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7 Attorneys for Plaintiffs
ALEJANDRA GUZMAN, KARLA QUIJADA,
8 and ANTHONY MACEDONIA,
9 individually and on behalf of other individuals employed
under common circumstances and facts

10
11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **COUNTY OF SAN LUIS OBISPO**

13 ALEJANDRA GUZMAN, KARLA
QUIJADA, and ANTHONY MACEDONIA,
14 individually and on behalf of other
individuals employed under common
15 circumstances and facts,

16 Plaintiffs,

17 v.

18 THE HACIENDA COMPANY, LLC, a
19 California limited liability company; AJ
SAY, an individual; and DOES 1 through
20 50, inclusive,

21 Defendants.

CASE NO.: 19CV-0543

[CLASS ACTION]

**DECLARATION OF ALLEN K. HUTKIN
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: May 26, 2021

Time: 9:00 a.m.

Dept. 9

Assigned for all purposes to the
Honorable Tana L. Coates, Dept. 9

Action Filed September 13, 2019

22 I, Allen K. Hutkin, declare as follows:

23
24 1. I am an attorney duly licensed and admitted to practice law before the courts of
25 the State of California. I am counsel of record for Plaintiffs Alejandra Guzman, Karla Quijada,
26 and Anthony Macedonia in this action. I have personal knowledge of the information set forth
27 herein and if called to do so, I could and would testify competently to the facts set forth below.
28

**ELECTRONICALLY
FILED**

5/4/2021 4:47 PM

SAN LUIS OBISPO SUPERIOR COURT
BY: 
H. Landrum, Deputy Clerk

1 2. On September 13, 2019, Plaintiffs Alejandra Guzman and Karla Quijada filed
2 this civil class action on behalf of themselves and all current and former non-exempt or hourly
3 paid employees of Defendants The Hacienda Company, LLC (“THC”) and Alan J. Fay
4 (improperly named as AJ Say (“Fay”) (collectively referred to as the “Defendants”), who
5 worked in the State of California at any time from September 13, 2015 onward.

6 3. Plaintiffs alleged causes of action for: unpaid minimum wages, nonpayment of
7 overtime compensation, premium pay for meal period violations, premium pay for rest period
8 violations, itemized wage statement violations, waiting time penalties, failure to provide
9 personnel and payroll records, failure to indemnify for work related expenses, unfair business
10 practices under Business and Professions Code Sections 17200, *et seq.*, and claims for
11 penalties for alleged violations of the Private Attorneys General Act (“PAGA”) (“Original
12 Complaint”).

13 4. On February 28, 2020, Plaintiffs served a PAGA notice on Defendants and the
14 Labor and Workforce Development Agency (“LWDA”) alleging various PAGA claims
15 including: willful failure to timely pay a discharged or quitting employee, failure to pay all
16 wages due two times each month, failure to pay contractual wages, secret payment of wages
17 lower than designated scale, failure to pay overtime wages, failure to provide meal and rest
18 breaks, failure to provide accurate, itemized wage stubs, failure to pay for expense
19 reimbursement, violation of California Labor Code Sections 558 and 558.1 and Industrial
20 Welfare Commission Order 13-2001, and violation of California Labor Code Section 226.8.

21 5. Plaintiffs did not receive a written notice from the LWDA stating that it
22 intended to investigate any of the claims outlined in the PAGA Letter and, as a result,
23 Plaintiffs were authorized to act as private attorneys general to negotiate and resolve any and
24 all PAGA claims of the representative class on behalf of the LWDA.

25 6. On April 30, 2021, Plaintiffs filed a First Amended Complaint (“FAC”), upon
26 stipulation and order, which added plaintiff Anthony Macedonia (referred to herein
27 collectively with Alejandra Guzman and Karla Quijada as the “Named Plaintiffs”), and added
28

1 three new causes of action for: violations of the California WARN Act; reporting time
2 violations; and conversion.

3 7. There is a related class action case filed six months after the present action,
4 venued in the Superior Court of Los Angeles County, styled *Christopher Weldon Kincey II, et*
5 *al. v. Lowell Farms LLC, et al.*, Los Angeles County Superior Court Case No. 20STC08659
6 (“Kincey Action”). On or around November 12, 2020, I contacted counsel for plaintiffs,
7 Dennis Wilson, in the Kincey Action to discuss the situation. I asked whether his case might
8 be dismissed or how he thought we should handle this situation to avoid duplicative litigation,
9 as it appeared there was an overlap on factual, legal, and damages issues in the two actions,
10 and our case was filed first. Mr. Wilson told me that he would send me a proposal, but he
11 never did. Instead, Mr. Wilson filed an amended complaint in the Kincey action adding causes
12 of action that already were pending in the present action.

13 8. On December 6, 2019, Defendants filed their operative First Amended Answers
14 to Plaintiffs’ Original Complaint in which they assert a general denial of Plaintiffs’ claims and
15 sixteen affirmative defenses. The Named Plaintiffs’ anticipate that Defendants will assert a
16 general denial and additional defenses to the FAC.

17 9. Plaintiffs and Defendants began extensive settlement negotiations in this matter
18 in March 2020.

19 10. The settlement negotiations throughout were at arms-length and, although
20 conducted in a professional manner, were adversarial.

21 11. Defendants provided Plaintiffs with extensive records which Plaintiffs and their
22 expert examined before and during mediation. Although no formal discovery was conducted, in
23 the months preceding the mediation Defendants produced voluminous documents comprising
24 employment data concerning Plaintiffs and the Settlement Class, including but not limited to
25 payroll records and time records. In addition, Defendants produced substantial and significant
26 company financial data, subject to a stipulated confidentiality agreement, which were reviewed
27 by me and an accountant retained by me. This informal discovery allowed me to evaluate the
28 strengths and weaknesses of the case, case value, and settlement value.

1 12. During the negotiations, Defendant THC represented and continued to
2 emphasize that it is experiencing extreme financial difficulties due to the COVID-19 Pandemic
3 and changes in the cannabis industry, and may be forced into bankruptcy absent a settlement of
4 this class action litigation.

5 13. Defendant THC laid off workers as a result of the financial difficulties it was
6 experiencing, which is the basis for the Named Plaintiffs' alleged violations of the California
7 WARN Act in the FAC.

8 14. Plaintiffs and Defendants formally mediated this matter on November 21, 2020
9 before a highly respected and experienced mediator, Los Angeles-based Eve Wagner, Esq., in
10 order to explore the potential for a settlement. Each side was committed and prepared to litigate
11 its position through trial and appeal if a settlement was not reached. A settlement was reached
12 at the end of a long process in which counsel for the Parties vigorously advanced their
13 respective positions throughout the settlement negotiations.

14 15. The parties continued to negotiate the terms of the settlement for months after
15 the mediation which ultimately resulted in a fully-executed, 22-page Joint Stipulation of Class
16 Action and PAGA Settlement and Release of Claims ("Settlement Agreement"), a true and
17 correct copy of which is attached as Exhibit 1 to this declaration. The Settlement Agreement
18 was not fully finalized until April 21, 2021. The FAC was prepared and filed in order to perfect
19 the settlement reached by Plaintiffs and Defendants.

20 16. I have substantial litigation experience as an attorney and in wage and hour class
21 actions, as demonstrated by the facts below:

22 a. I am a principal in the Hutkin Law Firm, APC. I was admitted to the California
23 State Bar in December 1989, after receiving my Juris Doctor from Pepperdine University
24 School of Law in 1989, where I was a Brock Scholar and graduated cum laude. From October
25 1989 until September 1992, I worked as a litigation associate at the law firm of Diehl and
26 Rodewald. In September 1992, I opened my own law firm. In August 2007, my retired partner,
27 Maria Hutkin, and I formed the Hutkin Law Firm.

28 b. I have been a plaintiffs' counsel in a number of cutting edge cases in state and

1 federal courts that were featured in the New York Times, Los Angeles Times, Washington
2 Post, Newsweek, ABC Nightline, BBC, California Lawyer, and the Daily Journal.

3 c. I have been representing plaintiffs in employment cases since 1993. I was the
4 first San Luis Obispo attorney to primarily represent employees on a contingency fee basis.
5 Since that time, I have represented numerous plaintiffs in various employment lawsuits as well
6 as litigated numerous wage and hour class actions.

7 d. I am a longtime member of the California Employment Lawyers Association
8 and the Labor & Employment Section of the California State Bar. I am also a member of the
9 Central Coast Trial Lawyers Association and San Luis Obispo County Bar. I was featured in
10 the Bar Bulletin's employment law round table. I have lectured to various groups on a variety
11 of topics on employment law. I have written articles for the San Luis Obispo newspaper The
12 Tribune on topics such as changes in overtime laws. For many years, I hosted a legal issues
13 segment on the KCBX public radio program called Central Coast Forum. Most recently, I was
14 a featured speaker at meetings of the Central Coast Trial Lawyers Association, the Central
15 Coast Paralegal Association, and the Northern Santa Barbara County Bar Association on
16 Employment Law.

17 e. I have tried numerous jury trials and court trials in San Luis Obispo County and
18 achieved arbitration awards, verdicts, judgments, and settlements which total more than \$30
19 million dollars in this County.

20 f. I co-counsel and co-tried, with attorney James Cordes, Esq., the first wage and
21 hour class action case in San Luis Obispo's history styled *Alvarado v. Amdal In-Home Care*.
22 *Inc.*, San Luis Obispo County Superior Court Case No. CV050063, wherein Plaintiffs prevailed
23 at trial on their causes of action for unpaid minimum wages, waiting time penalties, and
24 declaratory relief. In addition to the *Alvarado* case, I have also been appointed Class Counsel,
25 individually or as co-counsel, in many class actions filed in San Luis Obispo County Superior
26 Court and other jurisdictions, including:

27 (1) *Marcelo v. Margie's Diner, Inc.*, San Luis Obispo County Superior Court Case
28 No. CV000048;

1 (2) *Hernandez et al v. Target Stores et al.*, Santa Barbara Superior Court Case No.
2 2089837;

3 (3) *Octavio Barajas et al v. Sunset Car Wash*, San Luis Obispo County Superior
4 Court Case No. CV030851;

5 (4) *Caldwell v. SMS Resorts, Inc. dba Sycamore Mineral Springs Resort*, San Luis
6 Obispo County Superior Court Case No. CV0802643;

7 (5) *Coria v. Kenyon Plastering, Inc.*, San Luis Obispo Superior Court., CV 080302 -
8 2012);

9 (6) *Barbosa v. Tom & Daves Tire Store, Inc.*, San Luis Obispo Superior Court., CV
10 110620 - 2014);

11 (7) *Jaime Vega Heredia and Mauro Vasquez v. Crop Production Services, Inc.*,
12 Santa Barbara Superior Court Case No. 1456389;

13 (8) *Baker v. Tognazzini Family, Inc.*, San Luis Obispo Superior Court Case No.
14 CV110083;

15 (9) *Hall v. CheckNGo of California, Inc.*, American Arbitration Association Case
16 No. AAANo. 11 160 03021 04 confirmed in San Luis Obispo County Superior Court Case No.
17 CV 030345;

18 (10) *Wilmore V. Comerford, Inc., dba Fairway*, San Luis Obispo Superior Court, CV
19 110480;

20 (11) *Ramirez v. Clearwater Nursery, Inc.*, San Luis Obispo Superior Court Case No.
21 CV110083; and

22 (12) *Ponce v. Agro-Jal Farming Enterprises, Inc.*, San Luis Obispo Superior Court
23 Case No. 15CV-0373

24 g. I have many years of experience in handling class actions, other complex
25 litigation, and claims based on the same substantive law asserted in the action. I have
26 committed and will continue to commit the resources necessary to provide the class with
27 quality representation. I have represented thousands of other workers in lawsuits similar in size,
28 scope, and complexity to the present case, and have been appointed as class counsel in every

1 prior case where I have sought such appointment.

2 17. I am fully familiar with the legal and factual issues in this case, having handled
3 dozens of wage and hour class actions, PAGA representative actions, as well as other types of
4 class actions and complex litigation. In my opinion, the settlement in this action is fair,
5 adequate, and reasonable. Based on all documents and information provided by Defendants
6 before, during, and after the mediation, I have determined that total damages to the Settlement
7 Class, including PAGA penalties, could yield a verdict at trial of several million dollars. This
8 settlement value has been discounted to the agreed-upon gross settlement of \$1,200,000.00 for
9 two major reasons: (1) the discount reflects the uncertainties of litigation that may obtain in a
10 years-long litigation, trial, and possibly appellate process, in which it is possible the Settlement
11 Class could end up recovering little to nothing; and (2) the discount reflects the very substantial
12 risk, based on company financial information provided by Defendants, that Defendants would
13 be forced into bankruptcy, in the absence of a class action settlement, due to the extreme
14 financial difficulties Defendants have experienced due to the COVID-19 Pandemic and
15 changes in the cannabis industry, which resulted in substantial layoffs of Defendants' workers.
16 If Defendants file bankruptcy, the Settlement Class likely would recover little, if anything.

17 18. Several former employees of Defendants, including Karla Quijada, Alejandra
18 Guzman, Karla Bautista, Israel Ortiz, Maria de la Luz Yanez, Maria Luisa Yanez, Beatrice
19 Barajas, and Anthony Macedonia, whose actions on behalf of the class served to benefit the
20 class will receive service awards of up to \$15,000.00 each for their participation in prosecuting
21 this action. The service awards are justified for these individuals based on their high level of
22 participation in this lawsuit and the risks they took to pursue the interests of the class. However,
23 the service awards will vary depending on their level of participation and the risks they took.
24 They assisted in the investigation, interviewed and selected counsel, attended meetings with
25 counsel, gathered wage information for themselves and other class members, contacted other
26 Settlement Class members to seek their participation in the case, prepared for and participated
27 in the mediation, and are willing to testify at trial if necessary. The Named Plaintiffs and other
28 identified putative class members who will receive service awards have undertaken personal

1 risks in serving as the driving force behind this lawsuit. They are well aware that the
2 proceedings in this case are a matter of public record and work opportunities are scarce for
3 potential employees labeled as “trouble-makers.” They were willing to run this risk for the
4 benefit of not only themselves, but their co-workers. Additionally, they have agreed to a
5 general release of all individual claims in addition to class claims. Accordingly, the requested
6 service awards are fair and reasonable in light of all the circumstances.

7 19. The Parties allocated \$15,000.00 to PAGA penalties, of which the State of
8 California Labor and Workforce Development Agency will receive \$11,250.00 and the
9 remaining \$3,750.00 will be shared by the Settlement Class. I agreed to this allocation based on
10 the following factors: (1) the settlement is a compromise which does not fully reimburse Class
11 Members for all unpaid wages they experienced; (2) the PAGA claim was not a driving factor
12 in the prosecution or settlement of the class action; and (3) the actual value of the PAGA claim
13 is highly uncertain at this stage.

14 20. Under the proposed Settlement Agreement, I am applying for an attorneys’ fee
15 award of \$400,000, or one third of the Maximum Settlement Amount of \$1,200,000.00. I have
16 borne, and continue to bear, the entire risk and cost of litigation associated with this class and
17 representative action on a pure contingency basis. The settlement reached in this case was hard
18 fought and a fair result for Defendants’ employees. The Court should approve the requested
19 attorneys’ fees and costs, which are justified by the results achieved, the complexity of the
20 issues, the difficulty of the case, and the great risk undertaken by me. The requested attorneys’
21 fees are not opposed by Defendants, and are well within established guidelines.

22 21. In addition, I request litigation costs (not to exceed \$25,000.00) and third-party
23 settlement administration costs (not to exceed \$44,000.00), which are appropriate amounts
24 given my firm’s prior expenditures and the need for third-party administration of the settlement
25 over a multi-year time period.

26 22. As set forth in Plaintiffs’ FAC, there is substantial factual support for the
27 numerous alleged Labor Code violations by Defendants. I am confident Plaintiffs would
28 establish liability against Defendants on their claims. However, there are risks and factors

1 militating against litigating this matter all the way through to a trial. First, although the Parties
2 have stipulated to class certification for purposes of this motion and obtaining final approval of
3 their class action settlement, Named Plaintiffs have not yet filed a class certification motion,
4 and Defendants have said they will vigorously oppose it. Second, obtaining testimony to
5 support class certification would be challenging and complex as many of Defendants' former
6 workers may be difficult to locate, and Defendants' remaining employees might be afraid to
7 testify against Defendants or to appear in court.

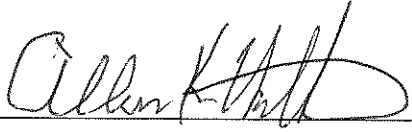
8 23. The trial of this matter would likely consume a month, and Defendants could
9 insist upon a jury trial. Given the ongoing COVID-19 Pandemic, and the apparent backlog of
10 cases set for jury trial, a trial of such length likely would not be scheduled until at least 2023 or
11 2024, given the amount of time that will be consumed beforehand to obtain class certification,
12 conduct discovery, bring pre-trial motions, and prepare for trial. Even if successful at trial,
13 Defendants would have the right to appeal any judgment awarded, which likely would delay
14 recovery for another one or two years. The length of time to trial is always significant in any
15 case, as memories fade and witnesses move away. As a practical matter, the longer the case
16 drags on, the more difficult it could be to locate class members to testify at trial and to
17 compensate them for their losses once the case has concluded. Thus, the avoidance of any
18 further delay, as well as the immediate financial needs of the Settlement Class, weighs in favor
19 of settlement.

20 24. In this case, the proposed Settlement Class consists of low-wage workers, many
21 of whom no longer work for Defendants and may be difficult to locate, and none of whom have
22 the means to finance an individual lawsuit. Their claims, while significant to them as
23 individuals, are too small to warrant the filing and prosecution of a host of separate actions. I
24 believe the cost of litigating the individual claims would be prohibitive to class members, and
25 burdensome on the court system. Finally, for purposes of this settlement only, the Parties have
26 stipulated to class certification.

27 25. The proposed Class Notice has been agreed to by counsel for all Parties, a true
28 and correct copy of which is attached as Exhibit 2 to this declaration. A proposed Election to

1 Opt Out of Class Action has been agreed to by counsel for all Parties, a true and correct copy of
2 which is attached as Exhibit 3 to this declaration.

3 I declare under penalty of perjury of the laws of the State of California that the foregoing
4 is true and correct. Executed May 4, 2021 at San Luis Obispo, California.

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7 Allen K. Hutkin
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Exhibit 1

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Attorneys for Plaintiffs
Alejandra Guzman and Karla Quijada,
individually and on behalf of other individuals employed
under common circumstances and facts

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO**

ALEJANDRA GUZMAN, KARLA
QUIJADA, individually and on behalf of
other individuals employed under common
circumstances and facts,

Plaintiffs,

v.

THE HACIENDA COMPANY, LLC, a
California limited liability company; AJ
SAY, an individual; and DOES 1 through
50, inclusive,

Defendants.

CASE NO.: 19CV-0543

[CLASS ACTION]

*Assigned for all purposes to the
Honorable Tana L. Coates, Dept. 9*

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT
AND RELEASE OF CLAIMS**

1 This Joint Stipulation of Class Action and PAGA Settlement and Release of Claims
2 (hereinafter "Stipulation of Settlement" or "Settlement") is made and entered into by and
3 between Plaintiffs ALEJANDRA GUZMAN and KARLA QUIJADA ("Plaintiffs") on behalf
4 of themselves and the "Settlement Class", defined below on the one hand and Defendants THE
5 HACIENDA COMPANY, LLC ("THC") and Alan J. Fay, improperly named in the action as
6 AJ Say ("Fay") (collectively referred to as the "Defendants") on the other hand. Plaintiffs and
7 Defendants are collectively referred to herein as the "Parties."

8 The Parties attended a full-day mediation on November 21, 2020. With the assistance
9 of well-respected Mediator Eve Wagner, Esq., the Parties reached the following binding
10 Settlement to globally resolve all wage and hour class and PAGA representative claims asserted
11 in the operative Complaint in this Action.

12 This Stipulation of Settlement shall be binding on Plaintiffs and those persons they seek
13 to represent, and on Defendants and their past, current and future owners, parent companies,
14 subsidiaries, divisions, related or affiliated companies, including but not limited to, its past,
15 current and future owners, shareholders, officers, directors, fiduciaries, members, supervisory
16 committee members, volunteers, managers, employees, agents, attorneys, insurers, successors
17 and assigns, and any individual or entity who could be jointly and severally liable with any of
18 the foregoing, and their respective counsel, subject to the terms and conditions hereof and the
19 Court's approval.

20 **THE PARTIES HEREBY STIPULATE AND AGREE AS FOLLOWS FOR**
21 **SETTLEMENT PURPOSES ONLY:**

22 **TERMS OF THE SETTLEMENT**

23 1. On September 13, 2019, Plaintiffs filed a civil class action Complaint in San Luis
24 Obispo County Superior Court, San Luis Obispo Case No. 19CV-0543, on behalf of themselves
25 and all current and former non-exempt or hourly paid employees of THC that worked in the
26 State of California at any time from September 13, 2015 onward, alleging causes of action for:
27 unpaid minimum wages, nonpayment of overtime compensation, premium pay for meal period
28 violations, premium pay for rest period violations, itemized wage statement violations, waiting

1 time penalties, failure to provide personnel and payroll records, failure to indemnify for work
2 related expenses, unfair business practices under Business and Professions Code Sections 17200
3 et seq. and claims for penalties for alleged violations of the Private Attorneys General Act
4 ("PAGA") ("Complaint").

5 2. On February 28, 2020, Plaintiffs served a PAGA Letter (a notice letter) on
6 Defendants and the Labor & Workforce Development Agency ("LWDA") alleging various
7 PAGA claims including: willful failure to timely pay a discharged or quitting employee, failure
8 to pay all wages due two times each month, failure to pay contractual wages, secret payment of
9 wages lower than designated scale, failure to pay overtime wages, failure to provide meal and
10 rest breaks, failure to provide accurate, itemized wage stubs, failure to pay for expense
11 reimbursement, violation of California Labor Code Sections 558 and 558.1 and Industrial
12 Welfare Commission Order 13-2001 and violation of California Labor Code Section 226.8.
13 Plaintiffs did not receive a written notice from the LWDA stating that it intended to investigate
14 any of the claims outlined in the PAGA Letter and, as a result, Plaintiffs were authorized to act
15 as Private Attorneys General to negotiate and resolve any and all PAGA claims of the
16 representative class on behalf of the LWDA ("PAGA Letter") (collectively the Complaint and
17 the PAGA claims asserted in the Complaint and PAGA Letter will be called the "Action" in this
18 Stipulation of Settlement).

19 3. This Stipulation of Settlement is intended to globally settle all wage and hour
20 class action claims alleged in the operative Complaint and all PAGA claims alleged in the PAGA
21 Letter.

22 4. It is the intention of the Parties to settle this Action as both a class action and
23 PAGA representative action. If the Court does not approve of any of the terms of the Settlement,
24 the Parties expect this Action to proceed as originally pled.

25 5. Defendants adamantly deny all material allegations set forth in the operative
26 Complaint and all allegations set forth in the PAGA Letter.

1 6. The Class Period runs from September 13, 2015 through the date of entry of an
2 Order by this Court granting preliminary approval of a global class action and PAGA
3 representative settlement ("Class Period").

4 7. Plaintiffs have not filed a motion for class certification in this action, nor has a
5 date been set by the Court for the filing of such a motion. Moreover, no trial dates or related
6 dates have been set by the Court.

7 8. This Action has been actively litigated. There have been on-going investigations,
8 formal and informal discovery, and a voluminous exchange of extensive documentation and
9 information between the Parties.

10 9. For purposes of this Settlement, the "Settlement Class" or "Class Members" shall
11 consist of all hourly, non-exempt employees who were employed by THC in the State of
12 California, at any time, during the Class Period.

13 10. For the sole purpose of settling the Action, the Parties stipulate and agree that the
14 requisites for establishing class certification with respect to the Settlement Class have been met
15 and are met. More specifically, the Parties stipulate and agree for the purpose of settling the
16 Action that:

17 a. The Settlement Class is ascertainable and so numerous as to make it
18 impracticable to join all Class Members.

19 b. There are common questions of law and fact including, but not limited to, the
20 following:

21 i. Whether Defendants complied with applicable laws affecting Plaintiffs
22 and the Settlement Class under the California Labor Code and the Wage Order(s) of the
23 California Industrial Welfare Commission; and

24 ii. Whether Plaintiffs and the Settlement Class are entitled to alleged wages,
25 premiums, penalties, interest, and attorneys' fees and costs.

26 c. Plaintiffs believe their claims are typical of the claims of the members of the
27 Settlement Class.

28 d. Plaintiffs believe they will fairly and adequately protect the interests of the

1 Settlement Class, and that Allen K. Hutkin and Donald L. Mabry of the Hutkin Law Firm should
2 be "Class Counsel," and they will fairly and adequately protect the interests of the Settlement
3 Class.

4 e. The prosecution of separate actions by individual members of the Settlement
5 Class would create the risk of inconsistent or varying adjudications, which would establish
6 incompatible standards of conduct.

7 f. With respect to the Settlement Class, Plaintiffs believe that questions of law and
8 fact common to the members of the Settlement Class predominate over any questions affecting
9 any individual member in such Class, and a class action is superior method to other available
10 means for the fair and efficient adjudication of the controversy.

11 11. Defendants adamantly deny any liability or wrongdoing of any kind whatsoever
12 associated with the claims alleged in the Action, including in the operative Complaint and the
13 PAGA Letter sent to the LWDA, that Plaintiffs are adequate representatives to allege class
14 and/or representative claims, including possessing standing under PAGA, and further deny that,
15 for any purpose other than settling this Action, this Action is inappropriate for class or
16 representative treatment. With respect to Plaintiffs' claims, Defendants contend, among other
17 things, that they have complied with all applicable state, federal and local laws affecting
18 Plaintiffs and the Settlement Class.

19 12. It is the desire of the Parties to fully, finally and forever settle, compromise and
20 discharge all disputes and claims arising from the allegations and causes of action stated in the
21 Action. To achieve a full and complete release of Defendants and the specific additional
22 entities/persons identified herein, each Class Member acknowledges that this Stipulation of
23 Settlement is intended to include in its effect all claims contained in the operative Complaint
24 and the PAGA Letter and any additional wage and hour claims that could have been brought
25 based on the facts alleged in the operative Complaint, through the date of entry of an Order
26 granting preliminary approval of class action and PAGA settlement by the San Luis Obispo
27 Court and granting a full release of the Released Parties (as those entities are defined below).

1 13. Counsel for the Settlement Class have conducted a thorough investigation into
2 the facts of this Action and have diligently pursued an investigation of Class Members' claims
3 against Defendants. Based on their own independent investigation and evaluation, Class
4 Counsel are of the opinion that the Settlement with Defendants for the consideration and on the
5 terms set forth in this Stipulation of Settlement are fair, reasonable and adequate and are in the
6 best interest of the Settlement Class in light of all known facts and circumstances, including the
7 risk of significant delay, the risk the Settlement Class will not be certified by the Court, THC's
8 financial condition, defenses asserted by Defendants and numerous potential appellate issues.
9 Defendants and their counsel also agree that the Settlement is fair and in the best interest of the
10 Parties.

11 14. The Parties will cooperate and take all steps necessary as appropriate to
12 consummate this Settlement and for entry of a judgment in accordance with this Joint Stipulation
13 of Class Action and PAGA Settlement and Release.

14 15. Settlement Type and Amount: This is a non-reversionary Settlement in which
15 THC is required to pay the entirety of the "Maximum Settlement Amount" ("MSA") for the
16 entire Action of One Million Two Hundred Thousand Dollars and Zero Cents (\$1,200,000.00)
17 based on a represented class size of around 600 people and total workweeks of roughly 16,000.
18 Unless the Class Size is greater than 26,000 workweeks, in no event shall THC be liable for
19 more than \$1,200,000.00 as a result of this Settlement. However, if the final count of workweeks
20 as of the date the Superior Court approves the Settlement (the "Final Count") is more than 26,000
21 workweeks, THC will increase the MSA by an amount that bears the same ratio of \$1,200,000
22 as the difference between the Final Count bears to 26,000. Defendants have the sole right to cut
23 off the Settlement date earlier rather than pay more should the workweeks extend past 26,000.
24 No amount of the MSA will revert to Defendants. The MSA shall include: (a) attorneys' fees of
25 up to one-third of the MSA; (b) Plaintiffs' reasonable verified litigation costs and expenses
26 estimated not to exceed \$25,000; (c) reasonable third-party administration costs, estimated not
27 to exceed \$44,000; (d) a PAGA payment in the amount of \$15,000.00 from which 75% will be
28 paid to the Labor & Workforce Development Agency (with the remaining 25% to "aggrieved

employees”); and (e) “Service Awards” to Karla Quijada, Alejandra Guzman, Karla Bautista, Israel Ortiz, Maria de la Luz Yanez, Maria Luisa Yanez, Beatrice Barajas, and Anthony Macedonia of up to \$15,000 each based on Class Counsel’s determination of their service. These service awards are in addition to the payments to which these individuals are entitled to as Class Members. Once these deductions have been made, the remaining amount shall be paid to the Class Members who do not opt out and shall be known as the “Net Settlement Amount.” The MSA is non-reversionary. This Stipulation of Settlement shall become effective on the latter of: (a) the Court’s final approval of the Settlement if no objections by or on behalf of Class Members have been filed and no appeal has been filed or withdrawn; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed (“Effective Date”). Except as noted above, it is understood and agreed that THC’s maximum total liability under the Settlement shall not exceed \$1,200,000.00 and shall have no obligation to pay any person, entity or organization in excess of the MSA above, for any cause or reason and the Court cannot increase the MSA.

16. Now therefore, in consideration of the mutual covenants, promises and agreements set forth herein, the Parties agree, subject to the Court’s approval, as follows:

a. It is agreed by and among the Parties that this Action and any claims, damages or causes of action arising out of the operative Complaint and PAGA Letter which are the subject of this Action, be settled and compromised as between the Settlement Class and Defendants, subject to the terms and conditions set forth in this Stipulation of Settlement and the approval of the Court.

b. It is the intention of the Parties that the Settlement shall not become Effective until the Court’s entry of an order approving the Settlement as completely final, and there is no further recourse by a Class Member, an appellant or objector who seeks to contest the Settlement. Except as noted above, it is further agreed by the Parties that this Settlement will not become Effective if Defendants are required to pay more than the total amount of its maximum total liability under the Settlement under any circumstances.

17. Timing of Settlement Payments: Payment will be provided by THC in six (6)

1 total installments as follows: (a) \$200,000 to be paid within 30 days of the Effective Date ("First
2 Installment") and (b) five (5) subsequent installment payments in the amount of \$200,000 each
3 to be paid each calendar year commencing one year after the Effective Date. Any pre-payment
4 of the entire MSA does not constitute a breach of this Agreement.

5 a. Distribution of Settlement Payments to Authorized Claimants.

6 As soon as reasonably possible after receipt of each payment as set forth above the
7 Settlement Administrator shall make Settlement Payments in the following order:

8 i. First, Class Counsel's Costs shall be paid to Class Counsel and
9 Administration Costs shall be to paid to the Settlement Administrator.

10 ii. Second, the Service Awards shall be paid as identified in paragraph 15
11 subsection(e).

12 iii. Third, the PAGA penalties should be paid to the LWDA.

13 After payments i – iii, above are made, the remaining amount from the first installment
14 payment will be split 50/50, wherein 50% of the remainder of the first installment payment will
15 be paid to Class Counsel's Attorney's Fees and 50% of the first installment payment shall be
16 paid to the Settlement Class. The five (5) subsequent installment payments in the amount of
17 \$200,000 each to be paid each calendar year commencing one year after the Effective Date, will
18 be paid as follows:

19 i. Second Installment Payment: split 50/50, wherein 50% of the second
20 installment payment will be paid to Class Counsel's Attorney's Fees and
21 50% of the second installment payment shall be paid to the Settlement
22 Class.

23
24 ii. Third Installment Payment: split 50/50, wherein 50% of the third
25 installment payment will be paid to Class Counsel's Attorney's Fees and
26 50% of the third installment payment shall be paid to the Settlement Class.
27
28

1 iii. Fourth Installment Payment: split 50/50, wherein 50% of the fourth
2 installment payment will be paid to Class Counsel's Attorney's Fees and
3 50% of the fourth installment payment shall be paid to the Settlement
4 Class.

5
6 iv. Fifth Installment Payment: split 50/50, wherein 50% of the fifth
7 installment payment will be paid to Class Counsel's Attorney's Fees and
8 50% of the fifth installment payment shall be paid to the Settlement Class.

9
10 v. Sixth Installment Payment: Any remaining Class Counsel's Attorney's
11 Fees will be paid (if any) and the remainder of the sixth installment
12 payment shall be paid to the Settlement Class.

13 The payments to Class Counsel and Settlement Payments will be mailed out to Class
14 Counsel and Settlement Class Members within fourteen (14) days of each payment being made
15 as set forth above.

16 18. Class Definition: The Settlement Class is defined as: All current and former non-
17 exempt or hourly employees of THC that have worked for THC in the State of California at any
18 time from September 13, 2015 through the date of entry of an order of Preliminary Approval
19 (the "Class Period"). Karla Bautista and Israel Ortiz shall be included as members of the
20 Settlement Class.

21 a. The Parties stipulate to class certification for purposes of Settlement only. If the
22 Court does not grant preliminary or final approval of this Settlement, the Parties stipulate that
23 class certification will be revoked without prejudice and this Stipulation of Settlement shall not
24 constitute or be used as evidence that class certification is appropriate.

25 b. Any amounts comprising part of the MSA that are not approved by the Court
26 shall be the exclusive property of Defendant.

27 19. Agreement to Amend Complaint in the Action: For purposes of Settlement, the
28 Parties agree to stipulate to the filing of a First Amended Complaint in the Action. The First

1 Amended Complaint will: (a) add an additional named Plaintiff that was included in the layoffs
2 conducted by THC in January 2020; (b) incorporate any allegations and claims at issue in the
3 operative Complaint in the related case *Christopher Weldon Kinsey II, et al. v. Lowell Farms*
4 *LLC, et al.*, Los Angeles Superior Court Case No. 20STCV08659 ("Kinsey Action") which were
5 not already pled in *Alejandra Guzman, et al. v. The Hacienda Company, LLC et al.*; and (c)
6 amend the PAGA Letter to the LWDA to add causes of action to cover any uncovered alleged
7 violations of the Labor Code and Wage Order set forth in the Kinsey Action, if any.

8 20. Individual Settlement Payments: The Individual Settlement Payments shall be
9 calculated based upon the workweeks worked by each Class/PAGA member. Workweeks
10 worked between February 1, 2017 and October 15, 2019 will be paid at a rate that is four times
11 (4x) higher than those worked after October 15, 2019 and before February 1, 2017.

12 21. Taxes: Settlement payments made to eligible Class Members will be attributed
13 80% as penalties and interest and paid via a 1099 form and 20% will be attributed to wages and
14 paid via a form W-2. The Class Members are responsible for their share of the payroll taxes,
15 which shall be deducted from their individual settlement payments. THC is responsible for the
16 employer share of payroll taxes, outside of the MSA, and these taxes will not be deducted from
17 the MSA.

18 22. No Admission of Liability: Defendants enter into this conditional Settlement and
19 executes this Stipulation of Settlement with no admission of liability whatsoever, and solely for
20 the purposes of compromising and settling the Action.

21 23. Release by Class Members: All Class Members who have not opted out will
22 release and discharge Defendants, their past, present and future owners, officers, directors,
23 shareholders, unit holders, managers, employees, agents, principals, heirs, representatives,
24 accountants, auditors, consultants, and its respective successors and predecessors in interest,
25 subsidiaries, affiliates, parents and attorneys from all claims, demands, rights, liabilities and
26 causes of action that were pled in any of the Complaints in the Action, or which could have been
27 pled in any of the Complaints in the Action based on the factual allegations therein, that arose
28 during the Class Period, including, but not limited to the following claims: (a) unpaid minimum

1 wages; (b) nonpayment of overtime; (c) failure to provide meal periods, or premium pay for
2 non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for
3 non-complaint rest periods; (e) failure to provide accurate, itemized wage statements; (f) failure
4 to timely pay wages upon separation of employment; (g) failure to provide personnel and payroll
5 records; (h) failure to indemnify for work-related expenses; (i) all claims for unfair business
6 practices that could have been premised on the facts, claims, causes of action or legal theories
7 described above; (j) all claims under the Private Attorneys General Act that could have been
8 premised on the facts, claims, causes of action or legal theories described above and (k) all
9 claims alleged in the Kinsey Action including any PAGA claims, causes or legal theories that
10 could have been brought.

11 24. Settlement Administrator: The Parties will obtain quotes and agree on a
12 Settlement Administrator to administer the claims process (or a mutually agreeable alternative
13 Settlement Administrator). The Settlement Administrator shall be paid from the MSA. If one
14 is not agreed upon, Class Counsel shall select a Settlement Administrator on the basis of cost
15 and competence, with the best interest of the Class in mind. Fees of the Settlement Administrator
16 shall be paid out of the MSA. The Parties agree to cooperate in the Settlement administration
17 process and to make all reasonable efforts to control and minimize the cost and expenses
18 incurred in administration of the Settlement. The Settlement Administrator shall be responsible
19 for: processing and mailing payments to the Plaintiffs, Class Counsel, and Settlement Class
20 Members; printing, translating and mailing the Notice Packets and postcards to the Settlement
21 Class Members as directed by the Court; receiving and reporting the requests for exclusion;
22 deducting taxes from Individual Settlement Payments and distributing tax forms; processing and
23 mailing tax payments to the appropriate state and federal taxing authorities; providing
24 declaration(s) as necessary in support of preliminary and/or final approval of this Settlement;
25 and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator
26 to perform. The Settlement Administrator shall keep the Parties timely apprised of the
27 performance of all Settlement Administrator responsibilities. No later than twenty-five (25)
28 calendar days after the Response Deadline, the Settlement Administrator shall provide counsel

1 for the Parties with a final accounting of the MSA and report the amount of all payments to be
2 made to each Settlement Class Member by employee number.

3 a. Settlement Administration. Within ten (10) calendar days after the Court grants
4 preliminary approval of this Agreement, THC shall provide the Settlement Administrator
5 with the Class Information for purposes of mailing Notice Packets to Settlement Class
6 Members.

7 b. Notice By First Class U.S. Mail. Upon receipt of the Class Information, the Settlement
8 Administrator will perform a search based on the National Change of Address Database
9 to update and correct any known or identifiable address changes. Within fourteen (14)
10 calendar days after receiving the Class Information as provided herein, the Settlement
11 Administrator shall mail copies of the Notice Packet to all Settlement Class Members via
12 regular First Class U.S. Mail. The Settlement Administrator shall exercise its best
13 judgment to determine the current mailing address for each Settlement Class Member.
14 The address identified by the Settlement Administrator as the current mailing address
15 shall be presumed to be the best mailing address for each Settlement Class Member.

16 c. Notice by Alternative Methods. Notice of the settlement shall be published in English and
17 Spanish publications located in Southern San Luis Obispo and Northern Santa Barbara
18 Counties most likely to give notice to the Settlement Class as determined by Class
19 Counsel. Plaintiffs and Class Counsel may also publicize the Settlement by any means
20 (e.g., social media, posters, signs, radio advertising, newspaper and magazine ads,
21 websites, etc.) in order to locate and obtain the current contact information for Settlement
22 Class Members so they may be sent notice. The cost of these alternative means of
23 providing notice shall be part of Class Counsel's application for cost reimbursement.

24 d. Undeliverable Notices. Any Notice Packets returned to the Settlement Administrator as
25 non-delivered on or before the Response Deadline shall be re-mailed to the forwarding
26 address affixed thereto. If no forwarding address is provided, the Settlement
27 Administrator shall promptly attempt to determine a correct address by use of skip-
28 tracing, or other search using the name, address and/or Social Security number of the

1 Settlement Class Member involved, and shall then perform a re-mailing, if another
2 mailing address is identified by the Settlement Administrator. Settlement Class Members
3 who received a re-mailed Notice Packet shall have their Response Deadline extended
4 fifteen (15) days from the original Response Deadline to request exclusion, or object to
5 the Settlement.

6 e. No Claim Form Required by Plaintiffs. Plaintiffs shall receive Individual Settlement
7 Payments from the Net Settlement Amount without submitting a Claim Form.

8 f. No Claim Form Required For Current and Former Settlement Class Members. All
9 Current and Former Settlement Class Members shall receive Individual Settlement
10 Payments from the Net Settlement Amount without submitting a Claim Form, unless the
11 Settlement Class Member submits a valid and timely request for exclusion. The Notice
12 Packet sent to Current and Former Settlement Class Members shall list the employment
13 dates worked by each Current or Former Settlement Class Member and the estimated
14 Individual Settlement Payment for each respective Current or Former Settlement Class
15 Member, as well as notify Current or Former Settlement Class Members of the Response
16 Deadline for purposes of submitting a request for exclusion or objection.

17 g. Disputes Regarding Individual Settlement Payments. Settlement Class Members will
18 have the opportunity, should they disagree with THC's records regarding the dates of
19 employment stated on their Notice Packets, to provide documentation and/or an
20 explanation to show contrary employment dates. If there is a dispute, the Settlement
21 Administrator will consult with the Parties to determine whether an adjustment is
22 warranted. The Settlement Administrator shall determine the eligibility for, and the
23 amounts of, any Individual Settlement Payments under the terms of this Agreement. The
24 Settlement Administrator's determination of the eligibility for and amount of any
25 Individual Settlement Payment shall be binding upon the Settlement Class Member and
26 the Parties.

27 h. Disputes Regarding Administration of Settlement. Any disputes not resolved by the
28 Settlement Administrator concerning the administration of the Settlement will be

1 resolved by the Court under the laws of the State of California. Prior to any such
2 involvement of the Court, counsel for the Parties will confer in good faith to resolve the
3 disputes without the necessity of involving the Court.

- 4 i. Exclusions. The Notice Packet shall state that Settlement Class Members who wish to
5 exclude themselves from the Settlement must submit a written request for exclusion by
6 the Response Deadline. The written request for exclusion must state that the Settlement
7 Class Member wishes to exclude himself or herself from the Settlement and (1) must
8 contain the name, address, telephone number and the last four digits of the Social Security
9 number of the person requesting exclusion; (2) must be signed by the Settlement Class
10 Member; (3) must be postmarked or fax stamped by the Response Deadline and returned
11 to the Settlement Administrator at the specified address or fax telephone number; and (4)
12 contain the typewritten or handwritten statement: "I wish to be excluded from the class
13 action settlement, and I understand that I will receive no money from the settlement
14 because of my request to be excluded." The request for exclusion will not be valid if it
15 is not timely submitted, if it is not signed by the Settlement Class Member, or if it does
16 not contain the name and address of the Settlement Class Member. The date of the
17 postmark on the return mailing envelope or fax stamp on the request for exclusion shall
18 be the exclusive means used to determine whether the request for exclusion was timely
19 submitted. Any Settlement Class Member who requests to be excluded from the
20 Settlement Class will not be entitled to any recovery under the Settlement and will not be
21 bound by the terms of the Settlement or have any right to object, appeal or comment
22 thereon. Settlement Class Members who fail to submit a valid and timely written request
23 for exclusion on or before the Response Deadline shall be bound by all terms of the
24 Settlement and any final judgment entered in this Action if the Settlement is approved by
25 the Court. No later than fifteen (15) calendar days after the Response Deadline, the
26 Settlement Administrator shall provide counsel for the Parties with a final list of the
27 Settlement Class Members who have timely submitted written requests for exclusion. At
28

1 no time shall any of the Parties or their counsel seek to solicit or otherwise encourage
2 members of the Settlement Class to submit requests for exclusion from the Settlement.

3 j. Objections. The Notice Packet shall state that Settlement Class Members who wish to
4 object to the Settlement must file with the Court and serve on all Parties a written
5 statement of objection ("Notice of Objection") by the Response Deadline. The date of
6 filing and the date on the proof of service shall be deemed the exclusive means for
7 determining that a Notice of Objection was filed and served timely. The Notice of
8 Objection must be signed by the Settlement Class Member and state: (1) the full name of
9 the Settlement Class Member; (2) the dates of employment of the Settlement Class
10 Member; (3) the last four digits of the Settlement Class Member's Social Security number
11 and/or the Employee ID number; (4) the basis for the objection; and (5) if the Settlement
12 Class Member intends to appear at the Final Approval/Settlement Fairness Hearing.
13 Settlement Class Members who fail to make objections in the manner specified above
14 shall be deemed to have waived any objections and shall be foreclosed from making any
15 objections (whether by appeal or otherwise) to the Settlement. Settlement Class Members
16 who submit a timely Notice of Objection will have a right to appear at the Final
17 Approval/Settlement Fairness Hearing in order to have their objections heard by the
18 Court. At no time shall any of the Parties or their counsel seek to solicit or otherwise
19 encourage Settlement Class Members to file or serve written objections to the Settlement
20 or appeal from the Order and Final Judgment. Class Counsel shall not represent any
21 Settlement Class Members with respect to any such objections.

22 25. Payment to the LWDA: The Labor & Workforce Development Agency shall be
23 paid from the MSA.

24 26. Opt-Out Period: Class Members shall have forty-five (45) calendar days after
25 Preliminary Approval to opt out or object to the Settlement, in writing. THC will provide class
26 contact information (names, addresses, phone numbers, social security numbers, and workweek
27 information) to the Settlement Administrator to assist in the settlement process within ten (10)
28 calendar days of the Court signing and entering the Preliminary Approval Order (to the extent all

1 such information is available). Defendants shall maintain the option to “blow-up” the Settlement
2 if fifteen (15) or more Class Members opt out.

3 27. Returned or Uncashed Checks: Defendants shall fully discharge their obligations
4 to those Class Members entitled to a Settlement Award after the mailing of the Settlement check
5 has been completed, regardless of whether such checks are actually received and/or negotiated
6 by Class Members. Any check that is not negotiated within three hundred sixty-five (365)
7 calendar days of mailing to a Class Member shall be transferred to the California Secretary of
8 State Controller’s Office – Unclaimed Property Fund under the unclaimed property laws in the
9 name of the Class Member.

10 28. Cooperation: The Parties agree to work cooperatively, diligently and in good faith
11 to ensure that all necessary documents are timely filed.

12 29. Enforceability: The Parties intend that this Stipulation of Settlement be
13 enforceable pursuant to the provisions of California Code of Civil Procedure §664.6, subject to
14 Court approval. For the avoidance of doubt, despite the Effective Date listed above, this
15 Agreement shall be enforceable by either Party should and neither side can opt-out of the
16 Agreement except as specifically stated in this Agreement.

17 30. No Publicity: Plaintiffs and their counsel agree that they have not and will not
18 publish the Settlement in any form of media, and that the Settlement shall remain fully
19 confidential until Preliminary Approval is entered by the Court. In response to any inquiries,
20 Plaintiffs will state that “the case was resolved, and it was resolved confidentially.” Class
21 Counsel shall only report the settlement in a medium or in any publication and shall only post or
22 report anything regarding the claims of Plaintiffs or the Class or the Settlement in any media until
23 Preliminary Approval is entered by the Court and only for purposes of locating Class Members.
24 Class Counsel shall not post anything on their website other than for the specific purpose of
25 identifying Class Members to ensure they partake in the Settlement. However, Class Counsel is
26 authorized to make disclosures to the Court and the LWDA for the purposes of obtaining the
27 approval of the Settlement. This disclosure is limited to court filings and neither Plaintiffs nor
28 their counsel or representatives are permitted to disseminate or publish, distribute or discuss the

1 information provided to the Court in those filings outside the filings themselves and any hearing
2 held on those filings, unless ordered otherwise by the Court until Preliminary Approval is entered
3 by the Court. Notwithstanding the foregoing, Class Counsel may include the Settlement (and/or
4 a summary of the Settlement) in future declarations filed in support of Class Counsel's experience
5 and/or adequacy to represent the PAGA aggrieved employees and Class Members.

6 **PARTIES' AUTHORITY**

7 31. The signatories hereto hereby represent that they are fully authorized to enter into
8 this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

9 **NO PRIOR ASSIGNMENTS**

10 32. The Parties and their counsel represent, covenant and warrant that they have not
11 directly or indirectly, assigned, transferred, encumbered or purported to assign, transfer or
12 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
13 action or right herein released and discharged except as set forth herein.

14 **ENFORCEMENT ACTIONS**

15 33. The Parties agree that the San Luis Obispo County Superior Court shall retain
16 jurisdiction to enforce the terms of this Stipulation of Settlement pursuant to California Code of
17 Civil Procedure Section 664.6. In the event one or more of the Parties to this Stipulation of
18 Settlement institutes any legal action or other proceeding against any other Party or Parties to
19 enforce the provisions of this Stipulation of Settlement or to declare the rights or obligations
20 under this Stipulation of Settlement, the successful Party or Parties shall be entitled to recover
21 from the unsuccessful Party or Parties reasonable attorneys' fees and litigation costs, including
22 expert witness fees incurred in connection with any enforcement actions.

23 **NOTICES**

24 34. Unless otherwise specifically provided herein, all notices, demands or other
25 communications given hereunder shall be in writing and shall be deemed to have been duly
26 given as of the fifth (5th) business day after mailing by United States registered or certified mail,
27 return receipt requested, addressed as follows:

1 **To Plaintiffs and the Settlement Class:**

2 Allen K. Hutkin

3 Donald L. Mabry

4 **HUTKIN LAW FIRM**

5 1220 Marsh Street

6 San Luis Obispo, California 93401

7
8 **To Defendant:**

9 Todd B. Scherwin

10 Robert D. Wilson III

11 Hannah Sweiss

12 **FISHER PHILLIPS**

13 444 South Flower Street, Suite 1500

14 Los Angeles, California 90071

15 **CONSTRUCTION**

16 35. The Parties hereto agree that the terms and conditions of this Stipulation of
17 Settlement are the result of lengthy, intensive arms-length negotiations between the Parties and
18 this Stipulation of Settlement shall not be construed in favor of or against any party by reason
19 of the extent to which any party or his, her or its counsel participated in the drafting of this
20 Stipulation of Settlement.

21 **CAPTIONS AND INTERPRETATIONS**

22 36. Paragraph titles or captions contained herein are inserted as a matter of
23 convenience and for reference, and in no way define, limit, extend or describe the scope of this
24 Stipulation of Settlement or any provision of it. Each term of this Stipulation of Settlement is
25 contractual and not merely a recital.

26 **MODIFICATION**

27 37. This Stipulation of Settlement may not be changed, altered or modified, except
28 in writing and signed by the Parties hereto and approved by the Court. This Stipulation of

1 Settlement may not be discharged except by performance in accordance with its terms or by a
2 writing signed by the Parties hereto.

3 INTEGRATION CLAUSE

4 38. This Stipulation of Settlement contains the entire agreement between the Parties
5 relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous
6 agreements, understandings, representations and statements, whether oral or written and whether
7 by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived
8 except in writing.

9 BINDING ON ASSIGNS

10 39. This Stipulation of Settlement shall be binding upon and inure to the benefit of
11 the Parties and the Released Parties hereto, and their respective heirs, trustees, executors,
12 administrators, successors and assigns.

13 CLASS MEMBER SIGNATORIES

14 40. It is agreed that because the members of the Class are so numerous, it is
15 impossible or impractical to have each member of the Class execute this Stipulation of
16 Settlement. The Notice of Pendency of Class Action Settlement will advise all Class Members
17 of the binding nature of the release, and the release shall have the same force and effect as if this
18 Stipulation of Settlement were executed by each member of the Class.

19 COUNTERPARTS

20 41. This Stipulation of Settlement may be executed in counterparts and by PDF
21 signatures, and when each party has signed and delivered at least one such counterpart, each
22 counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken
23 together with other signed counterparts, shall constitute one Stipulation of Settlement binding
24 upon and effective as to all Parties.

25 GENERAL RELEASE

26 42. In addition to the releases made above, the Class and PAGA Representatives
27 shall individually make the following additional general release ("General Release"):
28

1
2 The Class and PAGA Representatives release the Released Parties
3 from all claims, demands, rights, liabilities and causes of action of
4 every nature and description whatsoever, known or unknown,
5 asserted or that might have been asserted, whether in tort, contract,
6 or for violation of any state or federal statute, rule or regulation
7 arising out of, relating to, or in connection with any act or omission
8 by or on the part of any of the Released Parties committed or
9 omitted prior to the execution hereof.
10

11 The Class and PAGA Representatives stipulate and agree that they
12 expressly waive and relinquish, to the fullest extent permitted by
13 law, the provisions, rights and benefits of Section 1542 of the
14 California Civil Code, or any other provision under federal or state
15 law, which provides:
16

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

22 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
23 Joint Stipulation of Class Action and PAGA Settlement and Release of Claims between
24 Plaintiffs and Defendants as of the date(s) set forth below:
25

26 **[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**
27
28

Plaintiffs, Class and PAGA Representatives:

Dated: 03/29/2021



ALEJANDRA GUZMAN

Dated: _____

KARLA QUIJADA

Dated: _____

KARLA BAUTISTA

Dated: _____

ISRAEL ORTIZ

Dated: _____

MARIA DE LA LUZ YANEZ

Dated: _____

MARIA LUISA YANEZ

Dated: _____

BEATRICE BARAJAS

Dated: _____

ANTHONY MACEDONIA

Defendants

Dated: _____

THE HACIENDA COMPANY, LLC

By: _____
Its _____

Plaintiffs, Class and PAGA Representatives:

Dated: _____

ALEJANDRA GUZMAN

03 / 30 / 2021

Karla quijada

Dated: _____

KARLA QUIJADA

Dated: _____

KARLA BAUTISTA

Dated: _____

ISRAEL ORTIZ

Dated: _____

MARIA DE LA LUZ YANEZ

Dated: _____

MARIA LUISA YANEZ

Dated: _____

BEATRICE BARAJAS

Dated: _____

ANTHONY MACEDONIA

Defendants

Dated: _____

THE HACIENDA COMPANY, LLC

By: _____

Its _____

Plaintiffs, Class and PAGA Representatives:

Dated: _____

ALEJANDRA GUZMAN

Dated: _____

KARLA QUIJADA

03 / 25 / 2021

Dated: _____

KARLA BAUTISTA

Dated: _____

ISRAEL ORTIZ

Dated: _____

MARIA DE LA LUZ YANEZ

Dated: _____

MARIA LUISA YANEZ

Dated: _____

BEATRICE BARAJAS

Dated: _____

ANTHONY MACEDONIA

Defendants

Dated: _____

THE HACIENDA COMPANY, LLC

By: _____

Its _____

Plaintiffs, Class and PAGA Representatives:

Dated: _____

ALEJANDRA GUZMAN

Dated: _____

KARLA QUIJADA

Dated: _____

KARLA BAUTISTA

03/25/2021

Dated: Do _____

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ISRAEL ORTIZ

Dated: _____

MARIA DE LA LUZ YANEZ

Dated: _____

MARIA LUISA YANEZ

Dated: _____

BEATRICE BARAJAS

Dated: _____

ANTHONY MACEDONIA

Defendants

Dated: _____

THE HACIENDA COMPANY, LLC

By: _____

Its _____

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ALEJANDRA GUZMAN

KARLA QUIJADA

KARLA BAUTISTA

ISRAEL ORTIZ

Maria L. Yone

MARIA DE LA LUZ YANEZ

MARIA LUISA YANEZ

BEATRICE BARAJAS

ANTHONY MACEDONIA

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THE HACIENDA COMPANY, LLC

Its

Plaintiffs, Class and PAGA Representatives:

Dated: _____

ALEJANDRA GUZMAN

Dated: _____

KARLA QUIJADA

Dated: _____

KARLA BAUTISTA

Dated: _____

ISRAEL ORTIZ

Dated: _____

MARIA DE LA LUZ YANEZ

03 / 30 / 2021

Mq. Luisa Yanez

Dated: _____

MARIA LUISA YANEZ

Dated: _____

BEATRICE BARAJAS

Dated: _____

ANTHONY MACEDONIA

Defendants

Dated: _____

THE HACIENDA COMPANY, LLC

By: _____

Its _____

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ALEJANDRA GUZMAN

KARLA QUIJADA

KARLA BAUTISTA

ISRAEL ORTIZ

MARIA DE LA LUZ YANEZ

MARIA LUISA YANEZ

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BEATRICE BARAJAS

ANTHONY MACEDONIA

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THE HACIENDA COMPANY, LLC

Its _____

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ALEJANDRA GUZMAN

KARLA QUIJADA

KARLA BAUTISTA

ISRAEL ORTIZ

MARIA DE LA LUZ YANEZ

MARIA LUISA YANEZ

BEATRICE BARAJAS

[Signature]

ANTHONY MACEDONIA

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THE HACIENDA COMPANY, LLC

Its _____

1 **Plaintiffs, Class and PAGA Representatives:**

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3 Dated: _____
4 ALEJANDRA GUZMAN

5 Dated: _____
6 KARLA QUIJADA

7 Dated: _____
8 KARLA BAUTISTA

9 Dated: _____
10 ISRAEL ORTIZ

11 Dated: _____
12 MARIA DE LA LUZ YANEZ

13 Dated: _____
14 MARIA LUISA YANEZ

15 Dated: _____
16 BEATRICE BARAJAS

17 Dated: _____
18 ANTHONY MACEDONIA

19 **Defendants**

20 Dated: 4/21/21 THE HACIENDA COMPANY, LLC

21
22 By:  _____

23 Its Manager _____

1 APPROVED AS TO FORM ONLY:

2
3 DATE: April 2, 2021

HUTKIN LAW FIRM

4
5 By: 

6 ALLEN K. HUTKIN

7 DONALD L. MABRY

8 Attorneys for Plaintiffs

9 Alejandra Guzman and Karla Quijada,
10 individually and on behalf of other individuals
11 employed under common circumstances and

12 DATE: April 22, 2021

FISHER & PHILLIPS, LLP

13
14 By: 

15 TODD B. SCHERWIN

16 ROBERT D. WILSON III

17 HANNAH SWEISS

18 Attorneys for Defendants

19 The Hacienda Company, LLC and A.J. Fay
20 (erroneously sued as AJ Say)

Exhibit 2

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

TO: ALL PERSONS WHO WERE EMPLOYED BY THE HACIENDA COMPANY, LLC, BETWEEN SEPTEMBER 13, 2015 AND MAY 26, 2021.

THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHT TO BE INCLUDED IN THE SETTLEMENT OR TO ELECT NOT TO BE INCLUDED IN THE CLASS AND THE SETTLEMENT AS FURTHER DESCRIBED BELOW.

Pursuant to the order of the San Luis Obispo County Superior Court entered on May 26, 2021, **YOU ARE HEREBY NOTIFIED AS FOLLOWS:**

A settlement has been reached between Class/PAGA Representatives ALEJANDRA GUZMAN, KARLA QUIJADA, and ANTHONY MACEDONIA (“Class Representatives”) and Defendants THE HACIENDA COMPANY, LLC, and AJ FAY (collectively “Defendants”) in Case No. 19CV-0543 pending in San Luis Obispo County Superior Court (the “Action”). The Action was alleged on behalf of all employees in California employed by Defendant THE HACIENDA COMPANY, LLC between September 13, 2015 and May 26, 2021. You have received this notice because records indicate that you worked as an employee of Defendant THE HACIENDA COMPANY, LLC within this time period. This notice is designed to advise you of how you can participate in this settlement and how you can be excluded from the settlement.

1. **DESCRIPTION OF THE ACTION.** Class Representatives filed the Action on September 13, 2019, in the San Luis Obispo County Superior Court, which was designated as Case No. 19CV-0543, and allege among other things that Defendants:

- a. failed to comply with the California WARN Act regarding layoffs of Class Representatives and Settlement Class Members;
- b. failed to pay Class Representatives and Settlement Class Members for all hours worked, including reporting time;
- c. failed to pay Class Representatives and Settlement Class Members minimum wages;
- d. failed to pay Class Representatives and Settlement Class Members overtime wages;
- e. failed to provide Class Representatives and Settlement Class Members with meal breaks;
- f. failed to provide Class Representatives and Settlement Class Members with rest breaks;
- g. failed to provide Class Representatives and Settlement Class Members with accurate, itemized wage statements;
- h. failed to pay Class Representatives and Settlement Class Members all

- wages due upon discharge;
- i. failed to provide personnel and payroll records regarding Class Representatives and Settlement Class Members;
- j. failed to reimburse or indemnify Class Representatives and Settlement Class Members for work-related expenses;
- k. failed to comply with the California Unfair Competition Law regarding Class Representatives and Settlement Class Members;
- l. converted personal property of the Class Representatives and Settlement Class Members, including their wages and other compensation; and
- m. violated the Labor Code concerning Class Representatives and Settlement Class Members, subjecting Defendants to civil penalties under the California Private Attorneys' General Act ("PAGA").

2. The Class Representatives seek unpaid wages, liquidated damages, penalties, and equitable relief including restitution.

3. On or about May 26, 2021, the Court issued an order granting preliminary approval of the Joint Stipulation of Class Action and PAGA Settlement and Release of Claims (the "Stipulation" or "Settlement").

4. Defendants have entered into the Settlement with the intention to avoid further disputes and litigation and the ongoing inconvenience and expense related to the Action. Defendants deny that they engaged in any unlawful activity, that they failed to comply with the law in any material respect, or that they have any liability to anyone under the claims asserted in the Action. The Settlement is being entered into solely for the purpose of compromising highly disputed claims.

5. Class Representatives and the Settlement Class Members are represented in this action by Hutkin Law Firm, APC by Allen K. Hutkin, Esq., and Donald L. Mabry, Esq. ("Class Counsel"). Class Counsel have concluded that it is in the best interests of Class Representatives and the Settlement Class Members that the Action be settled on the terms and conditions set forth in the Stipulation on file with the Court and summarized in this notice. Class Counsel reached this conclusion after considering the factual and legal issues in the Action, the substantial benefits that Class Representatives and the Settlement Class Members will receive under the Settlement, the risks and uncertainties of continued litigation, the expense that would be necessary to prosecute the Action through trial and any appeals that might be taken, and Defendants' assets. Class Counsel recommends that the Court approve the Settlement.

6. This notice is not an expression of any opinion by the Court regarding the merits of the claims or defenses asserted by any party to the Action. Moreover, although the Court has granted preliminary approval of the Settlement, it has made no determination concerning whether the Settlement should receive final approval. That decision will be made at or after the Settlement Hearing described in paragraph 13 below.

TERMS OF THE SETTLEMENT

7. The Stipulation on file with the Court fully describes the terms of the Settlement. In general, the Settlement provides the following:

- a. In consideration for the settlement and release of all claims of the Settlement Class Members, Defendants shall pay \$1,200,000.00 (the "Settlement Fund"), to be held in an account by the Settlement Administrator and then paid out as detailed below. In no event will Defendants be required to pay more than the amount of the Settlement Fund. Subject to Court approval, the Settlement Fund will be used to pay: (i) consideration for the settlement and a release of certain claims by the Settlement Class Members; (ii) reimbursement and service payments to the Class Representatives; (iii) payment of the costs of the Claims Administrator; (iv) payment to Class Counsel of attorneys' fees and costs to be approved by the Court; (v) payment to the State of California of Private Attorneys' General Act ("PAGA") penalties; and (vi) payment of any and all applicable interest and penalties where required by federal and state and laws. In the event that any residual amounts (i.e., uncashed checks) remain after all payments are made to Settlement Class Members, it shall be contributed equally to Mission Hope Cancer Center in Santa Maria, California, Arroyo Grande Community Hospital in Arroyo Grande, California, and French Hospital in San Luis Obispo, California, subject to Court approval. These institutions provide medical care and assistance to local farm workers in the area where many of the Settlement Class Members worked.
- b. In this notice, "Settlement Class Members" means: All current and former non-exempt or hourly employees of Defendant THE HACIENDA COMPANY, LLC that have worked for Defendant THE HACIENDA COMPANY, LLC in the State of California at any time from September 13, 2015 through May 26, 2021. Karla Bautista and Israel Ortiz shall also be included as Settlement Class Members. Settlement Class Members shall not include any person who submits a timely and valid request for exclusion as provided in this Agreement.

8. The Settlement Fund will be funded by Defendants through six (6) equal, no-interest installments paid as follows: (i) \$200,000.00 after final approval of the Settlement by the Court; (ii) \$200,000.00 one year after final approval of the Settlement by the Court; (iii) \$200,000.00 two years after final approval of the Settlement by the Court; (iv) \$200,000.00 three years after final approval of the Settlement by the Court; (v) \$200,000.00 four years after final approval of the Settlement by the Court; and (vi) \$200,000.00 five years after final approval of the Settlement by the Court.

9. The Settlement Administrator will distribute the Settlement Fund as each installment is paid by Defendants as follows:

a. First Installment Payment:

- i. First, Class Counsel's litigation costs, not exceed \$25,000.00, shall be paid;
- ii. Second, the Settlement Administrator's fees and costs, not to exceed \$44,000.00, shall be paid;
- iii. Third, service awards to Class Representatives and others, not to exceed \$15,000.00 for any single service award, shall be paid;
- iv. Fourth, PAGA penalties of \$11,250.00 to the State of California, shall be paid;
- v. After payments i–iv above are made, the remaining amount from the First Installment Payment will be split 50/50, wherein 50% of the remainder will be paid to Class Counsel's fees, the total amount of which shall not exceed one third (\$400,000.00) of the Settlement Fund, and 50% shall be paid to the Settlement Class Members.

b. Second, Third, Fourth, and Fifth Installment Payments:

- i. Split 50/50, wherein 50% shall be paid to Class Counsel's fees, and 50% shall be paid to the Settlement Class Members.

c. Sixth Installment Payment:

- i. First, any remaining Class Counsel's fees shall be paid; and
- ii. Second, the remainder shall be paid to the Settlement Class Members.

10. The Settlement Administrator will calculate and allocate for tax purposes each Settlement Class Member's share from the Settlement Fund as follows:

- a. The Settlement Administrator will mail settlement payments to Settlement Class Members from the Settlement Fund after each installment of the Settlement Fund is paid by Defendants. The potential recovery of each Settlement Class Member will be determined by a formula and calculated based on the number of workweeks worked by the Settlement Class Member during the claim period. Workweeks between February 1, 2017 and October 15, 2019

will be paid at a rate that is four times (4x) higher than those worked before February 1, 2017 and after October 15, 2019. The total number of Settlement Class Members is estimated to be approximately 600.

- b. Defendants will provide the Settlement Administrator with sufficient information to make its calculations to comply with these distributional requirements. Where necessary, due to any gap in the records, the data necessary to perform the foregoing calculations will be extrapolated from Defendants' existing data.
- c. The settlement payment for each Settlement Class Member shall be allocated as follows: (a) 20% as wages; and (b) 80% as penalties and interest. The Settlement Administrator will issue each Settlement Class Member a form W-2 for amounts deemed "wages" and an IRS Form 1099 for the amounts deemed penalties and interest.
- d. Settlement Class Members are not eligible to receive any compensation other than their individual settlement payments from the Settlement Fund.

11. The Settlement Administrator shall be responsible for: calculating, processing, and mailing payments to the Settlement Class Members, Class Counsel, the State of California, and Settlement Class Members; deducting taxes from settlement payments to the Settlement Class Members and distributing tax forms; processing and mailing tax payments to the appropriate state and federal taxing authorities; and other tasks as required to administer the Settlement. The Settlement Administrator shall provide counsel for the parties with a final accounting of the Settlement Fund.

12. The checks for settlement payments to the Settlement Class Members will contain a release which, as of May 26, 2021, releases and discharge Defendants, their past, present and future owners, officers, directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys from all claims, demands, rights, liabilities and causes of action that were pled in any of the Complaints in the Action, or which could have been pled in any of the Complaints in the Action based on the factual allegations therein, that arose from September 13, 2015 to May 26, 2021, including, but not limited to the following claims: (a) unpaid minimum wages; (b) nonpayment of overtime; (c) failure to provide meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit rest periods, or premium pay for non-complaint rest periods; (e) failure to provide accurate, itemized wage statements; (f) failure to timely pay wages upon separation of employment; (g) failure to provide personnel and payroll records; (h) failure to indemnify for work-related expenses; (i) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; (j) all claims under the Private Attorneys' General Act that could have been

premised on the facts, claims, causes of action or legal theories described above; (k) remedies under the California WARN Act; and (l) damages for conversion of wages and other compensation.

NOTICE OF SETTLEMENT HEARING

13. A hearing (the “Settlement Hearing”) will be held before the Honorable Tana L. Coates, in Department 9 of the San Luis Obispo County Superior Court, located at 1050 Monterey Street, San Luis Obispo, California, 93408 on **August 10, 2021 at 9:00 AM** to consider whether the Settlement is fair, reasonable, and adequate to the Settlement Class Members. At this hearing, the Court will also determine whether or not to grant Class Counsel’s request for award of attorneys’ fees and costs, whether or not to grant service awards to the Class Representatives and others, and whether or not to authorize fees and costs for the Settlement Administrator. It is not necessary for you to appear at this hearing. If you are a Settlement Class Member, you may, but are not required to, appear, personally or by counsel, and be heard at the Settlement Hearing, and may object to or express your views regarding the Settlement, the request for Class Counsel’s fees and costs, the requests for service awards, and the requests for fees and costs for the Settlement Administrator.

14. Any Settlement Class Member who does not wish to participate in the Settlement may exclude himself or herself (i.e., “opt out”) by completing and returning by mail the enclosed Election to Opt Out of Class Action (“Opt Out Form”), which must be postmarked no later than **July 10, 2021**, and returned to the Settlement Administrator at CPT Group, 50 Corporate Park, Irvine, CA 92606. Any person who completes and timely returns an Opt Out Form shall, upon its receipt, no longer be a Settlement Class Member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. Any such person, at their own expense, may pursue any claims he or she may have against Defendants. Class Counsel will continue to represent all Settlement Class Members who do not request exclusion. Class Counsel will not represent any person who requests exclusion from this Settlement in any matter relating to the Settlement.

15. If you do not elect to be excluded from the Settlement, you may object to the terms of the Settlement before final approval. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. To object, you must file a written statement of objection (“Notice of Objection”) with the Court by the response deadline of **July 28, 2021**. The Notice of Objection must be signed by you and state: (1) your full name; (2) your dates of employment; (3) the last four digits of your Social Security number or Employee ID number; (4) your basis for the objection; and (5) if you intend to appear at the final approval Settlement Hearing. In addition to filing the Notice of Objection with the Court, you must also send copies to the Settlement Administrator at CPT Group, 50 Corporate Park, Irvine, CA 92606, and to Class Counsel and Defendants’ Counsel at their addresses below:

To Class Counsel:

Allen K. Hutkin, Esq.
Donald L. Mabry, Esq.
HUTKIN LAW FIRM, APC
1220 Marsh Street
San Luis Obispo, CA 93401
Telephone: (805) 544-1500

To Defendants' Counsel:

Todd B. Scherwin, Esq.
Robert D. Wilson, Esq.
Hannah Sweiss, Esq.
FISHER PHILLIPS LLP
444 South Flower Street, Suite 1500
Los Angeles, CA 90071
Telephone: (213) 330-4500

16. Any Notice of Objection shall state each specific reason in support of your objection and any legal support for each objection. Any Settlement Class Member who does not request exclusion may, if the member so desires, enter an appearance through counsel. If you choose to file an objection to the terms of this settlement, you will be solely responsible for the fees and costs of your own attorney.

17. Effect of the Settlement: If the Court approves this Settlement and you do not opt out, you will have released claims against the Defendants as set forth in Paragraph 12, above. It is intent of the Parties that the judgment entered by the Court upon final approval of the Settlement shall have res judicata effect and be final and binding upon Defendants, Class Representatives and Settlement Class Members who have not expressly opted out of the Settlement. If you later initiate a lawsuit against Defendants based on any released claim, and the Court allows the lawsuit to go forward, you must return to Defendants all payments that you have received under this Settlement within five (5) days of Defendants' request.

18. PAYMENT TO SETTLEMENT CLASS MEMBERS. The Settlement Administrator will send your individual settlement payment to the address on file for you with the Settlement Administrator. Payments will be made according to the schedule set forth above. The Settlement Administrator will also provide you with a withholding statement for statutory withholdings, if applicable.

19. ADDITIONAL INFORMATION. PLEASE DO NOT CONTACT THE COURT OR DEFENDANTS CONCERNING THIS ACTION. If you have any questions, please contact the Settlement Administrator listed below. The Settlement Administrator is an independent third party selected by Class Representatives and Defendants. You may contact the Settlement Administrator to provide updated contact information, make corrections regarding your employment information, or ask questions regarding the processing of settlement payments.

Settlement Administrator:

CPT Group
50 Corporate Park
Irvine, CA 92606
(800) 542-0900
info@cptgroup.com

20. You may also contact your own attorney at your own expense if you wish about this Notice or the Settlement.

21. This Notice does not fully describe the Action or the Settlement. You may inspect the court files regarding the Action, including the Stipulation and Settlement, at the Office of the Clerk of the San Luis Obispo County Superior Court during regular business hours. The addresses of the Offices of the Clerk are available on the Court's website, www.slo.courts.ca.gov.

IMPORTANT: PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.

Honorable Tana L. Coates
San Luis Obispo County Superior Court Judge

Exhibit 3

ELECTION TO OPT OUT OF CLASS ACTION

I understand that I have the option to elect to "opt out" of the Class Action and thus exclude myself from this action and any associated eventual settlement or judgment. I understand that by exercising this option, I will remain free to prosecute my own otherwise valid claims, if any, against Defendants THE HACIENDA COMPANY, LLC, and AJ FAY (collectively "Defendants") in Case No. 19CV-0543 pending in San Luis Obispo County Superior Court (the "Action"), for wage violations, meal or rest period violations, failure to provide itemized wage statements, Labor Code penalties, unlawful compensation practices, unfair competition, associated claims, or other claims asserted in the Action, subject to the statute of limitations and other applicable restrictions. I also understand that by electing to opt out, I will be precluded from participating in any settlement or receiving payment of money or other benefit pursuant to any eventual settlement or judgment in this Action. I further understand that if I elect to opt out and prosecute my claims on my own, and if I desire representation by an attorney, I will need to hire or otherwise retain an attorney for that purpose.

With full understanding of the foregoing, I elect to opt out of the Class Action and any associated eventual settlement or judgment.

Name of Class Member (please print): _____

Street Address: _____

City, State and Zip Code: _____

Date: _____, 2021

Signature: _____

Last Four Numbers of Taxpayer Identification Number: _____

For purposes of verification only, I began working for Defendants in:

_____, _____
(Month) (Year)

Please Return This Form Via United States Mail To:

CPT Group
50 Corporate Park
Irvine, CA 92606

NOTE: This form must be postmarked no later than July 10, 2021 to be effective.

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