
3. “Court” is the Superior Court for the State of California, County of Los Angeles.
4. “LWDA” means the California Labor and Workforce Development Agency.
5. “Maximum Settlement Amount” means the maximum settlement amount of Fifty Thousand Dollars (\$50,000) to be paid by Defendant in full satisfaction of all Settled Claims arising from the Action, which includes all payments to Aggrieved Employees, Plaintiff, Plaintiff’s Counsel, the LWDA, and the Settlement Administrator.
6. “PAGA Penalties Fund” means the Maximum Settlement Amount less the Attorneys’ Fees and Costs, Service Award, and Settlement Administrator Costs.
7. “Plaintiff’s Counsel” means Righetti Glugoski, P.C. and Aegis Law Firm, PC.
8. “Service Award” means the amounts to be paid from the Maximum Settlement Amount to Plaintiff as payment for her service on behalf of the LWDA and Aggrieved Employees and for a general release of all claims arising out of her employment with Defendant.

9. “Settlement” is the settlement set forth in this Agreement.

10. “Settled Claims” means any and all claims for PAGA civil penalties, based on or arising from any claim, allegation, or theory asserted in the Action, inclusive of attorneys’ fees and/or costs, under the California Labor Code, including but not limited to California Labor Code §§ 201-203, 221, 224, 226, 2802 and 2698 *et seq.* Wage Orders, regulations, and/or other provisions of law during the Settlement Period.

11. “Settlement Period” means the period from November 2, 2011, to the date on which the Court enters the Order and Judgment.

TERMS

12. Maximum Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendant agrees to pay a maximum amount of Fifty Thousand Dollars (\$50,000) (“Maximum Settlement Amount”), which represents the maximum amount payable in this Settlement by Defendant, and includes all attorneys’ fees, litigation costs and expenses, Plaintiff’s Service Award, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Maximum Settlement Amount will be retained by, or revert to, Defendant.

13. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) (or approximately \$13,817.41), of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) (or approximately \$4,605.80), will be paid in equal pro rata sums to each Aggrieved Employee.

14. Attorneys’ Fees and Costs. In full satisfaction of all claims Plaintiff may have for attorneys’ fees, all out-of-pocket costs and expenses arising out of the Action (including, if applicable, expert fees and investigation costs), the Defendant agrees not to oppose Plaintiff’s request that Plaintiff’s Counsel be paid a total of \$16,666.67 for attorneys’ fees and up to \$8,160.12 in actual costs (“Attorneys’ Fees and Costs”), which shall be paid by the Settlement Administrator out of the Maximum Settlement Amount. Any portion

of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund. The Settlement shall remain binding even if the Court approves a lesser amount of Attorneys' Fees and Costs.

15. Service Award. For her service on behalf of the LWDA and Aggrieved Employees, Defendant agrees not to oppose Plaintiff's request that Plaintiff be paid the sum of \$5,000 ("Service Award"), which shall be paid by the Settlement Administrator out of the Maximum Settlement Amount. The Settlement shall remain binding even if the Court approves a lesser amount of Service Awards.

16. Settlement Administration Costs. The Parties have agreed to retain ILYM as the third-party settlement administrator ("Settlement Administrator") to administer this settlement. The Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and issuing all payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement Administration Costs will be paid from the Maximum Settlement Amount. Settlement Administration Costs are estimated at \$6,750.00.

17. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court and the LWDA. Plaintiff shall be responsible for preparing and submitting all motions, papers, and notifications regarding this Settlement to the Court and the LWDA, and for providing Defendant an opportunity to propose revisions to the documents prior to filing, which Plaintiff will incorporate in good faith. Plaintiff's Counsel will provide the LWDA with notice of the Settlement before or at the same time the Motion for Approval is filed with the Court. The Parties will request that the Court issue an order and judgment approving the Settlement, incorporating by reference the terms and conditions of the Settlement Agreement (the "Order and Judgment").

18. List of Aggrieved Employees. Within fourteen (14) calendar days after entry of the Order and Judgment, Defendant will provide the Settlement Administrator a complete list of all Aggrieved Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in Microsoft Office Excel and will include each Aggrieved Employees full name; most recent mailing address and telephone number; Social Security number; the respective number of pay periods during which each Aggrieved Employee received a wage statement reflecting a "Uniform" deduction during the Settlement Period; and any other relevant information needed to calculate settlement payments. The Parties agree and

1 acknowledge that, except for identifying the total number of Aggrieved Employees contained therein, the
2 Aggrieved Employee List, including identification and contact information, is confidential and shall not be
3 shared with Plaintiff or Plaintiff's Counsel, except to applicable taxing authorities, unless Defendant
4 consents to the disclosure in writing or unless the Court orders the disclosure.

5 19. Funding of the Settlement. Within fourteen (14) calendar days after entry of the Order and
6 Judgment, Defendant will deposit the Maximum Settlement Amount into the QSF to be established by the
7 Settlement Administrator. Following its deposit of the Maximum Settlement Amount to the Settlement
8 Administrator, Defendant shall have no responsibility, financial obligation, or liability whatsoever with
9 respect to any payments to the LWDA, Aggrieved Employees, Plaintiff's Counsel, Plaintiff, and any other
10 recipients of funds and/or beneficiaries of the Settlement, including but not limited to all calculations and
11 disbursements of funds, and payment of any taxes or costs relating thereto.

12 20. Date of Settlement Payments. Within twenty-one (21) calendar days after the Court's Order
13 and Judgment ("Date of Settlement Payments"), the Settlement Administrator will issue payments to: (a)
14 Aggrieved Employees; (b) the LWDA; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. Payments to
15 Aggrieved Employees will include a letter explaining why the check is being sent, substantially in the form
16 attached hereto as **Exhibit A** ("Notice"). The Settlement Administrator, and not Defendant, will issue the
17 appropriate tax forms for all payments issued under this Settlement. In the event of any appeals following
18 the Court's entry of the Order and Judgment, the Settlement Administrator shall ensure that the QSF is
19 placed in an interest-bearing account until the resolution of all such appeals. Following the resolution of any
20 appeals, the Settlement Administrator shall issue the payments as set forth above within (14) calendar days
21 after the Order and Judgment is final and no longer subject to any appeal. In the event the Settlement is not
22 finally approved following any such appeal(s), the amounts funded by Defendant shall be refunded to
23 Defendant, including all interest earned.

24 21. Settlement Payments to Aggrieved Employees. On the Date of Settlement Payments, the
25 Settlement Administrator will issue each Aggrieved Employee one check for his or her share of the PAGA
26 Penalties Fund along with an explanatory notice which will be mutually approved by the parties. Prior to
27 mailing, the Settlement Administrator will perform a search based on the National Change of Address
28 Database for information to update and correct for any known or identifiable address changes. Any checks

1 returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-
2 Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the
3 Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other
4 search using the name, address or Social Security number of the Aggrieved Employee involved, and will
5 then perform a single re-mailing. Checks will remain negotiable for 180 days. Those funds represented by
6 un-cashed checks which remain outstanding 180 days after the mailing of the Settlement checks by the
7 Settlement Administrator will be tendered to Legal Aid at Work. All settlement payments to Aggrieved
8 Employees will be treated as miscellaneous income for which a 1099 will be issued.

9 22. Settled Claims. Upon the Date of Settlement Payments, Plaintiff and all Aggrieved
10 Employees, and the State of California, including any purported representative or proxy thereof, will release
11 and be forever barred from pursuing against Defendant the Settled Claims during the Settlement Period.

12 23. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein
13 will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved
14 Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans,
15 stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
16 Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to
17 which any Aggrieved Employee may be entitled under any benefit plans.

18 24. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that
19 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
20 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right
21 herein released and discharged.

22 25. Nullification of Settlement Agreement. In the event that: (i) the Court does not enter a final
23 Order and Judgment approving the Settlement as provided herein; or (ii) the Settlement does not become
24 final for any other reason, the Parties shall work jointly to make reasonable efforts to remedy the Settlement
25 Agreement. If the Parties cannot resolve the issues, then this Settlement Agreement, and any documents
26 generated to bring it into effect, will be null and void, and the Parties will be returned to their original
27 respective positions.

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1 26. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court will
2 have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the
3 terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may
4 be appropriate under court rules or as set forth in this Settlement.

5 27. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
6 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on
7 the Parties.

8 28. Amendment or Modification. This Settlement Agreement may be amended or modified
9 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
10 Parties.

11 29. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
12 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
13 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to
14 this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate
15 the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use
16 their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement
17 on the form or content of any document needed to implement the Settlement, or on any supplemental
18 provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the
19 assistance of the Court to resolve such disagreement.

20 30. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and
21 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

22 31. California Law Governs. All terms of this Settlement Agreement will be governed by and
23 interpreted according to the laws of the State of California.

24 32. Execution and Counterparts. This Settlement Agreement is subject only to the execution of
25 all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed
26 counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and scanned
27 copies of the signature pages, will be deemed to be one and the same instrument.

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1 33. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
2 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
3 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that
4 they are each represented by competent counsel and that they have had an opportunity to consult with their
5 counsel regarding the fairness and reasonableness of this Settlement.

6 34. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
7 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the
8 Court, and either party may appeal any court order that materially alters the Settlement's terms.

9 35. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement
10 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent
11 with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.
12 The Parties agree to meet and confer and, if necessary, attempt to renegotiate in good faith to resolve any
13 concerns raised by the Court with respect to any of the terms of this Settlement, in an effort to obtain Court
14 approval.

15 36. Captions. The captions and section numbers in this Settlement Agreement are inserted for
16 the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
17 provisions of this Settlement Agreement.

18 37. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or
19 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a
20 further waiver by such party of the same or any other condition, covenant, right or remedy.

21 38. Enforcement Action. In the event that one or more of the Parties institutes any legal action
22 or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to
23 declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to
24 recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness
25 fees incurred in connection with any enforcement actions.

26 39. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
27 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
28 more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for one

1 of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all
2 Parties have contributed to the preparation of this Settlement Agreement.

3 40. Representation By Counsel. The Parties acknowledge that they have been represented by
4 counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this
5 Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

6 41. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
7 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement
8 Agreement.

9 42. Binding Agreement. The Parties warrant that they understand and have full authority to
10 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and
11 binding on all Parties, including the State of California which Plaintiff represents in the Action, and agree
12 that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding
13 any mediation confidentiality provisions that otherwise might apply under federal or state law.

14 43. Denial of Liability. The Parties expressly recognize that the making of this agreement does
15 not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Defendant
16 expressly denies any liability for the claims asserted and specifically denies and does not admit any of the
17 allegations against it. Nothing in this Settlement, nor any action taken in implementation thereof, nor any
18 statements, discussions or communications, nor any materials prepared, exchanged, issued or used during
19 the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be
20 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative
21 or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute,
22 ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding
23 the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the
24 interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court
25 entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING**PLAINTIFF**Dated: 3/17/2021

DocuSigned by:

Jana Mestaneck

4F4EA488EA10443...

Jana Mestaneck**DEFENDANT**Dated: 3/23/2021

DocuSigned by:

Alexis Pfeiffer

6A844019ACB84A6...

Name of Authorized Signatory**SF Markets, LLC dba Sprouts Farmers Market**

lease convert the complaint for damages into word.

APPROVED AS TO FORMDated: March 24, 2021

RIGHETTI GLUGOSKI, P.C.

By: /s/ John Glugoski

John Glugoski

Attorneys for Plaintiff
JANA MESTANEKDated: 3/23/2021

CDF LABOR LAW LLP

By: 

Amy S. Williams

Attorneys for Defendant
ERRONEOUSLY NAMED SUNFLOWER FARMERS
MARKETS, LLC AND DOE DEFENDANT SF MARKETS,
LLC D/B/A SPROUTS FARMERS MARKET

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE.

I, the undersigned, declare that I am employed in the aforesaid County, State of California. I am over the age of 18 and not a party to the within action. My business address is 18300 Von Karman Avenue, Suite 800, Irvine, CA 92612. On March 17, 2021, I served upon the interested party(ies) in this action the following document described as:

PAGA SETTLEMENT AGREEMENT

By the following method:

Matthew Righetti
John Glugoski
RIGHETTI . GLUGOSKI
456 Montgomery Street, Suite 1400
San Francisco, CA 94104
E: matt@righettilaw.com

Daniel B. Pasternak
SQUIRE PATTON BOGGS
One East Washington Street, Suite 2700
Phoenix, Arizona 85004
E: daniel.pasternak@squirepb.com

For processing by the following method:

☒ By placing such envelope(s) with postage thereon fully prepaid into CDF LABOR LAW LLP's interoffice mail for collection and mailing pursuant to ordinary business practice. I am familiar with the office practice of CDF LABOR LAW LLP for collecting and processing mail with the United States Postal Service, which practice is that when mail is deposited with the CDF LABOR LAW LLP personnel responsible for depositing mail with the United States Postal Service, such mail is deposited that same day in a post box, mailbox, sub-post office, substation, mail chute, or other like facility regularly maintained by the United States Postal Service in Irvine, California.

☒ Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the documents to be sent to the persons at the electronic notification addresses listed above.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on March 17, 2021, at Irvine, California.

Lisa Proctor
(Type or print name)

(Signature)